

Shriram Finance

BSE SENSEX
74,650

S&P CNX
23,484

CMP: INR913

TP: INR1,175 (+29%)

Buy



Stock Info

Bloomberg	SHFL IN
Equity Shares (m)	1881
M.Cap.(INRb)/(USD\$b)	2145.1 / 22.5
52-Week Range (INR)	1108 / 566
1, 6, 12 Rel. Per (%)	-1/18/47
12M Avg Val (INR M)	5962
Free float (%)	79.7

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	267	328	392
PPOP	186	237	288
PAT	100.0	127.3	159.9
EPS (INR)	53.1	54.1	68.0
EPS Gr. (%)	21	2	26
Standalone BV (INR)	349	491	547

Valuations

NIM on assets %	8.2	8.8	9.0
C/I ratio (%)	30.1	27.7	26.4
RoAA (%)	3.3	3.6	3.8
RoE (%)	16.4	14.0	13.1
Div. Payout (%)	22.5	22.7	22.5

Valuations

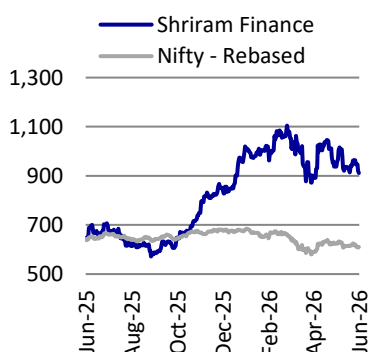
P/E (x)	17.2	16.9	13.4
P/BV (x)	2.6	1.9	1.7
Div. Yield (%)	1.3	1.3	1.7

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	25.4	25.4	25.4
DII	23.3	21.3	15.3
FII	45.2	47.2	53.6
Others	6.2	6.1	5.7

FII Includes depository receipts

Stock performance (one-year)



Capital strength and NIM expansion to accelerate earnings growth

Lower funding costs and operating leverage support profitability outlook

Shriram Finance (SHFL) continues to reinforce its position as a leading retail-focused NBFC, backed by its strong presence in rural and semi-urban markets, diversified product portfolio, and disciplined execution capabilities. Over the years, the company has built a robust customer franchise across vehicle finance, MSME lending, and other retail lending segments, enabling it to consistently deliver resilient performance across economic cycles. The company's well-established franchise, further strengthened by its strategic partnership with MUFG, is well positioned to capitalize on emerging growth opportunities, supported by strong execution and deep customer relationships.

- SHFL's strategic partnership with MUFG, involving the acquisition of a ~20% stake through a capital infusion of ~USD4.4b, marks a transformational milestone for the company. The enhanced capital base is expected to strengthen SHFL's growth outlook and support medium-term AUM growth of ~18-20%, compared to its historical growth trajectory of ~15-16%. Growth is likely to be driven by rising financing penetration, resilient rural demand, and a structurally lower cost of funds, with borrowing costs expected to decline by ~1pp over the next 2-3 years.
- Despite its strong capital position, SHFL does not intend to materially alter its core business model or pursue aggressive expansions. Instead, the company focuses on deepening its presence in rural and semi-urban markets, particularly across northern, central, and eastern India, where it continues to see significant headroom for penetration and sustainable growth.
- Vehicle finance remains a core strength for the company, driven by its market leadership in used vehicle financing and increasing opportunities in new vehicle finance through customer upgrades and retention. SHFL also maintains a strong position in 2W finance. In MSME lending, the company focuses on prudent cash flow-based underwriting while gradually increasing the share of secured lending. Gold loans are also emerging as a meaningful growth driver, supported by cross-selling opportunities, branch expansion, and deeper engagement with the existing customer base.
- Asset quality trends remain stable, with recent stress (in Mar'26 quarter) largely driven by temporary cash flow disruptions rather than structural weaknesses. SHFL maintains a conservative provisioning stance and expects credit costs to gradually moderate, supported by a rising secured lending mix.
- SHFL's continued emphasis on disciplined underwriting and rural-focused expansion provides a strong foundation for sustainable earnings growth. With balance sheet strength improving and credit costs expected to remain below 2%, the company's earnings trajectory is likely to be driven by a combination of healthy AUM growth, margin stability, and improving operating leverage.
- We expect SHFL to deliver a CAGR of ~17%/~26% in AUM/PAT over FY26-28E, along with RoA/RoE of ~3.8%/13% by FY28E. Reiterate BUY with a TP of INR1,175 (premised on 2.2x FY28E BVPS).

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com) | Pranav Nawale (Pranav.Nawale@MotilalOswal.com)

Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | Raghav Khemani (Raghav.Khemani@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

MUFG partnership strengthens capital base and growth trajectory

- SHFL's strategic partnership with MUFG, involving the acquisition of a 20% stake through a capital infusion of ~USD4.4b, marks a transformational milestone for the company. It will materially strengthen SHFL's balance sheet, funding profile, and long-term growth capacity while enhancing its capabilities across digital solutions, treasury management and liability diversification through access to MUFG's global expertise and network.
- Supported by a stronger capital base and improved funding flexibility, SHFL expects its medium-term AUM growth trajectory to improve to ~18-20%, driven by structural credit demand, rising financing penetration, resilient rural demand, and a gradual reduction in the cost of funds. Despite having an enhanced growth opportunity, the company remains committed to disciplined execution and its core business philosophy, balancing scalable growth with prudent risk management and portfolio stability.

Diversified product expansion and customer retention reinforce growth outlook

- SHFL focuses on rural and semi-urban India, where it continues to see significant untapped financing opportunities, particularly across northern, central, and eastern regions. Rather than aggressively expanding into metro markets, the company aims to deepen penetration within existing geographies and customer ecosystems.
- Vehicle finance remains a key strength, supported by leadership in used vehicles and rising opportunities in new vehicle financing through existing customer upgrades. SHFL also continues to strengthen its position in 2W finance while selectively expanding into premium motorcycles.
- In MSME lending, SHFL maintains a prudent underwriting approach with a focus on cash flow-based lending while gradually increasing the share of secured lending within the portfolio. Gold loans are emerging as an important growth driver, aided by strong cross-selling opportunities, branch expansion, and dedicated gold loan branches. Despite increasing competitive intensity, it remains confident of sustaining healthy growth and yields in the segment (18-20%), supported by its strong distribution and diversified customer franchise.
- We expect SHFL to deliver ~17% AUM CAGR over FY26-28E, supported by healthy demand across loan products and improving customer retention.

Margin expansion and operating leverage to strengthen profitability

- A key benefit of the MUFG transaction is the expected structural improvement in SHFL's liability profile. The company expects ~1pp reduction in borrowing costs over the next 2-3 years, supported by rating upgrades, liability repricing, lower deposit rates, and improved access to debt capital markets.
- Incremental borrowing costs have already started declining, with benefits expected to flow gradually as the liability book reprices. Despite selectively passing on part of the funding benefit to customers, management expects NIMs to remain stable at ~8.5-9.0%, aided by lower CoF and a favorable portfolio mix.
- SHFL also expects its multi-product distribution model to improve branch productivity, cross-selling, customer retention, and operating leverage over time. While the company continues to invest in manpower and branch

expansion, particularly in gold loans, operating expenses are expected to remain well controlled relative to business growth.

- We expect SHFL's NIM (calc.) to expand to ~8.8%/~9.0% in FY27E/FY28E, supported by declining CoF. We also expect the cost-to-income ratio to gradually improve to ~26-27% by FY28E (FY26: ~30%).

Credit costs set to ease; MSME stress remains contained

- SHFL's asset quality trends remain broadly stable across business segments, with the recent stress largely attributable to temporary cash flow mismatches rather than any structural weakness in the borrower base. Incremental stress has primarily been confined to select MSME-linked sectors affected by tariff-related issues, geopolitical disruptions, and export slowdown. However, we believe these pressures remain manageable, supported by resilient rural demand, stable transportation activity, and healthy collections across key portfolios.
- The company maintains a prudent provisioning approach amid prevailing macro uncertainties while remaining confident on recoverability given the rising share of collateral-backed MSME lending. Over the medium term, management expects credit costs to gradually moderate as the secured lending mix improves, customer retention strengthens, and lower funding costs enhance overall portfolio resilience. We estimate credit costs (as a % of avg. assets) at ~1.9%/~1.8% for FY27E/FY28E.

Valuation and view

- The entry of MUFG as a strategic partner marks a significant milestone for SHFL, materially strengthening its capital base, funding profile, and credit credibility. The partnership is expected to enhance SHFL's ability to scale across vehicle finance, MSME, and retail lending while maintaining financial discipline and operational stability.
- Despite near-term macroeconomic uncertainties, management remains constructive on the broader credit environment, supported by resilient rural demand and healthy financing penetration trends. Vehicle finance demand remains robust, aided by replacement demand, improving rural recovery, and SHFL's strong positioning in the used vehicle segment. While MSME growth remains relatively moderate due to global headwinds and export-related pressure, diversification into alternative export markets will help contain stress and maintain portfolio stability. Overall, SHFL appears well positioned to deliver healthy AUM growth, supported by improving operating leverage and strong capitalization.
- We expect SHFL to deliver a CAGR of ~17%/~26% in AUM/PAT over FY26-28E, along with RoA/RoE of ~3.8%/13% by FY28E. Reiterate BUY with a TP of INR1,175 (premised on 2.2x FY28E BVPS).

Exhibit 1: Valuation matrix for vehicle financiers (now diversified) under our coverage

Val summary	Rating	CMP (INR)	TP (INR)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Shriram Finance	Buy	913	1,175	54.1	68.0	491	547	3.6	3.8	14.0	13.1	16.8	13.4	1.9	1.7
Cholamandalam	Buy	1,483	1,900	74.3	94.6	434	526	2.4	2.6	18.8	19.7	20.0	15.7	3.4	2.8
MMFS	Buy	294	350	24.0	28.3	195	215	2.1	2.2	12.9	13.8	12.3	10.4	1.5	1.4

Story in charts

Exhibit 2: Expect AUM CAGR of 17% over FY26-28E

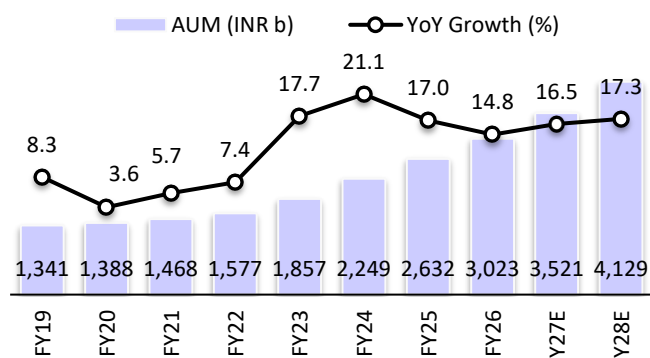


Exhibit 3: Expect disbursement CAGR of ~17% over FY26-28E

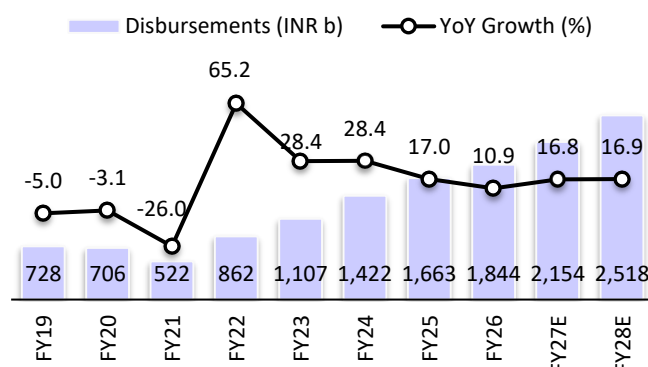


Exhibit 4: Spreads to remain stable over FY26-28E at ~8.8%

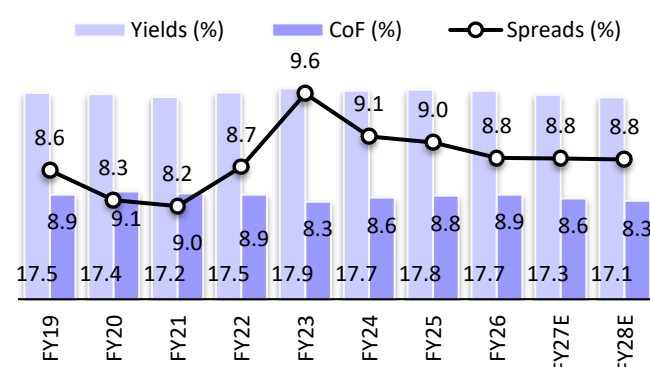


Exhibit 5: Margins to improve to ~9% by FY28E

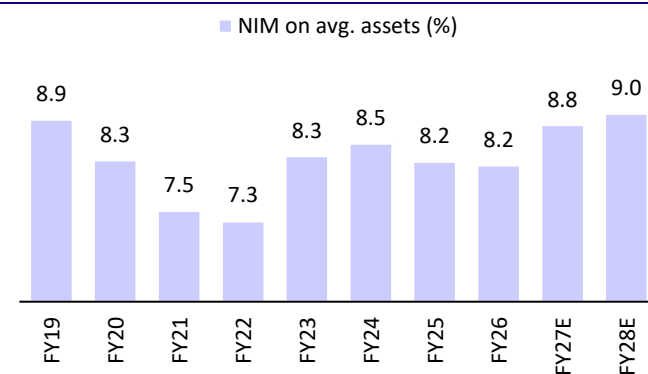


Exhibit 6: CI ratio expected to decline to ~26.4% by FY28E

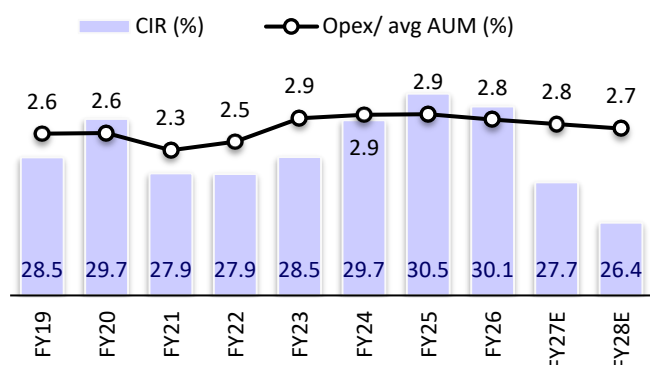


Exhibit 7: Asset quality to improve going forward

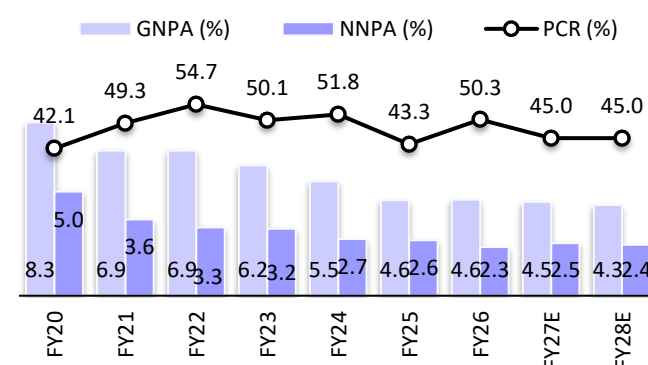


Exhibit 8: PAT CAGR of ~26% over FY26-FY28E

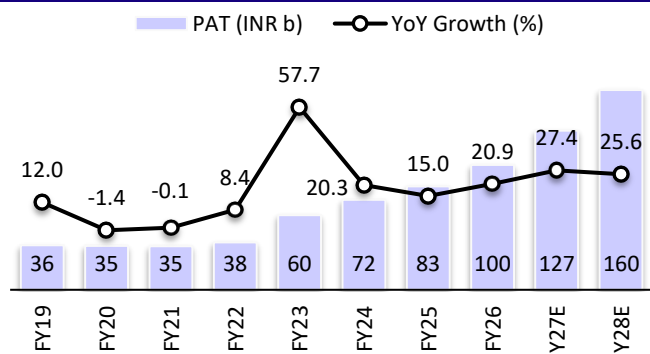
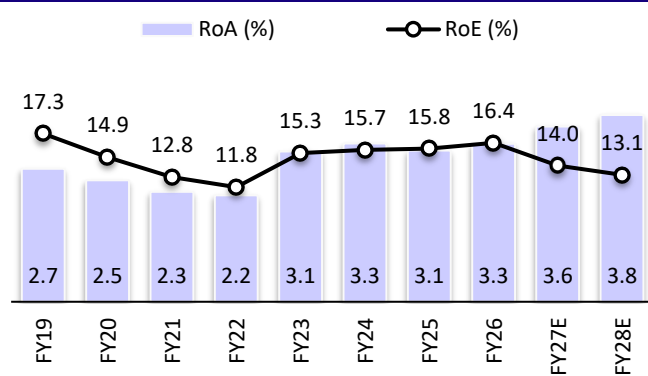


Exhibit 9: RoA/RoE of 3.8%/13% in FY28E



Source: MOFSL, Company

Source: MOFSL, Company

MUFG capital infusion drives stronger and a disciplined growth outlook

- SHFL’s partnership with MUFG represents a transformational milestone, with MUFG acquiring a ~20% stake through a ~USD4.4b capital infusion (issue price of ~INR840.93/share). This significantly strengthens SHFL’s balance sheet and funding profile while enhancing its long-term growth capacity. Beyond capital support, the partnership is expected to deepen capabilities through access to MUFG’s expertise in digital solutions, treasury management, funding diversification, and capital markets, along with its established experience across Asian markets, supporting future scalability.
- The strengthened capital base positions SHFL to pursue accelerated yet disciplined growth. Management expects AUM growth to improve from the historical ~16-17% range to ~18-20% over the medium term, supported by India’s structural credit opportunity, rising financing penetration, lower CoF, and resilient rural demand. Importantly, despite its enhanced capital position, the company does not intend to pursue aggressive expansion or materially alter its core business model, reflecting continued focus on prudent growth.

Exhibit 10: Current shareholding (as of Mar’26) (%)

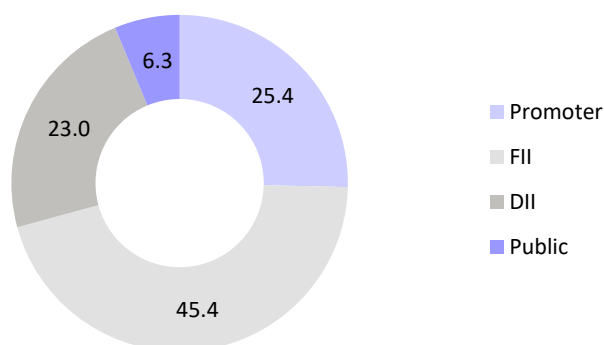
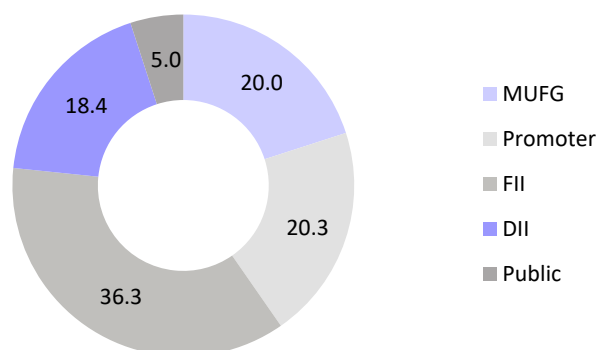


Exhibit 11: Shareholding pattern post capital infusion (%)



Rural-centric strategy and customer retention to drive multi-engine growth

- SHFL continues to focus on rural and semi-urban India, where it sees significant penetration opportunities, particularly across northern, central, and eastern regions. The company does not intend to pursue aggressive expansion into metro markets and instead aims to deepen its presence within existing geographies and customer ecosystems.
- This geographic strategy is complemented by a continued disciplined approach to underwriting and product positioning. Within vehicle finance (VF), SHFL continues to leverage its established franchise across both used and new vehicle segments. Used VF remains a core strength, while new VF is increasingly driven by existing customers upgrading vehicles. The company currently holds ~3% market share in new VF and aims to double this over the next three years, with a focus on higher-ticket and lower-risk customer profiles. Despite this growth ambition, new vehicle loans are expected to remain ~5% of the overall portfolio, limiting any material impact on yields or risk profile.
- SHFL plans to remain focused on cash flow-based lending in MSME financing. Over time, the company intends to gradually increase the share of secured MSME loans, enabling a shift toward moderately larger ticket sizes while maintaining underwriting comfort and strong recoverability. MSME growth is

expected to remain in the ~13-15% range in the near term, with potential acceleration as macro conditions stabilize and infrastructure spending improves.

- SHFL maintains a strong position in 2W financing and aims to sustain leadership in the segment while selectively expanding into premium motorcycles. Rising financing penetration, driven by a structural shift away from cash purchases, continues to support long-term demand.
- Gold loans are expected to become an increasingly important growth driver, with the company viewing the segment as significantly underpenetrated within its existing customer base. Growth is expected to be driven primarily through cross-selling, supported by branch expansion and experimentation with dedicated gold loan branches to enhance accessibility. While competitive intensity has increased due to higher participation from banks, SHFL continues to earn yields of ~18-20% and expects the segment to grow at over ~30% over the medium term.
- Overall, growth is increasingly expected to be driven by deeper engagement with existing customers rather than aggressive acquisition, as ~30% of customers currently migrate to banks or captive financiers as their credit requirements evolve. SHFL aims to improve retention and upgrade customers within its ecosystem, supported by selective rate reductions of ~1-2% for high-quality borrowers, providing a sufficient runway to sustain ~20% long-term growth.
- We expect SHFL to deliver ~17% AUM CAGR over FY26-28E, supported by healthy demand across loan products and improving customer retention.

Exhibit 12: Expect AUM CAGR of 17% over FY26-28E

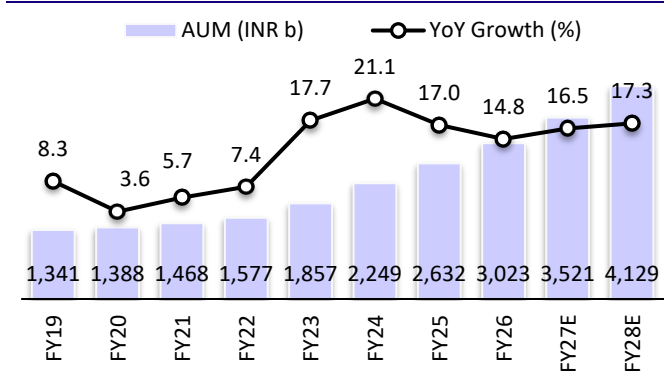


Exhibit 13: Expect disbursement CAGR of 17% over FY26-28E

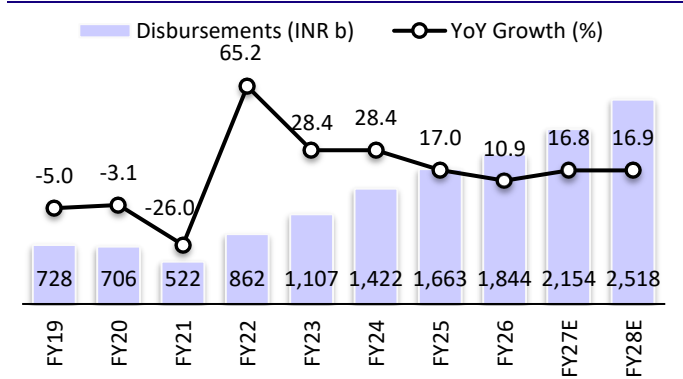
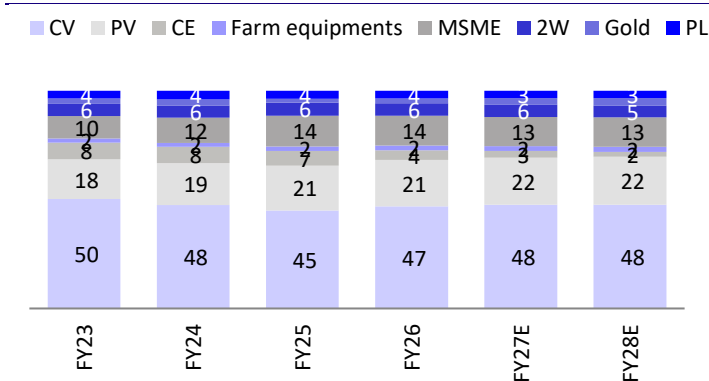
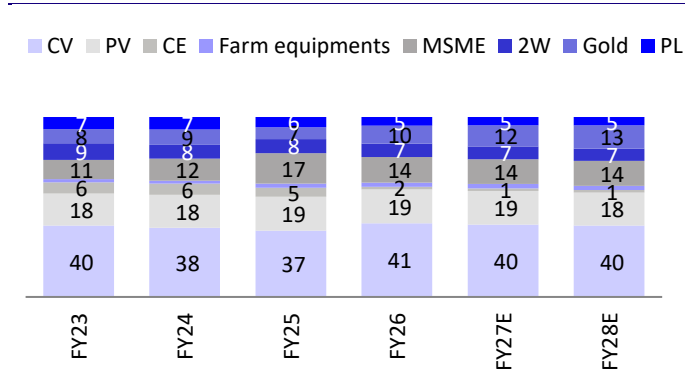


Exhibit 14: AUM mix (%)



Source: MOFSL, Company

Exhibit 15: Gold disbursements to improve to 13% by FY28E

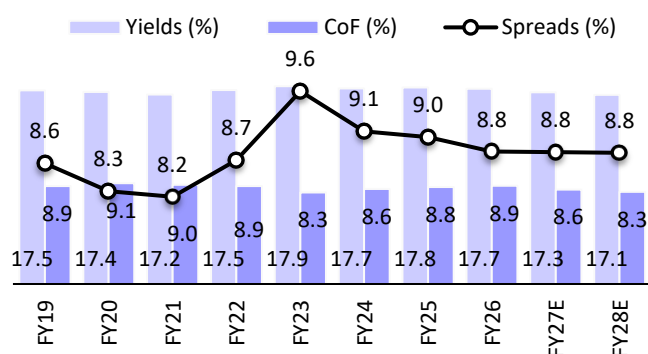


Source: MOFSL, Company

Structural liability gains to drive spread expansion and margin stability

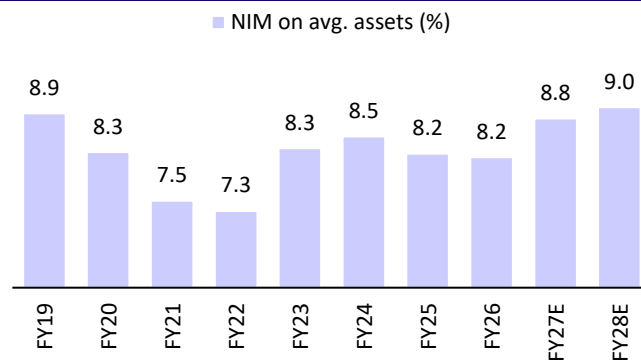
- One of the key outcomes of the MUFG transaction is the expected structural improvement in SHFL's liability profile. SHFL expects a ~100bp reduction in CoF over the next 2-3 years, driven by rating upgrades (ICRA: AAA; Stable, India Ratings and CRISIL: AAA/Stable), liability repricing, lower retail deposit rates, and reduced borrowing costs in debt capital markets.
- Reflecting this trend, incremental borrowing costs have already declined from ~8.1% in 2QFY26 to ~7.2% in 4QFY26, with further benefits expected to flow through gradually as the liability book reprices. While a portion of these funding gains may be selectively passed on to customers to support retention, particularly in vehicle finance, SHFL does not expect any material margin pressure.
- Given the strong post-infusion liquidity position, SHFL is not under pressure to raise incremental borrowings in the near term and instead plans to optimize its liability structure by repaying higher-cost debt while deploying capital into growth opportunities. Overall spreads are expected to improve from ~8.2% currently to ~8.4-8.5% over the next year, while NIMs are expected to remain broadly stable in the ~8.5-9% range.
- We expect SHFL to deliver NIM (calc.) of ~8.8%/9.0% in FY27E/FY28E (FY26: ~8.2%) supported by decline in cost of borrowings.

Exhibit 16: Spreads to remain stable over FY26-28E at ~8.8%



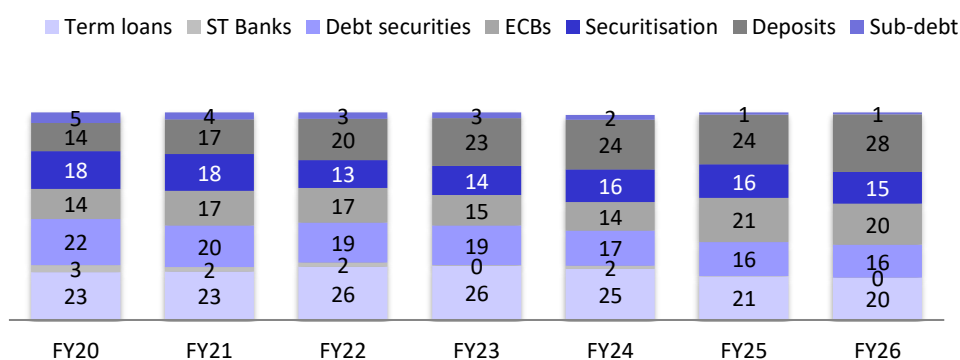
Source: MOFSL, Company

Exhibit 17: Margins to improve to ~9% by FY28E



Source: MOFSL, Company

Exhibit 18: Funding profile as of Mar'26



Source: MOFSL, Company

Stable asset quality with gradual credit cost moderation

- Asset quality trends remain broadly stable across segments, with observed stress largely reflecting temporary cash flow mismatches rather than any structural deterioration. Incremental stress has been primarily concentrated in select MSME-linked sectors impacted by tariff-related issues, geopolitical disruptions, and export market weakness. However, management indicated that most stressed MSME and retail borrowers remain operational, thereby limiting the risk of meaningful credit losses.
- The company has maintained a conservative provisioning stance amid ongoing macro and geopolitical uncertainties while remaining confident in recoverability due to the increasing share of collateral-backed MSME lending.
- Over the medium term, SHFL expects credit costs to gradually moderate as the secured lending mix rises, customer retention improves and funding costs decline. The company guided for credit costs at ~2% in the near term, which could further moderate to ~1.8% over the long term. We build in credit costs (as % of assets) of ~1.9%/1.8% for SHFL for FY27E/FY28E.

Exhibit 19: Asset quality to improve going forward

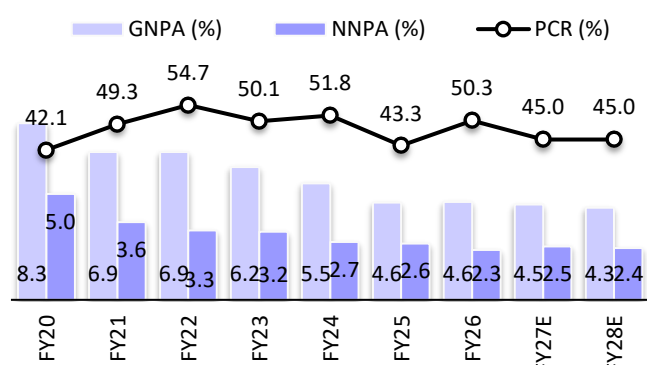
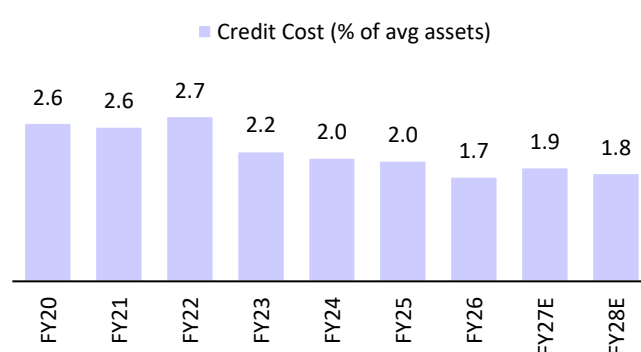
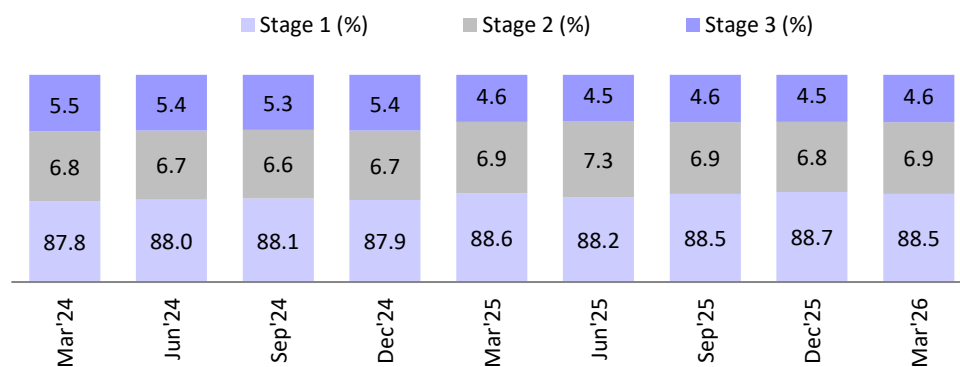


Exhibit 20: Credit costs expected to be ~1.8% by FY28E



Source: MOFSL, Company

Exhibit 21: Stage 2 assets increase marginally by ~15bp

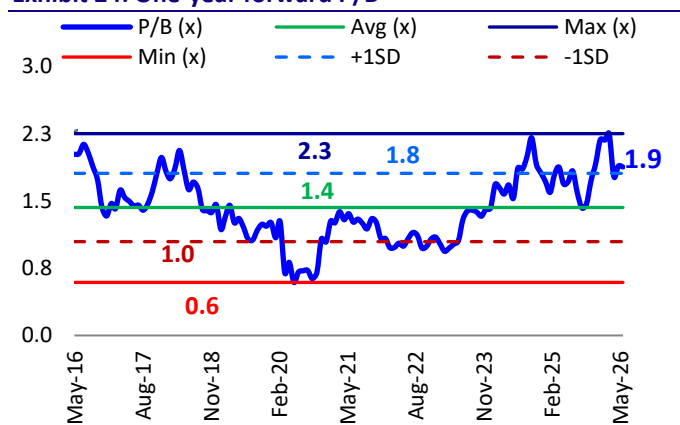


Source: MOFSL, Company

Valuation and view

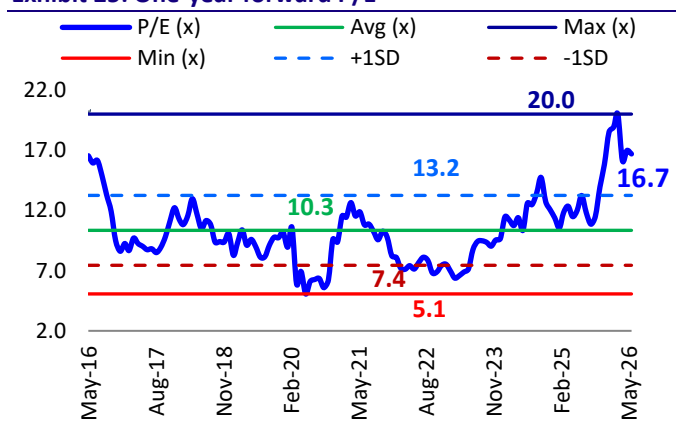
- The entry of MUFG as a strategic partner marks a significant milestone for SHFL, materially strengthening its capital base, funding profile, and credit credibility. The partnership is expected to enhance SHFL's ability to scale across vehicle finance, MSME, and retail lending while maintaining financial discipline and operational stability.
- Despite near-term macroeconomic uncertainties, management remains constructive on the broader credit environment, supported by resilient rural demand and healthy financing penetration trends. Vehicle finance demand remains robust, aided by replacement demand, improving rural recovery, and SHFL's strong positioning in the used vehicle segment. While MSME growth remains relatively moderate due to global headwinds and export-related pressure, diversification into alternative export markets will help contain stress and maintain portfolio stability. Overall, SHFL appears well positioned to deliver healthy AUM growth, supported by improving operating leverage and strong capitalization.
- We expect SHFL to deliver a CAGR of ~17%/~26% in AUM/PAT over FY26-28E, along with RoA/RoE of ~3.8%/13% by FY28E. Reiterate BUY with a TP of INR1,175 (premised on 2.2x FY28E BVPS).

Exhibit 24: One-year forward P/B



Source: MOFSL, Company

Exhibit 25: One-year forward P/E



Source: MOFSL, Company

Exhibit 26: DuPont analysis

Y/E MARCH	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	14.7	14.4	14.8	15.2	15.2	15.2	15.1	14.8
Interest Expended	7.2	7.1	6.5	6.7	7.0	7.0	6.2	5.8
Net Interest Income	7.5	7.3	8.3	8.5	8.2	8.2	8.8	9.0
Non-interest income	0.3	0.5	0.6	0.6	0.6	0.5	0.5	0.4
Net Total Income	7.8	7.8	8.9	9.2	8.8	8.7	9.3	9.4
Operating Expenses	2.2	2.2	2.5	2.7	2.7	2.6	2.6	2.5
- Employee expenses	1.1	1.1	1.3	1.5	1.4	1.3	1.3	1.3
- Other expenses	1.1	1.0	1.2	1.3	1.3	1.3	1.3	1.2
PPoP	5.6	5.6	6.4	6.4	6.1	6.1	6.7	6.9
Provisions/write offs	2.6	2.7	2.2	2.0	2.0	1.7	1.9	1.8
PBT	3.0	2.9	4.2	4.4	4.1	4.3	4.8	5.1
Tax	0.8	0.7	1.1	1.1	1.0	1.1	1.2	1.3
RoA	2.3	2.2	3.1	3.3	3.1	3.3	3.6	3.8
Avg. Leverage	5.7	5.4	4.9	4.8	5.1	5.0	3.9	3.4
RoE	12.8	11.8	15.3	15.7	15.8	16.4	14.0	13.1

Financials and valuations

							(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	2,26,997	2,48,605	2,86,074	3,35,997	4,03,076	4,66,440	5,30,584	6,13,897
Interest Expenses	1,11,881	1,22,668	1,25,458	1,48,061	1,84,546	2,15,204	2,19,621	2,40,031
Net Interest Income	1,15,116	1,25,936	1,60,616	1,87,935	2,18,531	2,51,236	3,10,963	3,73,867
Change (%)	-0.4	9.4	27.5	17.0	16.3	15.0	23.8	20.2
Other Operating Income	4,514	9,214	11,648	13,648	15,268	14,739	15,918	17,032
Other Income	237	227	307	332	251	601	631	662
Total Income	1,19,867	1,35,378	1,72,571	2,01,915	2,34,049	2,66,576	3,27,512	3,91,561
Change (%)	-0.5	12.9	27.5	17.0	15.9	13.9	22.9	19.6
Total Operating Expenses	33,500	37,805	49,131	59,895	71,440	80,262	90,575	1,03,187
Change (%)	-6.4	12.8	30.0	21.9	19.3	12.3	12.8	13.9
Employee Expenses	16,699	19,695	25,061	32,156	36,512	41,260	46,327	53,739
Depreciation	2,172	2,137	5,242	5,688	6,453	6,988	7,431	7,844
Other Operating Expenses	14,629	15,973	18,828	22,051	28,475	32,015	36,817	41,603
Operating Profit	86,367	97,573	1,23,441	1,42,020	1,62,609	1,86,313	2,36,937	2,88,374
Change (%)	1.9	13.0	26.5	15.1	14.5	14.6	27.2	21.7
Total Provisions	39,693	47,485	41,592	45,183	53,117	53,391	66,706	74,586
% Loan loss provisions to Avg loans ratio	2.8	3.1	2.4	2.2	2.3	2.0	2.2	2.1
PBT	46,674	50,088	81,849	96,836	1,09,493	1,32,923	1,70,232	2,13,789
Tax Provisions	11,692	12,164	22,056	24,932	26,776	32,941	42,898	53,875
Tax Rate (%)	25.1	24.3	26.9	25.7	24.5	24.8	25.2	25.2
PAT	34,982	37,925	59,793	71,905	82,716	99,982	1,27,333	1,59,914
Change (%)	-0.1	8.4	57.7	20.3	15.0	20.9	27.4	25.6
PAT (including exceptional gains)	34,982	37,925	59,793	71,905	97,610	99,982	1,27,333	1,59,914

							(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	3,191	3,371	3,744	3,758	3,761	3,763	4,705	4,705
Reserves & Surplus	2,91,764	3,43,760	4,29,322	4,81,926	5,59,045	6,53,286	11,51,533	12,81,366
Net Worth	2,94,954	3,47,132	4,33,066	4,85,684	5,62,806	6,57,049	11,56,239	12,86,072
Borrowings	13,17,617	14,51,285	15,79,063	18,58,411	23,41,973	25,06,899	26,30,441	31,25,690
Change (%)	12.1	10.1	8.8	17.7	26.0	7.0	4.9	18.8
Other liabilities	26,317	23,320	24,509	28,665	30,551	47,604	52,364	57,600
Total Liabilities	16,38,888	18,21,754	20,36,639	23,72,760	29,35,329	32,11,552	38,39,043	44,69,362
Cash and bank balances	2,16,562	2,29,679	1,58,174	1,08,126	2,13,657	79,384	2,23,254	2,47,098
Investments	42,152	86,455	85,651	1,06,566	1,55,987	1,47,828	1,40,436	1,47,458
Loans	13,57,232	14,76,890	17,19,846	20,79,294	24,53,928	28,24,524	32,95,249	38,76,449
Change (%)	5.3	8.8	16.5	20.9	18.0	15.1	16.7	17.6
Fixed Assets	6,599	6,467	6,997	8,458	10,257	11,088	11,642	12,224
Deferred tax Assets	6,964	9,109	17,439	28,840	36,949	42,633	34,107	27,285
Goodwill			14,067	14,067	11,895	11,895	11,895	11,895
Other Assets	9,379	13,137	34,465	27,408	52,657	94,201	1,22,461	1,46,953
Total Assets	16,38,888	18,21,737	20,36,639	23,72,760	29,35,329	32,11,552	38,39,043	44,69,362

E: MOFSL Estimates

Financials and valuations

AUM Mix (%)							(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM	14,68,128	15,77,122	18,56,829	22,48,620	26,31,903	30,22,738	35,21,340	41,29,049
Change (%)	6	7	18	21	17	15	16	17
Disbursements	5,21,985	8,62,135	11,06,899	14,21,675	16,62,981	18,44,290	21,53,772	25,17,616
Change (%)	-26	65	28	28	17	11	17	17

E: MOFSL Estimates

Ratios							(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)								
Avg. Yield on Loans	17.2	17.5	17.9	17.7	17.8	17.67	17.34	17.1
Avg Cost of Funds	9.0	8.9	8.3	8.6	8.8	8.88	8.55	8.3
Spread of loans	8.2	8.7	9.6	9.1	9.0	8.80	8.79	8.8
NIM (on assets)	7.5	7.3	8.3	8.5	8.2	8.2	8.8	9.0
C/I ratio	27.9	27.9	28.5	29.7	30.5	30.1	27.7	26.4

Profitability Ratios (%)								
RoE	12.8	11.8	15.3	15.7	15.8	16.4	14.0	13.1
RoA	2.3	2.2	3.1	3.3	3.1	3.3	3.6	3.8
Int. Expended / Int.Earned	49.3	49.3	43.9	44.1	45.8	46.1	41.4	39.1
Other Inc. / Net Income	4.0	7.0	6.9	6.9	6.6	5.8	5.1	4.5

Efficiency Ratios (%)								
Op. Exps. / Net Income	27.9	27.9	28.5	29.7	30.5	30.1	27.7	26.4
Empl. Cost/Op. Exps.	49.8	52.1	51.0	53.7	51.1	51.4	51.1	52.1

Asset-Liability Profile (%)								
Loans/Borrowings Ratio	1.0	1.0	1.1	1.1	1.0	1.1	1.3	1.2
Assets/Equity	5.6	5.2	4.7	4.9	5.2	4.9	3.3	3.5

Asset quality (%)								
GNPA	1,01,688	1,09,762	1,13,822	1,20,812	1,18,388	1,37,433	1,55,446	1,76,320
NNPA	51,523	49,731	56,749	58,245	67,145	68,255	85,495	96,976
GNPA ratio	6.9	6.9	6.2	5.5	4.6	4.6	4.5	4.3
NNPA ratio	3.6	3.3	3.2	2.7	2.6	2.3	2.5	2.4
PCR	49.3	54.7	50.1	51.8	43.3	50.3	45.0	45.0
Credit Costs (% of loans)	2.8	3.1	2.4	2.2	2.3	2.0	2.2	2.1

Valuations								
	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Book Value (INR)	185	206	231	258	299	349	491	547
BV Growth (%)	8	11	12	12	16	17	41	11
P/BV	4.9	4.4	3.9	3.5	3.1	2.6	1.9	1.7
EPS (INR)	22	22	32	38	44	53	54	68
EPS Growth (%)	-8.3	2.6	42.0	19.8	14.9	20.8	1.9	25.6
P/E	41.6	40.6	28.6	23.9	20.8	17.2	16.9	13.4
DPS	4.2	4.7	7.0	9.0	9.9	12	12	15
Dividend Yield (%)	0.5	0.5	0.8	1.0	1.1	1.3	1.3	1.7

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement. The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
 - actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
 - received compensation/other benefits from the subject company in the past 12 months
 - any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
 - acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
 - be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
 - received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
 - Served subject company as its clients during twelve months preceding the date of distribution of the research report.
- The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
 Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.