29 July 2026

1QFY27 Result Update| Sector: NBFCs

Bajaj Housing Finance

Estimate changes	↑
TP change	⟷
Rating change	⟷

Bloomberg	BAJAJHFL IN
Equity Shares (m)	8332
M.Cap.(INRb)/(USDb)	730.2 / 7.6
52-Week Range (INR)	118 / 73
1, 6, 12 Rel. Per (%)	0/4/-22
12M Avg Val (INR M)	769

Financials Snapshot (INR b)

INR b	FY26	FY27E	FY28E
NII	37.5	41.6	50.7
PPP	35.2	40.7	50.2
PAT	25.6	30.1	37.0
EPS (INR)	3.1	3.6	4.4
EPS Gr. (%)	18	18	23
BV/Sh. (INR)	27	31	35
Ratios (%)			
NIM	3.4	3.0	3.0
C/I ratio	19.7	19.2	17.9
RoA	2.2	2.1	2.1
RoE	12.1	12.5	13.5
Valuation			
P/E (x)	28.5	24.2	19.7
P/BV (x)	3.2	2.9	2.5
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	86.7	86.7	88.7
DII	1.0	1.2	0.6
FII	0.9	1.0	1.1
Others	11.3	11.1	9.6

FII Includes depository receipts

CMP: INR88 TP: INR95 (+8%) Neutral

Earnings beat driven by lower credit costs; NIM dips QoQ

Healthy disbursements and AUM growth; asset quality broadly stable

- Bajaj Housing (BHFL)'s 1QFY27 PAT grew 23% YoY to ~INR7.2b (~5% beat). NII grew 9% YoY to ~INR9.7b (in line). Other income grew 64% YoY to ~INR2.1b (~11% beat). NTI grew ~16% YoY to INR11.7b (in line) in 1QFY27.
- Opex rose 7% YoY to INR2.3b (in line). PPoP grew 18% YoY to INR9.4b (in line).
- Net credit costs declined to INR161m (~75% lower than est.). This translated into an annualized credit cost of ~5bp (PY: ~16bp). Management shared that the exceptionally low credit cost in 1QFY27 was driven by direct assignments of ~INR23b in the quarter, which led to a release of Stage 1 provisions. The absence of any accelerated provisioning (seen earlier in 4QFY26 amid macro and geopolitical uncertainties) also supported the lower credit costs.
- AUM grew 24% YoY to ~INR1.5t as of Jun'26, while 1QFY27 disbursements grew ~33% YoY to ~INR195b. BHFL highlighted that growth momentum remains broad-based, with the company gaining a larger share of industry growth rather than benefiting from any meaningful easing in competitive intensity. The company guided for AUM growth of ~21-23% in FY27, and we estimate an AUM growth of ~25% in FY27.
- BHFL shared that the runoff of higher-yielding legacy loans and their replacement with lower-IRR new origination is leading to natural portfolio yield compression. The company expects a further ~6-10bp NTI compression through FY27, with full-year FY27 NTI compression of ~25bp. We model NTI of 3.62%/3.56% in FY27/FY28E (vs. 3.92% in FY26).
- We continue to remain confident in management's ability to deliver strong disbursement and AUM growth. While the runoff of higher-yielding legacy loans is likely to keep yields under pressure in the near term, the company's strong growth trajectory, increasing scale, and focus on higher-yielding segments should support healthy earnings growth.
- **We estimate BHFL to post a CAGR of ~24%/20% in AUM/PAT over FY26-28E and RoA/RoE of ~2.1%/13.5% in FY28E. Reiterate Neutral with a TP of INR95 (based on 2.7x FY28E BVPS), as current valuations largely factor in medium-term growth and profitability potential.**

Yields largely stable; NIM contracts ~14bp QoQ

- Reported yield was largely stable QoQ at ~8.9% while CoB declined ~7bp QoQ to ~7.2%. Spreads were broadly stable QoQ at 1.7%.
- Reported NIM dipped ~14bp QoQ to ~3.7% for the quarter.
- The cost of funds declined during the quarter, driven by the hedged borrowing book, the maturity of higher-cost legacy borrowings, and the repricing of select borrowings at lower rates. Going forward, the company expects borrowing costs to remain broadly stable with a modest downward bias.

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com) | **Raghav Khemani** (Raghav.Khemani@MotilalOswal.com)
Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | **Pranav Nawale** (Pranav.Nawale@MotilalOswal.com)

Asset quality stable; credit costs decline significantly driven by one-offs

- Asset quality was largely stable, with GS3/NS3 at 0.3%/0.1%. PCR declined ~125bp QoQ to ~58.5%. (PQ: ~59.8%).
- Management shared that LAP GNPA remains within the historical 50-70bp range, with the recent uptick viewed as normal portfolio volatility. The company does not see any material stress across any cohort, geographies, or customer segments, including in the salaried borrower segment employed in the IT sector.
- BHFL guided credit costs of 10-15bp in FY27. We model credit costs of ~13bp/~14bp for FY27/FY28E.

Highlights from the management commentary

- Within the Sambhav Housing business, the company aims to scale monthly disbursements to >INR6b over the next nine months, from the current level of INR4.5b. Affordable housing is expected to account for ~33-36% of Sambhav's disbursements, with the balance coming from near-prime housing loans.
- Developer finance GNPA stood at 12bp following one account moving from Stage 2 to Stage 3, with resolution efforts currently underway. The account had already been provisioned at a significantly higher level based on its expected resolution trajectory, limiting the need for incremental provisioning upon migration to Stage 3.

Valuation and view

- BHFL delivered a mixed quarter, with broad-based growth momentum driving strong AUM growth. However, NIM declined during the quarter, with a further 6-10bp compression expected during the year as higher-yielding legacy loans run off and are replaced by lower-yielding originations. On the positive side, asset quality remained stable, with credit costs staying benign.
- **Given these dynamics, the current valuation of 2.9x FY27E already reflects its medium-term growth and profitability potential. We reiterate a Neutral rating on the stock with a TP of INR95 (based on 2.7x FY28E BVPS).**

Quarterly performance **INR m**

Particulars	FY26				FY27E				FY26	FY27E	1Q FY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	24,926	26,144	26,973	27,073	28,561	30,132	31,879	33,647	1,05,116	1,24,218	28,454	0
Interest expense	16,060	16,580	17,335	17,620	18,885	20,018	21,259	22,429	67,594	82,591	18,716	1
Net interest income	**8,866**	**9,565**	**9,638**	**9,453**	**9,676**	**10,114**	**10,620**	**11,218**	**37,522**	**41,627**	**9,738**	**-1**
Growth YoY (%)	*33.4*	*34.1*	*19.6*	*14.9*	*9.1*	*5.7*	*10.2*	*18.7*	*24.8*	*10.9*	*9.8*	
Other operating income	1,259	1,406	1,887	1,954	2,070	2,173	2,195	2,246	6,387	8,684	1,862	11
Net total income	**10,125**	**10,970**	**11,525**	**11,407**	**11,746**	**12,287**	**12,815**	**13,464**	**43,909**	**50,311**	**11,600**	**1**
Growth YoY (%)	*25.0*	*22.4*	*23.5*	*19.2*	*16.0*	*12.0*	*11.2*	*18.0*	*22.1*	*14.6*	*14.6*	
Operating expenses	2,145	2,147	2,316	2,194	2,297	2,356	2,433	2,555	8,671	9,640	2,289	0
Operating profits	**7,980**	**8,823**	**9,209**	**9,214**	**9,448**	**9,931**	**10,382**	**10,909**	**35,238**	**40,671**	**9,311**	**1**
Growth YoY (%)	*24.7*	*23.8*	*23.0*	*23.0*	*18.4*	*12.6*	*12.7*	*18.4*	*23.6*	*15.4*	*16.7*	
Provisions	411	497	564	555	161	577	610	653	1,907	2,002	617	-74
Profit before tax	**7,569**	**8,327**	**8,645**	**8,659**	**9,287**	**9,354**	**9,772**	**10,256**	**33,200**	**38,669**	**8,694**	**7**
Tax expenses	1,736	1,897	1,997	1,967	2,135	2,077	2,121	2,253	7,597	8,585	1,887	13
Net profit	**5,833**	**6,430**	**6,649**	**6,692**	**7,153**	**7,277**	**7,652**	**8,003**	**25,603**	**30,085**	**6,807**	**5**
Growth YoY (%)	*20.9*	*17.8*	*21.3*	*14.1*	*22.6*	*13.2*	*15.1*	*19.6*	*18.4*	*17.5*	*16.7*	
Key Parameters (%)												
Reported Yields	9.5	9.3	9.1	8.9	8.9							
Reported Cost of funds	7.7	7.4	7.3	7.3	7.2							
Spread	1.8	1.9	1.8	1.7	1.7							
Reported NIMs	4.0	4.0	4.0	3.8	3.7							
Credit cost on loans	0.16	0.18	0.20	0.18	0.05	0.17	0.17	0.17				
Cost to Income Ratio (%)	21.2	19.6	20.1	19.2	19.6	19.2	19.0	19.0				
Tax Rate (%)	22.9	22.8	23.1	22.7	23.0	22.2	21.7	22.0				
Balance Sheet Parameters												
AUM (INR B)	**1,204**	**1,267**	**1,334**	**1,407**	**1,496**	**1,582**	**1,672**	**1,763**				
Change YoY (%)	24.1	23.6	23.2	22.7	24.3	24.8	25.3	25.3				
Loans (INR B)	**1,059**	**1,131**	**1,173**	**1,237**	**1,312**	**1,386**	**1,463**	**1,541**				
% of AUM	88.0	89.2	87.9	87.9	87.7	0.0	0.0	0.0				
Disbursements (INR B)	**147**	**159**	**165**	**175**	**195**	**199**	**208**	**218**				
Change YoY (%)	22.1	32.5	31.6	22.8	33.2	25.0	26.0	24.6				
Borrowings (INR B)	**885**	**941**	**983**	**1,037**	**1,105**	**1,172**	**1,241**	**1,306**				
Change YoY (%)	20.7	26.4	24.1	26.5	24.9	24.6	26.2	25.9				
Asset Quality (%)												
GS 3 (INR M)	**3,150**	**2,980**	**3,190**	**3,300**	**3,800**							
G3 %	0.3	0.3	0.3	0.3	0.3							
NS 3 (INR M)	1,380	**1,320**	**1,870**	**1,330**	2,220							
NS3 %	0.1	0.1	0.1	0.1	0.1							
PCR (%)	**56.2**	55.6	58.8	59.8	**58.5**							
ECL (%)	0.6	0.6	0.6	0.6	0.6							
Return Ratios - YTD (%)												
ROA (Rep)	2.3	2.3	2.3	2.3	2.3							
ROE (Rep)	11.6	12.2	12.3	12.2	12.5							

E: MOFSL Estimates

CONFERENCE CALL

Highlights from the management commentary

Guidance

- Management guided for FY27 AUM growth of ~21-23% supported by moderating BT-outs and strong disbursement momentum.
- The company expects ~20bp-25bp decline in NIM in FY27, primarily driven by portfolio yield compression.
- Expects cost of funds to remain broadly stable with a modest downward bias.
- Guided for opex-to-NTI of ~19-20%, GNPA of ~30-35bp, Credit cost of 10-15bp, PCR of ~50-60%, RoA of 2.1-2.3% and RoE of 12-13% in FY27
- Guided for Monthly disbursements in Sambhav Housing at INR6b+ over the next nine months.

Growth and BT-out trends

- Growth momentum is broad-based, with the company gaining a larger share of industry growth rather than benefiting from any meaningful reduction in competitive intensity.
- Prime housing remains the segment most susceptible to BT-outs from PSU and private banks, while the newer near-prime and affordable portfolios have limited BT-out risk due to shorter seasoning.
- Aggregate attrition also includes natural run-off in developer finance and other businesses, driven by project cash flows and asset sales rather than balance transfers.
- Management is awaiting another quarter of data to assess whether the moderation in BT-outs is sustainable. If there is further improvement, it could provide upside to growth.
- Other income growth was supported by higher disbursements, driving growth in insurance income, foreclosure charges and bounce charges.

Sambhav Housing

- Sambhav Housing continued to scale, with monthly disbursement run-rate increasing to INR4.5-4.65b from INR4.1-4.25b in 4QFY26.
- Average ticket size remained stable, with ~65% of customers having bureau scores above 750 and a salaried mix at 68%.
- The business is operational across 73 urban and 72 rural locations and remains on track to achieve monthly disbursements of INR6b+ over the next nine months.
- Affordable housing disbursements are expected to remain at ~33-36% of the Sambhav segment disbursements, with the balance comprising near-prime housing.
- Affordable housing ticket size is ~INR1.7-1.8m, with the company focused on the upper end of the affordable segment and limited exposure to sub-INR1-1.2m loans.
- Overall ticket size is expected to remain broadly stable in FY27, with a modest INR100-200k downward bias as the company expands into Tier 2/3 and non-metro markets.

Margins and cost of funds

- Gross spread remained stable at 1.7%, while NIM moderated to 3.7% from 3.8% QoQ.
- The ~25bp NIM compression in FY27 is primarily driven by yield moderation.
- Higher-yielding legacy loans are running off and being replaced by lower-IRR new originations, resulting in natural portfolio yield compression.
- Acquisition pricing remains broadly stable amid competitive intensity, limiting scope for upward repricing.
- Cost of funds declined 7bp QoQ, supported by the hedged borrowing book, maturity of higher-cost legacy borrowings and repricing of select borrowings at lower rates.
- Management expects cost of funds to remain broadly stable with a modest downward bias going forward, providing some offset to yield compression.
- DA assignments remain a regular part of the business at ~12-13% of AUM annually; quarterly fluctuations are largely timing-related and do not materially alter the full-year NIM outlook.
- Management expects an additional ~6-10bp NIM compression through FY27, while maintaining full-year NIM moderation guidance of ~25bp.

Asset quality and provisioning

- Asset quality remained strong, with GNPA at 29bp, NNPA at 12bp and annualized credit cost at 5bp vs. 15bp in 1QFY26.
- Home loan GNPA improved 1bp QoQ to 34bp, while LAP GNPA increased to 62bp from 46bp.
- LAP GNPA remains within its historical 50-70bp range, with the recent increase viewed as normal portfolio volatility rather than structural deterioration.
- Management sees no specific stress across cohorts, geographies or customer segments, including no material stress in salaried borrowers in Bengaluru.
- Developer finance GNPA stood at 12bp, as a result of one account moving from Stage 2 to Stage 3. The company shared that the resolution efforts are underway for this account.
- Overall asset quality remains healthy, with no meaningful deterioration in credit behavior across products.
- 1QFY27 credit cost of 5bp was exceptionally low and benefited from one-off factors rather than a structural change in credit costs.
- During the quarter, direct assignments of ~INR23b resulted in a release of Stage 1 provisions, while 4QFY26 had witnessed accelerated provisioning amid macroeconomic and geopolitical uncertainties, which was not there in 1QFY27. Both factors resulted in lower credit costs during the quarter.
- LAP provisioning is primarily DPD-based, with higher provisions required as accounts move into higher delinquency buckets; movements in and out of Stage 3 can therefore result in offsetting provision additions and releases.
- The Stage 2 account in developer finance that moved to Stage 3 was already provisioned at a significantly higher level based on its expected resolution trajectory, limiting incremental provisioning.
- Stage 1 provisioning rates have also moderated following annual ECL model recalibration, supported by strong credit performance over the past two years.

Financial highlights

- Strong quarter across operating and financial metrics, with highest-ever quarterly AUM growth and disbursements.
- AUM grew 24% YoY and 6% QoQ to INR1.5t. Disbursements rose 33% YoY and 11% QoQ to INR195b, marking the highest-ever quarterly disbursement.
- Opex-to-NTI improved to 19.6% (from 21.2% in 1QFY26), despite continued investments in growth.
- Product growth remained broad-based, with home loans, LAP, LRD and developer finance growing 20%, 22%, 41% and 19% YoY, respectively.

Opex and digital initiatives

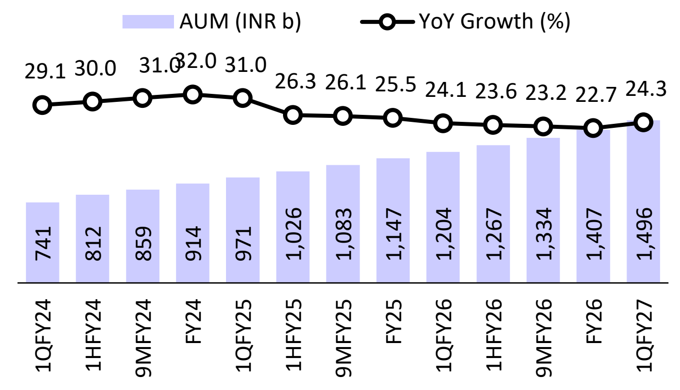
- Opex-to-NTI improved to 19.6% in 1QFY27 and is expected to remain broadly within the 19-20% range for FY27.
- While operating leverage is expected to improve, the benefit will be partly offset by NIM compression and continued investments in near-prime and affordable housing.
- The company continues to strengthen its tech-enabled mortgage platform through AI-led initiatives across the loan lifecycle.
- Key initiatives include voice agents for lead generation, credit call intelligence, collateral assessment, geo-analytics, AI customer assistance, employee training and AI-led frontline hiring.
- These initiatives are expected to improve conversion, enable evidence-based underwriting, reduce collateral risk, provide 24x7 customer support and enhance employee productivity.

Industry outlook

- Management expects home loan industry growth of ~9-10.5% in FY27, broadly in line with FY26 growth of 9.4%.
- Housing demand remains somewhat muted, with the market viewed as being in a stabilization phase rather than a downturn.
- Moderating property price momentum has reduced the urgency among customers to accelerate purchases, resulting in softer near-term demand.
- Geopolitical uncertainty, inflation risks and volatile money-market borrowing costs remain key external factors to monitor.

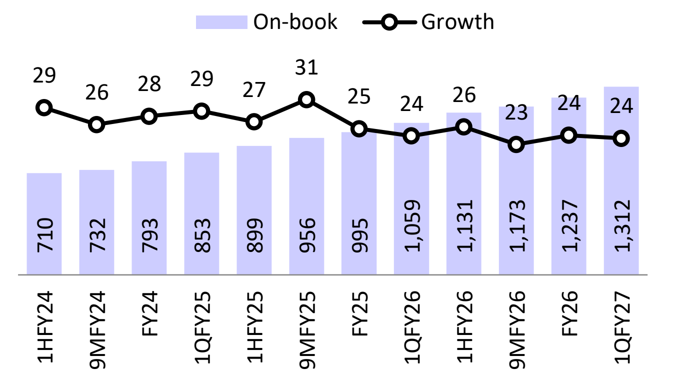
Key exhibits

Exhibit 1: AUM grew ~24% YoY…



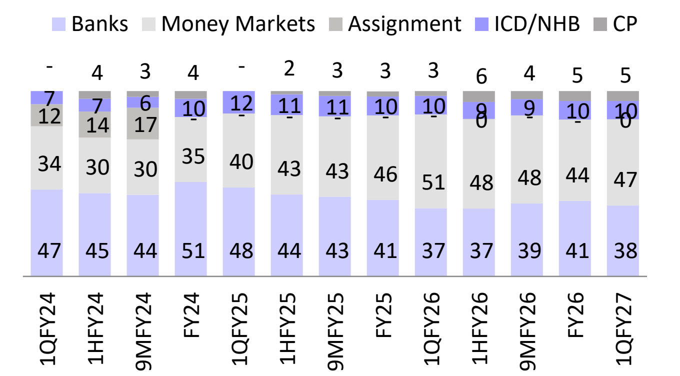
Source: MOFSL, Company

Exhibit 2: …while on-book loans also grew ~24% YoY



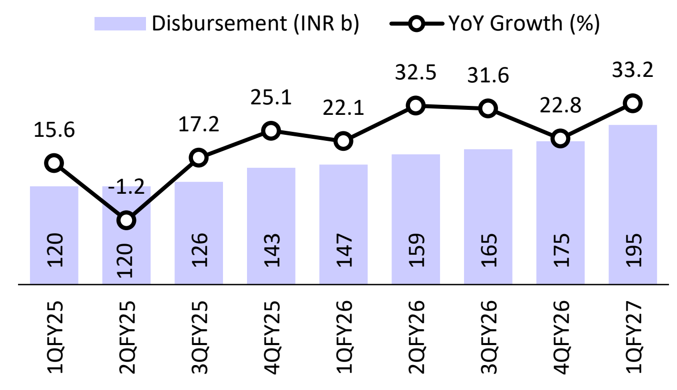
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



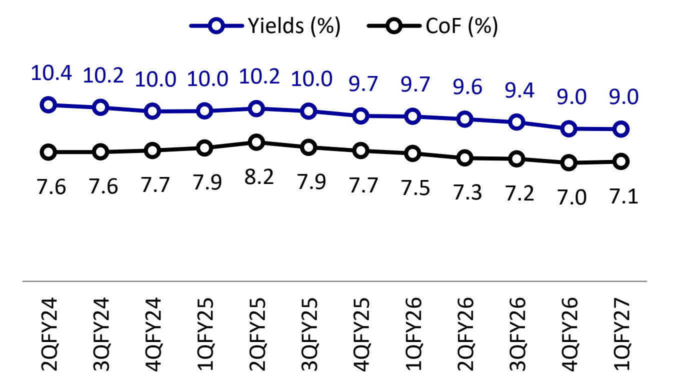
Source: MOFSL, Company

Exhibit 4: Disbursements in 1QFY27 grew ~33% YoY



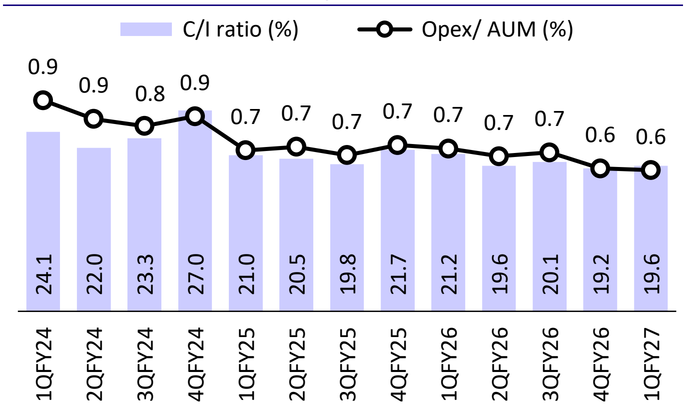
Source: MOFSL, Company

Exhibit 5: Yields (calc.) were broadly stable QoQ (%)



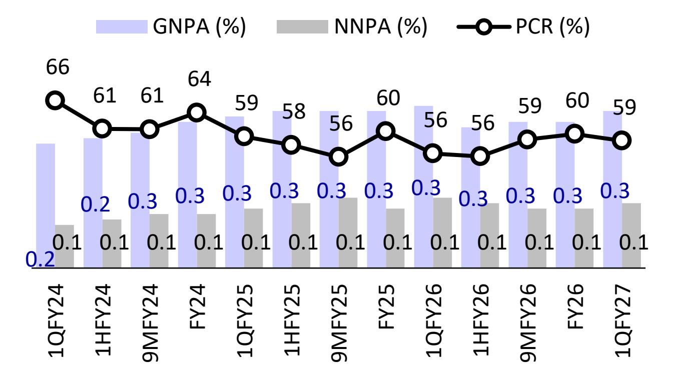
Source: MOFSL, Company, Calculated

Exhibit 6: C/I ratio rose ~40bp QoQ (%)



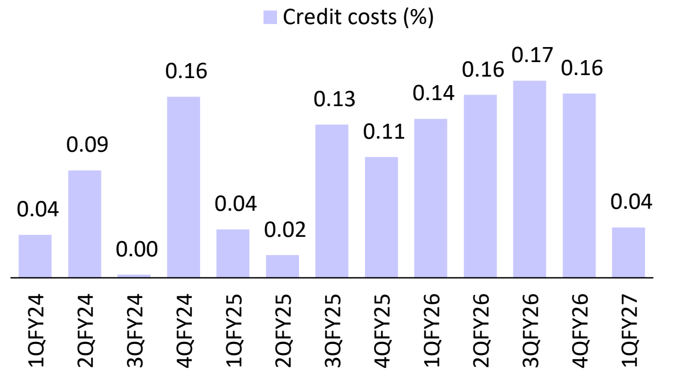
Source: MOFSL, Company, Calculated

Exhibit 7: GNPA/NNPA remained stable QoQ



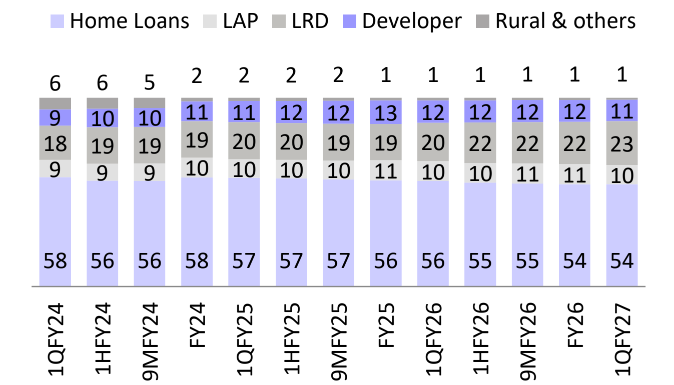
Source: MOFSL, Company

Exhibit 8: Credit costs declined significantly QoQ



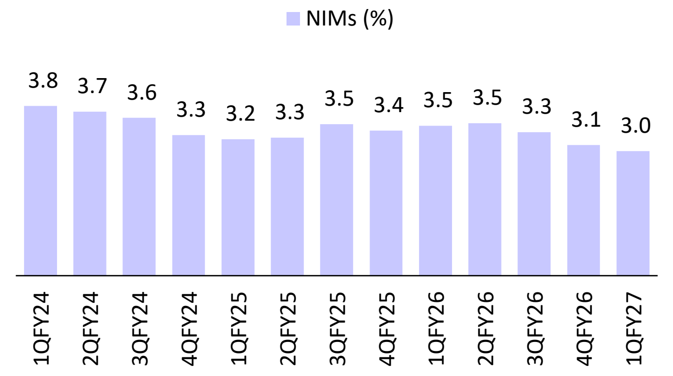
Source: MOFSL, Company

Exhibit 9: AUM mix (%)



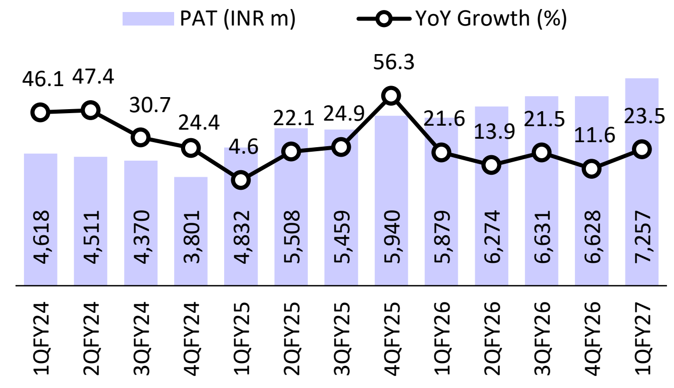
Source: MOFSL, Company

Exhibit 10: NIM contracted ~10bp sequentially



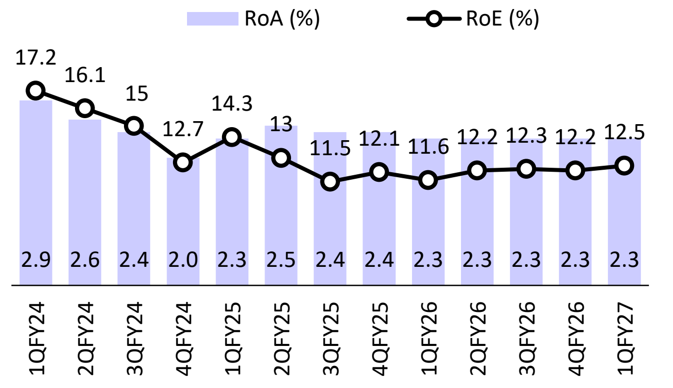
Source: MOFSL, Company

Exhibit 11: PAT grew ~23% YoY



Source: MOFSL, Company

Exhibit 12: RoA/RoE stood at 2.3%/12.5%



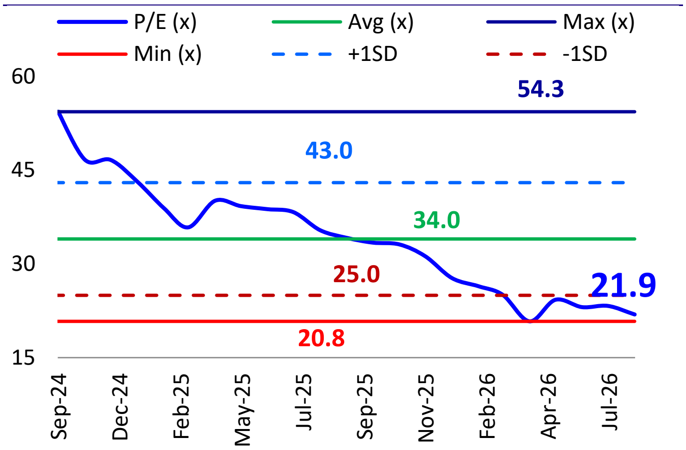
Source: MOFSL, Company

Exhibit 13: We raise our FY27E EPS by 3% to factor in higher other income and lower credit costs

INR b	Old Estimates		New Estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
NII	41.9	53.1	41.6	50.7	-0.6	-4.4
Other Income	7.7	9.4	8.7	10.4	13.1	11.1
Total Income	**49.6**	**62.5**	**50.3**	**61.1**	**1.5**	**-2.1**
Operating Expenses	9.9	11.3	9.6	10.9	-2.9	-3.7
Operating Profits	**39.6**	**51.1**	**40.7**	**50.2**	**2.6**	**-1.7**
Provisions	2.4	3.4	2.0	2.8	-17.2	-18.6
PBT	**37.2**	**47.7**	**38.7**	**47.4**	**3.9**	**-0.5**
Tax	8.1	10.3	8.6	10.4	6.3	0.9
PAT	**29.1**	**37.3**	**30.1**	**37.0**	**3.3**	**-0.9**
AUM	1,769	2,179	1,763	2,171	-0.3	-0.4
Borrowings	1,312	1,634	1,306	1,627	-0.4	-0.4
NIM (%)	3.0	3.1	3.0	3.0		
ROA (%)	2.0	2.1	2.1	2.1		
RoE (%)	12.1	13.7	12.5	13.5		

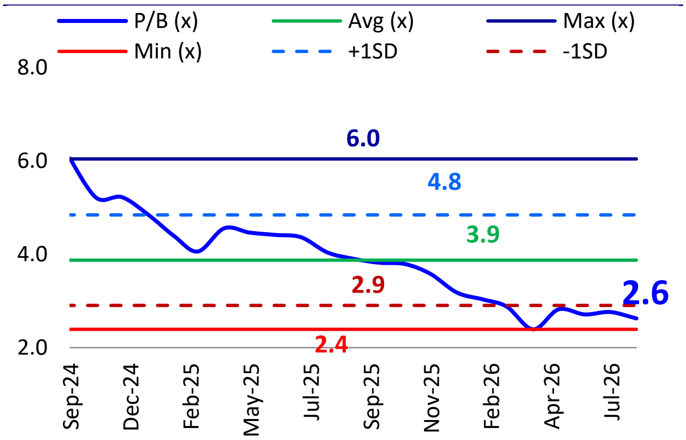
Source: MOFSL estimates

Exhibit 14: P/E chart



Source: MOFSL, Company

Exhibit 15: P/B chart



Source: MOFSL, Company

Financials and Valuation

Income Statement

INR m

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	28,774	34,818	52,692	72,024	89,862	1,05,116	1,24,218	1,53,404
Interest Expenses	19,659	21,553	32,113	46,926	59,793	67,594	82,591	1,02,655
Net Interest Income	**9,116**	**13,264**	**20,579**	**25,098**	**30,069**	**37,522**	**41,627**	**50,749**
Change (%)	32.7	45.5	55.1	22.0	19.8	24.8	10.9	21.9
Other Income	2,779	2,854	3,962	4,154	5,898	6,387	8,684	10,399
Total Income	**11,894**	**16,118**	**24,541**	**29,251**	**35,967**	**43,909**	**50,311**	**61,148**
Change (%)	15.5	35.5	52.3	19.2	23.0	22.1	14.6	21.5
Total Operating Expenses	**3,290**	**4,709**	**6,306**	**7,029**	**7,464**	**8,671**	**9,640**	**10,923**
Change (%)	-2.8	43.1	33.9	11.5	6.2	16.2	11.2	13.3
Employee Expenses	2,458	3,488	4,351	4,656	4,836	5,592	6,431	7,267
Depreciation	218	258	334	396	412	473	544	626
Other Operating Expenses	615	963	1,620	1,977	2,216	2,605	2,665	3,030
Operating Profit	**8,604**	**11,409**	**18,236**	**22,222**	**28,503**	**35,238**	**40,671**	**50,226**
Change (%)	24.4	32.6	59.8	21.9	28.3	23.6	15.4	23.5
Total Provisions	**2,472**	**1,811**	**1,235**	**609**	**801**	**1,907**	**2,002**	**2,786**
% Loan loss provisions to Avg loans ratio	0.8	0.5	0.2	0.1	0.1	0.2	0.1	0.2
PBT	**6,132**	**9,599**	**17,001**	**21,613**	**27,702**	**33,200**	**38,669**	**47,440**
Tax Provisions	1,600	2,500	4,423	4,301	6,073	7,597	8,585	10,437
Tax Rate (%)	26.1	26.0	26.0	19.9	21.9	22.9	22.2	22.0
PAT	**4,532**	**7,098**	**12,578**	**17,312**	**21,629**	**25,603**	**30,085**	**37,003**
Change (%)	8	57	77	38	25	18	18	23

Balance Sheet

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	48,833	48,833	67,122	67,122	83,282	83,287	83,287	83,287
Reserves & Surplus	11,489	18,580	37,910	55,213	1,16,187	1,41,941	1,72,026	2,09,029
Net Worth	**60,322**	**67,414**	**1,05,032**	**1,22,335**	**1,99,468**	**2,25,228**	**2,55,313**	**2,92,316**
Borrowings	**3,16,006**	**4,14,923**	**5,37,454**	**6,91,293**	**8,20,719**	**10,37,040**	**13,05,971**	**16,27,043**
Change (%)	23.4	31.3	29.5	28.6	18.7	26.4	25.9	24.6
Other liabilities	2,256	2,934	4,056	4,643	7,900	9,203	10,510	12,010
Total Liabilities	**3,78,584**	**4,85,271**	**6,46,541**	**8,18,271**	**10,28,088**	**12,71,471**	**15,71,794**	**19,31,368**
Investments	32,660	12,483	20,009	19,386	25,333	25,022	26,273	27,587
Loans	**3,34,189**	**4,64,821**	**6,21,139**	**7,93,008**	**9,95,129**	**12,37,451**	**15,32,830**	**18,87,521**
Change (%)	19.5	39.1	33.6	27.7	25.5	24.4	23.9	23.1
Other assets	11,734	7,967	5,393	5,878	7,626	8,998	12,691	16,261
Total Assets	**3,78,584**	**4,85,271**	**6,46,541**	**8,18,271**	**10,28,088**	**12,71,471**	**15,71,794**	**19,31,368**

E: MOFSL Estimates

Financials and Valuation

AUM Mix	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	**3,88,710**	**5,33,220**	**6,92,280**	**9,13,700**	**11,46,840**	**14,07,000**	**17,63,313**	**21,70,915**
Change (%)	19	37	30	32	26	23	25	23
On Books AUM	**3,34,189**	**4,64,821**	**6,21,139**	**7,93,008**	**9,95,129**	**12,37,451**	**15,32,830**	**18,87,521**
% of AUM	86	87	90	87	87	88	87	87
Off Books AUM	**54,521**	**68,399**	**71,141**	**1,20,693**	**1,51,711**	**1,69,550**	**2,30,483**	**2,83,394**
% of AUM	14	13	10	13	13	12	13	13
Disbursements	**0**	**2,61,752**	**3,43,336**	**4,46,562**	**4,98,800**	**6,46,160**	**8,20,623**	**9,68,335**
Growth YoY (%)	0	0	31	30	12	30	27	18

Ratios (%)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)								
Avg. Yield on Loans	9.2	8.7	9.6	10.0	9.8	9.2	8.8	8.8
Avg Cost of Funds	6.9	5.9	6.7	7.6	7.9	7.3	7.1	7.0
Spread of loans	2.4	2.8	2.9	2.4	1.9	2.0	1.8	1.8
NIM (on loans)	3.0	3.3	3.8	3.5	3.3	3.4	3.0	3.0
Profitability Ratios (%)								
RoE	7.8	11.1	14.6	15.2	13.4	12.1	12.5	13.5
RoA	1.3	1.6	2.2	2.4	2.3	2.2	2.1	2.1
Cost/Income	27.7	29.2	25.7	24.0	20.8	19.7	19.2	17.86
Opex to avg. assets	1.0	1.1	1.1	1.0	0.8	0.8	0.7	0.6

Asset quality	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA (INR m)	1,191	1,464	1,373	2,156	2,870	3,302	3,718	5,013
GNPA (%)	0.35	0.31	0.22	0.27	0.29	0.27	0.24	0.26
NNPA (INR m)	739	669	500	782	1,141	1,328	1,561	2,155
NNPA (%)	0.22	0.14	0.08	0.10	0.11	0.11	0.10	0.11
PCR (%)	37.95	54.30	63.61	63.75	60.25	59.78	58.00	57.00
Credit costs	0.69	0.39	0.20	0.08	0.08	0.15	0.13	0.14

Valuation	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
No.of Shares (m)	**4,883**	**4,883**	**6,712**	**6,712**	**8,328**	**8,329**	**8,329**	**8,329**
EPS	0.9	1.5	1.9	2.6	2.6	3.1	3.6	4.4
EPS Growth (%)	7.6	56.6	28.9	37.6	0.7	18.4	17.5	23.0
Price-Earnings (x)	**94**	**60**	**47**	**34**	**34**	**28**	**24**	**20**
Book Value (INR)	12	14	16	18	24	27	31	35
BVPS Growth (%)	-27	47	14	23	91	-59	3	9
Price-BV (x)	**7.1**	**6.3**	**5.6**	**4.8**	**3.7**	**3.2**	**2.9**	**2.5**
DPS (INR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	-	-	-	-	-	-	-	-

E: MOFSL Estimates

N O T E S

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

1. 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
2. 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
3. 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.
4. 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.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. 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.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. 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, not 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/NCDEX); 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.