23 July 2026

1QFY27 Result Update | Sector: NBFCs

IIFL Finance

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	IIFL IN
Equity Shares (m)	425
M.Cap.(INRb)/(USDb)	242.6 / 2.5
52-Week Range (INR)	675 / 409
1, 6, 12 Rel. Per (%)	6/11/12
12M Avg Val (INR M)	1160

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	60.4	86.0	103.1
Total Income	76.6	96.7	114.3
PPoP	41.5	52.4	61.5
PAT (pre-NCI)	18.2	29.5	36.4
PAT (post-NCI)	16.6	27.7	34.4
EPS (INR)	39.1	65.1	80.9
EPS Gr. (%)	338	67	24
BV (INR)	327	388	463
Ratios (%)			
NIM	6.5	7.1	7.0
C/I ratio	45.8	45.8	46.2
Credit cost	2.8	1.7	1.6
RoA	2.3	3.0	3.1
RoE	12.6	18.2	19.0
Valuations			
P/E (x)	14.5	8.7	7.0
P/BV (x)	1.7	1.5	1.2

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	24.9	24.9	24.9
DII	7.5	7.1	8.1
FII	23.9	28.2	26.6
Others	43.8	39.9	40.4

FII includes depository receipts

CMP: INR570 TP: INR700 (+23%) Buy

NIM expansion and credit cost decline drive earnings beat

Poised well for healthy growth in AUM and profitability in FY27

- IIFL Finance's 1QFY27 NII grew 55% YoY and ~16% QoQ to ~INR20b (~9% beat). Other income stood at ~INR2b (~52% miss) compared to INR3.7b in 4QFY26. This included assignment income of ~INR749m (PQ: INR2.1b).
- Net total income grew ~32% YoY to ~INR22b (in line). Opex rose ~22% YoY to INR9.8b (in line), with the cost-income ratio remaining broadly stable QoQ at ~44.5% (PQ: 44.6% and PY: ~48%).
- PPoP stood at INR12.2b, up ~41% YoY (in line). PAT (post-NCI) stood at INR6.7b (~14% beat).
- Calculated NIMs expanded ~50bp QoQ to 7.2%. Credit costs stood at INR2.9b (~16% lower than MOFSLe). This translated into annualized credit costs of ~1.6% (PQ: ~1.9% and PY: ~3.7%).
- IIFL has set out targets for FY27 and the FY27-29 period. Management guides for 25% YoY consolidated AUM growth in FY27, credit costs of 1.5-1.7%, RoA of 3.1-3.3% and RoE of 16-20% (a potential equity raise might impact leverage and RoE). Off-book loan assets are expected to account for 35-40% of the portfolio. Over FY27-29, management targets 20% AUM CAGR, credit costs of 1.0-1.2%, RoA of 3.6-3.8% and RoE of 18-20%, with off-book loan assets expected to increase to ~40%.
- **Management acknowledged that capital adequacy at the parent level remains relatively tight and is evaluating multiple options to strengthen capital, including a QIP, strategic/secondary stake sale and/or additional Tier 2 perpetual debt issuance, and improving momentum in co-lending.**
- We raise our FY27E EPS by ~9% to factor in slightly higher AUM growth, expansion in NIM and lower credit costs. **Reiterate our BUY rating on the stock with a TP of INR700 (based on Mar'28E SoTP).**

Consol. AUM rises ~38% YoY; healthy ~11% QoQ growth in gold loans

- Consol. AUM grew 38% YoY and ~7% QoQ to INR1.15t. On-book loans grew ~31% YoY. Off-book formed ~35% of the AUM mix.
- Sequential growth in AUM was primarily driven by gold loans (up 11% QoQ to INR584b) and MFI (up ~4% QoQ). Home loans grew ~3% QoQ.
- Despite increasing competition, IIFL remains focused on small-ticket gold loans, where it believes pricing remains attractive and margins are relatively resilient. Management expects gold loan margins to remain stable going forward.
- Management guided for ~17-18% AUM growth and ~30% disbursement growth in home finance for FY27, with business momentum expected to pick up from 2QFY27 onward. We estimate gold loans/consolidated AUM to grow ~31%/~24% YoY in FY27 and a consolidated AUM CAGR of ~22% over FY26-28E.

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GS3 up ~10bp QoQ; sequential moderation in credit costs

- GS3/NS3 rose 10bp QoQ each to 1.55%/0.8%. PCR declined 3pp QoQ to 47.3%.
- Management shared that gold loan asset quality remains comfortable, supported by strong collateral coverage and low LTV. It expects GNPA to remain manageable despite potential gold price volatility, given the portfolio's historically low LGD. We model credit costs of 1.7%/1.6% for FY27/FY28 (vs. 2.8% in FY26).

Highlights from the management commentary

- Unsecured MSME and business lending are being discontinued, with the remaining portfolio being run down and recoveries continuing.
- AI benefits are expected to become more visible over the next 2-3 years, alongside operating leverage from the company's branch-led model. However, the planned addition of ~500 branches in FY27 could partially offset near-term operating leverage benefits.

Valuation and view

- IIFL reported a healthy quarter, driven by strong momentum in the gold loan segment, supported by healthy tonnage growth and elevated gold prices. The MFI business also continued to recover, with improving growth momentum and asset quality. While asset quality witnessed a marginal seasonal deterioration, credit costs continued to decline as the company winds down its unsecured portfolio and increases the share of secured lending.
- IIFL is undergoing a meaningful structural improvement as a franchise, with a clear shift towards secured lending and a gradual run-down of unsecured businesses (apart from MFI). The improving portfolio mix, normalizing credit costs and operating leverage are expected to drive a meaningful improvement in return metrics over the coming quarters. We believe sustained execution on its growth and profitability targets, alongside improving asset quality, will support a re-rating of the stock over the medium term.
- We raise our FY27E EPS by ~9% to factor in slightly higher AUM growth, margin expansion and lower credit costs. The stock trades at 1.5x FY27E P/BV and ~9x P/E for estimated RoA/RoE of 3.1%/19% in FY28. **Reiterate our BUY rating on the stock with a TP of INR700 (based on SoTP valuation; refer to the table below).**

IIFL: SoTP – Mar'28

Particulars	Stake	Value (INR b)	Value (USD b)	INR per share	% To Total	Target Multiple(x)	Basis
IIFL Finance (Standalone)	100	171	1.8	402	57	1.6	PBV
IIFL Home Finance (HFC)	80	98	1.0	230	33	1.5	PBV
IIFL Samasta Finance (MFI)	100	29	0.3	67	10	1.0	PBV
Target Value		**298**	**3.1**	**700**	**100**		

Quarterly Performance – Consolidated (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	1Q	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY27E	
Interest Income	25,835	28,209	30,193	33,300	37,234	38,537	40,078	42,953	1,17,537	1,58,802	35,798	4
Interest Expenses	12,888	13,819	14,370	16,096	17,195	17,882	18,598	19,088	57,174	72,763	17,384	-1
Net Interest Income	**12,947**	**14,390**	**15,822**	**17,204**	**20,039**	**20,654**	**21,481**	**23,866**	**60,364**	**86,040**	**18,414**	**9**
YoY Growth (%)	*-10.0*	*7.4*	*28.1*	*30.9*	*54.8*	*43.5*	*35.8*	*38.7*	*13.2*	*42.5*	*42.2*	
Other Income	3,758	4,882	4,135	3,696	1,985	2,214	2,699	3,807	16,201	10,706	4,139	-52
Total Income	**16,705**	**19,272**	**19,958**	**20,900**	**22,024**	**22,869**	**24,180**	**27,673**	**76,565**	**96,746**	**22,553**	**-2**
YoY Growth (%)	*17*	*22*	*49*	*50*	*32*	*19*	*21*	*32*	*33.0*	*26.4*	*35.0*	
Operating Expenses	8,017	8,702	9,332	9,317	9,796	10,580	11,596	12,359	35,097	44,330	9,825	0
Operating Profit	**8,688**	**10,570**	**10,626**	**11,584**	**12,228**	**12,988**	**13,966**	**13,234**	**41,468**	**52,415**	**11,840**	**3**
YoY Growth (%)	*26.3*	*23.9*	*79.3*	*76.0*	*40.8*	*22.9*	*31.4*	*14.2*	*48.5*	*26.4*	*36.3*	
Provisions & Loan Losses	5,125	5,003	3,997	3,257	2,942	3,354	4,192	3,156	17,382	13,644	3,518	-16
Profit before Tax	**3,563**	**5,567**	**6,629**	**8,327**	**9,286**	**9,634**	**9,773**	**10,078**	**24,086**	**38,772**	**8,323**	**12**
Exceptional items		**0**				**0**						
Tax Provisions	821	1,388	1,616	2,094	2,155	2,312	2,346	2,489	5,919	9,302	1,997	8
PAT (Pre NCI)	**2,742**	**4,179**	**5,014**	**6,233**	**7,131**	**7,322**	**7,428**	**7,589**	**18,167**	**29,470**	**6,325**	**13**
NCI	408	416	371	364	381	407	436	576	1,559	1,800	390	-2
PAT (Post NCI)	**2,334**	**3,763**	**4,643**	**5,868**	**6,751**	**6,914**	**6,992**	**7,012**	**16,608**	**27,670**	**5,936**	*14*
YoY Growth (%)	*-19*	*-339*	*1,038*	*183*	*189*	*84*	*51*	*19*	*338*	*67*	*154*	
Key Parameters (%)												
Yield on AUM	12.7	13.0	12.8	12.9	13.3	13.1	13.0	13.2				
Cost of funds	9.8	9.9	9.7	10.0	9.8	9.5	9.2	9.3				
Spread	3.0	3.1	3.1	2.9	3.6	3.6	3.8	4.0				
NIM (on AUM)	6.4	6.6	6.7	6.7	7.2	7.2	7.4	6.7				
Credit cost	3.7	3.42	2.59	1.95	1.6	1.75	2.10	1.50				
Cost to Income Ratio (%)	48.0	45.2	46.8	44.6	44.5	44.9	45.4	48.3				
Tax Rate (%)	23.1	24.9	24.4	25.1	23.2	24.0	24.0	24.7				
Balance Sheet Parameters												
Consol. AUM (INR B)	**839**	**901**	**983**	**1,082**	**1,155**	**1,204**	**1,262**	**1,337**				
Change YoY (%)	21	35	38	38	38	34	28	24				
Disbursements - Core (INR B)	**191**	**235**	**308**	**321**	**254**	**291**	**317**	**360**				
Change YoY (%)	345	223	75	63	33	24	3	12				
Borrowings (INR B)	**545**	**574**	**606**	**680**	**730**	**782**	**833**	**818**				
Change YoY (%)	32	47	34	33	34	36	37	20				
Borrowings/AUM (%)	65.0	63.7	61.7	62.9	63.2	65.0	66.0	61.2				
Debt/Equity (x)	4.3	4.5	4.6	5.0	5.1	4.5	4.5	4.4				
Asset Quality (%)												
GS 3 (INR M)	**13,170**	**12,534**	**10,206**	**10,514**	**11,999**							
G3 %	2.34	2.14	1.60	1.45	1.55							
NS 3 (INR M)	**6,295**	**5,916**	**4,776**	**5,225**	**6,323**							
NS3 %	1.13	1.0	0.8	0.7	0.82							
PCR (%)	**52.3**	**52.8**	**53.2**	**50.3**	**47.3**							
ECL (%)	2.1	1.9	1.5	1.4	1.5							
Return Ratios - YTD (%)												
ROA (Rep)	1.6	1.9	2.1	2.4	3.1							
ROE (Rep)	7.6	9.8	11.3	13.1	19.5							

E: MOFSL Estimates

CONFERENCE CALL

Key highlights from the management commentary

Guidance

- Management targets ~17-18% AUM growth and ~30% disbursement growth in home finance.
- RoA is expected to improve to 3.1-3.3% in FY27, supported by operating leverage, lower CoF and credit-cost normalization.
- Guided for credit costs of ~1.5-1.7% for FY27, while opex-to-AUM is expected to remain at ~3.3%–3.4%.
- Gold loan tonnage-led growth is expected to remain healthy.
- Expects NIM to remain broadly stable.
- Significant SR realization is expected over the next 12-18 months, with complete run-down targeted by Sep'27.
- Capital adequacy remains a key monitorable with CRAR at 17.8% in IIFL Finance Standalone. The company is evaluating various options, including QIP, strategic/secondary stake sale and/or additional Tier 2 perpetual debt issuance. Co-lending and assignments are expected to support capital-efficient growth.

Business updates

- Growth momentum remained healthy, with consolidated AUM growing 38% YoY to INR1.15t, led by strong gold loan traction and improving momentum in housing finance.
- Gold prices remain elevated despite the recent correction, supporting strong gold loan growth. Management remains mindful of the risk of a sharper price correction and continues to maintain disciplined LTVs.
- Gold loans remain the key growth engine, supported by higher gold prices and ~5-6% QoQ gold tonnage growth. Management expects tonnage-led growth to remain healthy despite some moderation in industry growth.
- The company continues to pivot towards secured lending, with gold loans, mortgages and secured MSME/LAP driving growth, while unsecured MSME/personal loans have been discontinued and are being wound down.
- Consolidated AUM grew 38% YoY/7% QoQ. Core product AUM (~96% of overall AUM), which includes gold, home finance, MSME Secured and MFI grew 43% YoY/8% QoQ.
- Gold loans remain the primary growth engine, while housing finance and secured LAP are expected to drive incremental growth as the company continues its pivot towards secured lending.

Gold Loans

- Gold loan growth was supported by higher gold prices and healthy tonnage growth, with tonnage increasing ~5-6% QoQ. Management expects tonnage-led growth to remain healthy despite moderation in industry growth.
- Gold LTV increased to ~70% from ~63% earlier. Management remains watchful of the impact of any sharp correction in gold prices on LTV and collections.
- Competitive intensity remains elevated, but management intends to protect its customer franchise rather than aggressively cut yields to gain market share. Gold loan margins are therefore expected to remain broadly stable.
- Operating leverage is expected to support gold loan profitability as the existing branch and employees deliver incremental AUM growth.
- Management remains confident about gold loan asset quality, noting that customers generally have low default propensity given the emotional value attached to gold.

- Gold loan portfolio yields improved as the lower-yield portfolio originated post-embargo gradually runs off and is being replaced by higher-yielding new loans.
- Despite increasing competition, IIFL Finance continues to focus on small-ticket gold loans, where it believes pricing remains attractive and margins are relatively resilient.

Housing Finance

- Housing finance growth is expected to accelerate after a seasonally weaker 1Q, with management seeing stronger momentum from 2Q onwards.
- Disbursements grew 39% QoQ and onboarding yields improved by ~45bp, supported by a favorable portfolio mix.
- Management targets ~30% disbursement growth and ~17% AUM growth in mortgages in FY27, with momentum expected to strengthen through the rest of the year.
- The company is increasing its focus on affordable and emerging MSME segments, while reducing exposure to prime housing.

MFI & Unsecured Lending

- Management remains cautious on MFI, although the portfolio is showing signs of stabilization; the company is diversifying the business into retail and other lending products.
- MFI growth is expected to remain measured at ~3%-4% QoQ, with a targeted RoA of ~2.5-3%.
- Unsecured MSME and business lending are being discontinued, with the remaining portfolio being run down and recoveries continuing.

Margins

- Management expects margins to remain broadly stable, with future RoA expansion driven by lower credit costs, operating leverage and cost efficiencies rather than significant NIM expansion.
- Funding costs to moderate as FCNR liquidity improves system-level liquidity conditions, while margins in the gold loan business remain resilient given the company's focus on small-ticket lending.
- Gold loan yields improved as the earlier lower-yield portfolio originated post-embargo gradually runs off and is replaced by higher-yielding new loans.
- Despite increasing competition, IIFL Finance continues to focus on small-ticket gold loans, where it believes pricing remains attractive and margins are relatively resilient.

Operating Expenses & AI

- Opex-to-AUM stood at ~3.4%, with management guiding for this metric to remain stable at 3.3%-3.4%, despite continued branch expansion.
- While new branches could keep absolute opex elevated in the near term, higher AUM should provide operating leverage and improve branch productivity.
- AI-led initiatives, particularly in collection monitoring, are expected to support productivity and operating efficiency over the medium term.
- The AI-led operating model is moving from the pilot stage towards measurable benefits across collections, fraud detection and frontline productivity.
- AI benefits are expected to become more visible over the next 2–3 years, alongside operating leverage from the company's branch-led model. However,

the planned addition of ~500 branches in FY27 could partially offset near-term operating leverage benefits.

Asset Quality

- Consolidated GNPA/NNPA stood at 1.6%/0.8%, marginally higher QoQ, with management remaining cautious on unsecured MSME and MFI portfolios.
- Credit costs are expected at ~1.5-1.7% in FY27 and should gradually normalize as the portfolio mix shifts towards secured lending.
- Gold loan asset quality remains comfortable, supported by strong collateral coverage and low LTV.
- Management expects gold loan GNPA to remain manageable despite potential gold price volatility, given the historically low LGD in the portfolio.

Borrowings & Capital

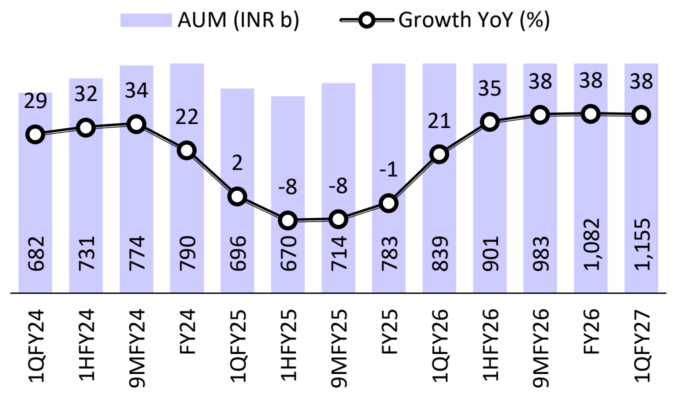
- The company raised ~INR17.2b through bonds, CPs and NCDs, while ~INR53b was raised through assignments, highlighting the growing importance of capital-light funding.
- Funding sources continue to diversify through international bond markets, including a USD500m social bond issuance, while management expects funding costs to benefit from easier liquidity conditions.
- Capital adequacy (Tier 1) at ~12.4% remains a key monitorable, with the company evaluating QIP, strategic/secondary stake sale and subordinated/perpetual debt options.
- Co-lending and assignment transactions are expected to help support growth while reducing balance-sheet intensity and capital requirements.
- Management acknowledged that capital adequacy at the parent level is relatively tight and is evaluating multiple options, including QIP, stake sale in subsidiaries, strategic divestment of microfinance assets, co-lending, Tier-2 debt and perpetual debt.
- Management remains open to equity raising but would prefer to raise capital at reasonable valuations.

Co-Lending

- Co-lending assets stood at ~INR147b, while the assigned book stood at ~INR263b. Momentum is scaling up, although partner onboarding has taken longer than initially expected.
- Management expects co-lending momentum to improve as more partners are onboarded, making it an increasingly important lever for capital-efficient growth.
- Greater reliance on co-lending and assignments should help alleviate pressure on standalone capital adequacy while supporting the company's targeted growth trajectory.

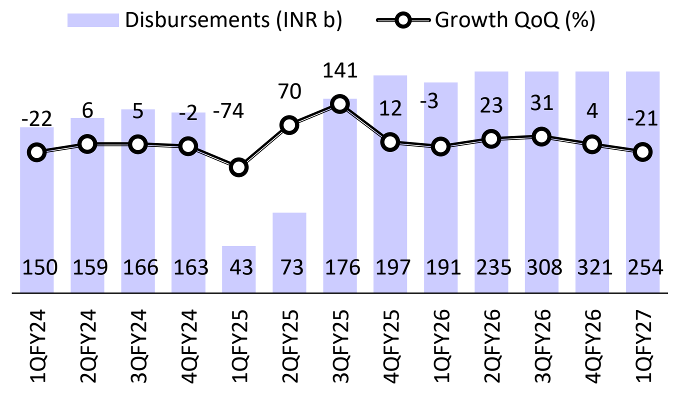
Key exhibits

Exhibit 1: Consol. AUM grew ~38% YoY



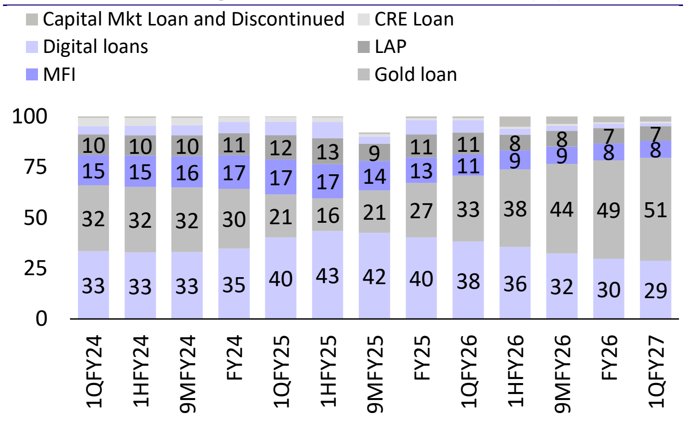
Source: MOFSL, Company

Exhibit 2: Disbursements grew ~33% YoY



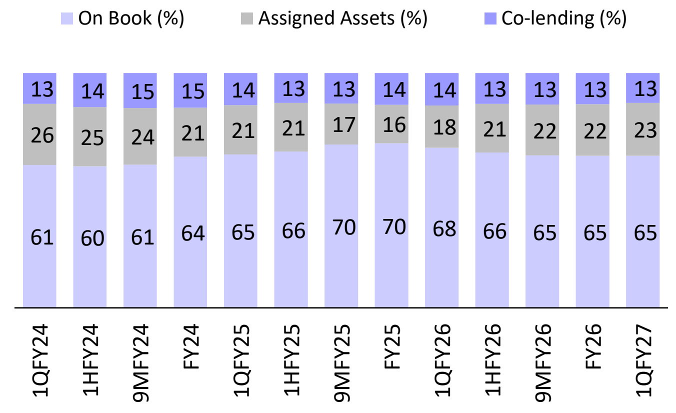
Source: MOFSL, Company

Exhibit 3: Share of gold loans continued to rise (%)



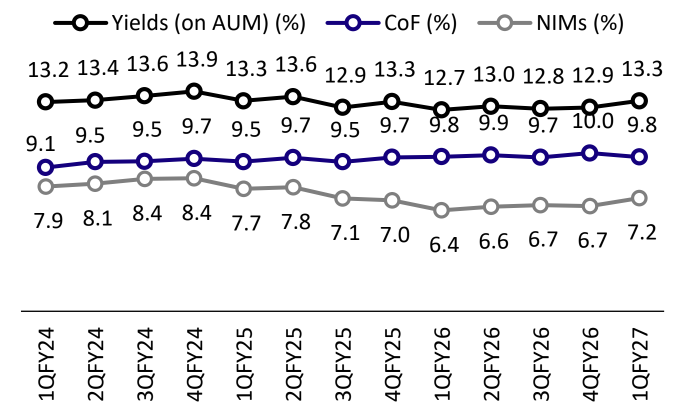
Source: MOFSL, Company

Exhibit 4: Off-book loans formed 35% of the AUM mix (%)



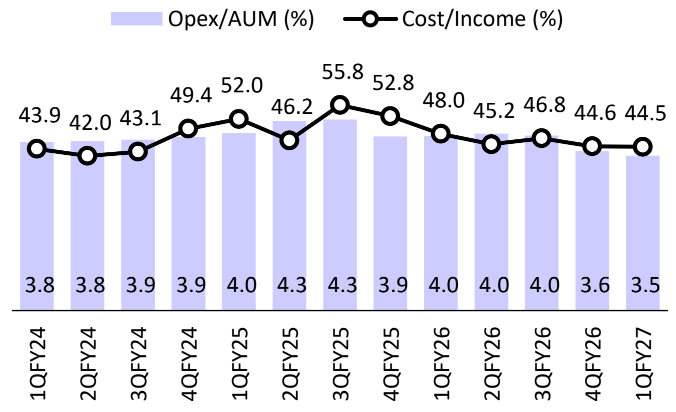
Source: MOFSL, Company

Exhibit 5: Yields rose ~40bp QoQ (%)



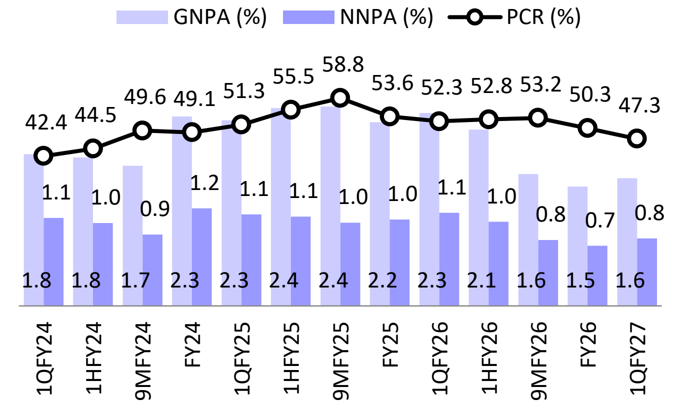
Source: MOFSL, Company

Exhibit 6: Cost-Income ratio was broadly stable QoQ



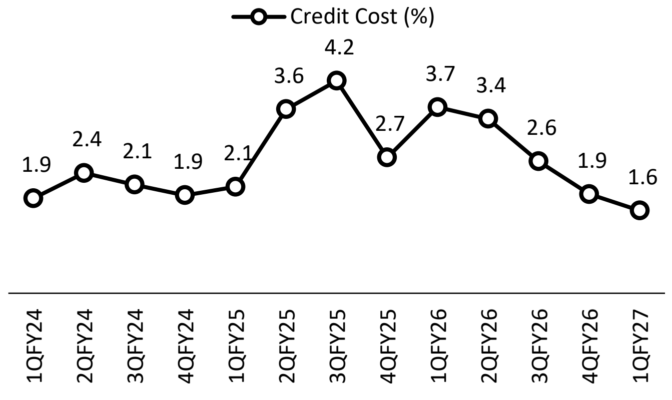
Source: MOFSL, Company

Exhibit 7: GS3/NS3 rose ~10bp QoQ each



Source: MOFSL, Company

Exhibit 8: Credit costs declined to ~1.6%



Source: MOFSL, Company

Exhibit 9: We raise our FY27E EPS by ~9% to factor in slightly higher AUM growth, NIM expansion and lower credit costs

INR M	Old Est.		New Est.		% change	
	FY27	FY28	FY27	FY28	FY27	FY28
NII	78,301	98,269	86,040	1,03,084	9.9	4.9
Other Income	18,476	20,815	10,706	11,195	-42.1	-46.2
Total Income	**96,777**	**1,19,084**	**96,746**	**1,14,279**	**0.0**	**-4.0**
Operating Expenses	45,445	54,276	44,330	52,828	-2.5	-2.7
Operating Profits	**51,332**	**64,808**	**52,415**	**61,451**	**2.1**	**-5.2**
Provisions	15,526	19,114	13,644	15,214	-12.1	-20.4
PBT	**35,806**	**45,694**	**38,772**	**46,237**	**8.3**	**1.2**
Exceptional items	-	-	-	-		
Tax	8,589	9,670	9,302	9,820	8.3	1.6
PAT (pre-NCI)	**27,217**	**36,024**	**29,470**	**36,417**	**8.3**	**1.1**
NCI	1,800	2,000	1,800	2,000	0.0	0.0
PAT (post-NCI)	**25,417**	**34,024**	**27,670**	**34,417**	**8.9**	**1.2**
AUM	13,27,832	15,95,396	13,36,827	16,01,046	0.7	0.4
Borrowings	8,54,927	10,65,702	8,17,673	9,74,498	-4.4	-8.6
RoA	2.7	2.9	3.0	3.1	10.2	6.5
RoE	16.8	19.0	18.2	19.0	8.1	-0.2

Exhibit 10: Du-Pont (% of avg. assets)

	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	14.4	14.2	14.9	17.0	14.6	15.0	16.3	16.4
Interest Expended	7.0	6.9	6.5	6.7	6.4	7.3	7.5	7.5
NIM	**7.5**	**7.3**	**8.4**	**10.3**	**8.2**	**7.7**	**8.8**	**8.9**
Other income	1.5	2.1	2.2	0.6	0.6	2.1	1.1	1.0
Total income	**9.0**	**9.3**	**10.6**	**10.9**	**8.8**	**9.8**	**9.9**	**9.9**
Operating cost	3.2	3.7	4.5	4.9	4.6	4.5	4.5	4.6
PPOP	**5.8**	**5.6**	**6.0**	**6.0**	**4.3**	**5.3**	**5.4**	**5.3**
Provision	3.1	2.1	1.8	1.6	2.3	2.2	1.4	1.3
PBT	**2.7**	**3.5**	**4.3**	**4.5**	**2.0**	**3.1**	**4.0**	**4.0**
Tax	0.7	0.8	1.0	1.0	0.2	0.8	1.0	0.8
ROA (pre-NCI)	**2.0**	**2.7**	**3.3**	**3.4**	**1.8**	**2.3**	**3.0**	**3.1**
NCI	0.0	0.0	0.2	0.4	0.3	0.2	0.2	0.2
ROA (post-NCI)	2.0	2.7	3.0	3.1	1.5	2.1	2.8	3.0
Avg. leverage (x)	7.4	7.3	6.4	5.9	5.6	6.0	6.4	6.4
RoE	**15.0**	**20.0**	**19.4**	**18.0**	**8.4**	**12.6**	**18.2**	**19.0**

Financials and Valuation

Income Statement								(INR M)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	54,212	61,345	73,693	98,386	95,043	1,17,537	1,58,802	1,90,650
Interest Expenses	26,258	29,910	32,218	38,829	41,695	57,174	72,763	87,566
Net Interest Income	**27,954**	**31,435**	**41,474**	**59,557**	**53,348**	**60,364**	**86,040**	**1,03,084**
Change (%)	26	12	32	44	-10	13	43	20
Other Operating Income	4,186	7,202	8,896	931	3,941	15,971	9,823	10,135
Other Income	1,499	1,689	1,883	2,410	262	230	883	1,059
Total Income	**33,639**	**40,326**	**52,253**	**62,899**	**57,550**	**76,565**	**96,746**	**1,14,279**
Change (%)	37	20	30	20	-9	33	26	18
Total Operating Expenses	**11,904**	**15,918**	**22,466**	**28,067**	**29,634**	**35,097**	**44,330**	**52,828**
Change (%)	-6	34	41	25	6	18	26	19
Employee Expenses	7,231	9,307	13,295	16,849	18,888	21,105	26,234	30,685
Depreciation	1,057	1,217	1,526	1,808	1,886	2,106	2,471	2,825
Other Operating Expenses	3,617	5,394	7,645	9,410	8,861	11,886	15,625	19,317
Operating Profit	**21,734**	**24,408**	**29,787**	**34,832**	**27,916**	**41,468**	**52,415**	**61,451**
Change (%)	82	12	22	17	-20	49	26	17
Provisions and write-offs	11,686	9,048	8,661	9,113	14,980	17,382	13,644	15,214
PBT	**10,048**	**15,359**	**21,125**	**25,719**	**12,935**	**24,086**	**38,772**	**46,237**
Exceptional Items					**-5,865**	**0**	0	0
Tax Provisions	2,440	3,477	5,050	5,977	1,289	5,919	9,302	9,820
Tax Rate (%)	24.3	22.6	23.9	23.2	10.0	24.6	24.0	21.2
PAT (pre-NCI)	**7,608**	**11,882**	**16,076**	**19,742**	**5,782**	**18,167**	**29,470**	**36,417**
Change (%)	51	56	35	23	-71	214	62	24
Non-Controlling Interest (NCI)	-7	-4	-1,072	-2,107	-1,994	-1,559	-1,800	-2,000
PAT (post-NCI)	**7,601**	**11,879**	**15,003**	**17,635**	**3,788**	**16,608**	**27,670**	**34,417**
Change (%)	51	56	26	18	-79	338	67	24

Balance Sheet								(INR M)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	758	759	761	763	849	851	851	851
Reserves & Surplus	53,177	63,879	89,160	1,05,607	1,23,273	1,38,349	1,64,317	1,96,182
Non-controlling interest		59.0	12,101	14,195	15,428	16,991	18,791	20,791
Net Worth	**53,934**	**64,697**	**1,02,021**	**1,20,564**	**1,39,550**	**1,56,191**	**1,83,959**	**2,17,824**
Borrowings	**3,22,645**	**3,57,255**	**3,96,040**	**4,66,992**	**5,10,680**	**6,91,759**	**8,17,673**	**9,74,498**
Change (%)	16.4	10.7	10.9	17.9	9.4	35.5	18.2	19.2
Other Liabilities	30,090	37,150	31,951	36,655	26,212	42,641	58,534	67,437
Total Liabilities	**4,06,669**	**4,59,102**	**5,30,012**	**6,24,212**	**6,76,442**	**8,90,590**	**10,60,166**	**12,59,760**
Cash and Bank	47,841	81,569	58,390	42,457	41,918	63,735	60,823	69,822
Investments	316	11,922	35,110	40,590	44,380	60,925	59,839	68,118
Loans	**3,35,332**	**3,36,929**	**4,00,011**	**5,09,523**	**5,53,643**	**7,09,111**	**8,82,023**	**10,55,301**
Change (%)	17.5	0.5	18.7	27.4	8.7	28.1	24.4	19.6
Fixed Assets	4,102	4,777	5,708	6,569	6,315	6,489	7,626	8,582
Other Assets	19,079	23,908	30,794	25,072	30,187	50,331	49,856	57,937
Total Assets	**4,06,669**	**4,59,104**	**5,30,013**	**6,24,212**	**6,76,442**	**8,90,590**	**10,60,166**	**12,59,760**

E: MOFSL Estimates

Financials and Valuation

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM	**4,46,891**	**5,12,097**	**6,46,376**	**7,89,599**	**7,83,413**	**10,81,790**	**13,36,827**	**16,01,046**
Change (%)	**18**	**15**	**26**	**22**	**-1**	**38**	**24**	**20**
On-book/Off-book Mix (%)								
On-book AUM (%)	75	67	62	64	70	65	65	64
Assignments (%)	25	28	26	21	16	22	21	20
Co-lending (%)	0	6	12	15	14	13	15	16
Total (%)	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Disbursements	**2,78,300**	**3,83,090**	**5,59,630**	**6,38,263**	**4,88,325**	**10,50,493**	**12,22,295**	**14,02,150**
Change (%)		**38**	**46**	**14**	**-23**	**115**	**16**	**15**

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)								
Avg. Yield on Loans	17.5	18.3	20.0	21.6	17.9	18.6	20.0	19.7
Avg Cost of Funds	8.8	8.8	8.6	9.0	8.5	9.5	9.6	9.8
Spread of loans	8.7	9.5	11.4	12.6	9.3	9.1	10.3	9.9
NIM (as % of total AUM)	6.8	6.6	7.2	8.3	6.8	6.5	7.1	7.0
On-book NIM (% of on-book AUM)	6.8	7.0	8.1	9.1	7.5	6.9	7.2	7.2
Profitability Ratios (%)								
RoE	15.0	20.0	19.4	18.0	3.3	12.6	18.2	19.0
RoA	2.0	2.7	3.3	3.4	0.9	2.3	3.0	3.1
Int. Expended / Int.Earned	48.4	48.8	43.7	39.5	43.9	48.6	45.8	45.9
Other Inc. / Net Income	16.9	22.0	20.6	5.3	7.3	21.2	11.1	9.8
Efficiency Ratios (%)								
Op. Exps. / Avg AUM	2.9	3.3	3.9	3.9	3.8	3.8	3.7	3.6
Op. Exps. / Net Income	35	39	43	45	51	46	46	46
Empl. Cost/Op. Exps.	61	58	59	60	64	60	59	58
Asset-Liability Profile (%)								
Debt-Equity Ratio	6.0	5.5	4.4	4.4	4.1	5.0	5.0	4.9
Assets/Equity	7.5	7.1	5.9	5.9	5.4	6.4	6.4	6.4
Asset Quality (%)								
GNPA (INR m)	6,620	10,740	7,380	11,692	12,253	10,514	13,018	13,637
GNPA (%)	2.1	3.2	1.8	2.3	2.2	1.5	1.5	1.3
NNPA (INR m)	2,986	6,218	3,771	5,951	5,685	5,225	6,013	6,433
NNPA (%)	1.0	1.8	1.1	1.2	1.0	0.7	0.7	0.6
PCR (%)	55	42	49	49	54	50	54	53
Credit costs	3.8	2.7	2.4	2.0	2.8	2.8	1.7	1.6

Valuations	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Book Value (INR)	142	170	236	279	292	327	388	463
BV Growth (%)	*13*	*20*	*39*	*18*	*5*	*12*	*19*	*19*
P/BV	**4.0**	**3.3**	**2.4**	**2.0**	**1.9**	**1.7**	**1.5**	**1.2**
EPS (INR)	20	31	39	46	9	39	65	81
EPS Growth (%)	*51*	*56*	*26*	*17*	*-81*	*338*	*67*	*24*
P/E	**28.3**	**18.1**	**14.4**	**12.3**	**63.5**	**14.5**	**8.7**	**7.0**
Dividend	3.0	3.5	4.0	4.0	4.0	4.0	6.0	6.0
Dividend yield	**0.5**	**0.6**	**0.7**	**0.7**	**0.7**	**0.7**	**1.1**	**1.1**

E: MOFSL Estimates

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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.

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