25 July 2026

1QFY27 Results Update | Sector: Financials

Shriram Finance

Estimate change	↑
TP change	⟷
Rating change	⟷

Bloomberg	SHFL IN
Equity Shares (m)	1881
M.Cap.(INRb)/(USDb)	2364.9 / 24.5
52-Week Range (INR)	1108 / 566
1, 6, 12 Rel. Per (%)	0/5/64
12M Avg Val (INR M)	6382

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	267	344	402
PPOP	186	254	298
PAT	100.0	141.4	167.2
EPS (INR)	53.1	60.1	71.1
EPS Gr. (%)	21	13	18
Standalone BV (INR)	349	497	554
Metrics			
NIM on assets (%)	8.2	9.2	9.1
C/I ratio (%)	30.1	26.3	25.8
RoAA (%)	3.3	4.0	4.0
RoE (%)	16.4	15.5	13.5
Div. Payout (%)	22.5	22.7	22.5
Valuations			
P/E (x)	18.9	16.7	14.1
P/BV (x)	2.9	2.0	1.8
Div. Yield (%)	1.2	1.4	1.6

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	20.3	25.4	25.4
DII	19.9	23.3	16.3
FII	54.8	45.2	52.6
Others	5.0	6.2	5.7

FII includes depository receipts

CMP: INR1,005 TP: INR1,235 (+23%) Buy

NIM expansion and lower credit costs drive earnings

AUM up 15% YoY; exudes higher confidence in accelerating MSME and PL

- Shriram Finance's (SHFL) 1QFY27 PAT rose ~60% YoY to ~INR34.4b (~5% beat). NII in 1QFY27 grew ~33% YoY to INR77.1b (~7% beat). Other income grew ~36% YoY to INR5b (~35% lower than est.).
- Opex grew ~9% YoY to INR21.2b (in line). The cost-to-income ratio (C/I) was stable QoQ at ~25.9% (PQ: 26% and PY: 31.7%). SHFL expects its C/I ratio to remain broadly stable over the medium term despite branch expansions. We model the cost-income ratio at 25-26% over FY27-28.
- PPoP grew 45% YoY to ~INR60.9b (inline). Credit costs stood at ~INR14.6b (in line), translating into annualized credit costs of ~1.9% (PQ/PY: 1.9%).
- SHFL maintained its ~18% AUM growth guidance for FY27 and plans to reassess the outlook after 2QFY27, once there is greater visibility on monsoon trends and rural demand. While the CV portfolio is expected to grow at ~15%, MSME and Gold Loans are likely to grow at a faster pace.
- The company aims to increase the contribution of MSME and Gold loans to its overall portfolio, with the MSME mix targeted to rise to ~20% (from ~13-14% currently), while Gold loans in the AUM mix are expected to increase to ~5% (from ~2.5% now).
- Management highlighted that despite elevated fuel prices amid West Asia tensions, vehicle operators have largely been able to pass on the higher costs to customers, keeping operating margins broadly stable. Vehicle demand also remains healthy, with no meaningful increase in vehicle idling or signs of stress observed. Management reiterated its credit cost guidance of <2% over the medium term. We model credit costs of 2.1% each in FY27/FY28 (vs. 2% in FY26).
- We raise our FY27 EPS estimate by 7%, factoring in higher NIM following the equity infusion from MUFG and marginally lower credit costs. We expect SHFL to deliver a CAGR of ~18%/~29% in AUM/PAT over FY26-28E, along with RoA/RoE of ~4%/13.5% by FY28. **Reiterate BUY with a TP of INR1,235 (premised on 2.2x FY28E BVPS).**

AUM/disbursements grow 15%/20% YoY

- Disbursements grew 20% YoY to INR500b in 1QFY27. AUM stood at INR3.14t (in line) and grew ~15% YoY/3.8% QoQ. AUM growth was strong across CV, PV, Gold loans and Personal loans, while growth in CE, Farm equipment, MSME, and 2W remained relatively weak during the quarter.
- Management expects AUM growth of ~15–16% in 2QFY27, with growth momentum potentially accelerating thereafter, subject to the broader macro environment. We anticipate disbursement/AUM growth of 19%/17% in FY27.

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)

Reported NIM improves ~45bp QoQ, fueled by utilization of equity proceeds

- Reported NIM rose ~45bp QoQ to ~9.04%, driven primarily by utilization of equity infusion proceeds received from MUFG. Yields (calc.) rose ~50bp QoQ to 16.75% while CoB (calc.) rose ~10bp QoQ to 8.6%, resulting in spreads of ~8.15% (PQ: ~7.8%).
- SHFL continues to increase the share of new vehicle financing in overall disbursements, with the mix expected to rise to ~20-25% (from ~16-17% currently) and further to ~30% over the medium term. Despite the increase in new vehicles in the disbursement mix, management expects NIM to remain broadly stable, supported by a decline in the cost of borrowings.
- Management expects incremental borrowing costs to remain below the current average CoF, supporting further reduction in overall funding costs. We expect SHFL to deliver NIM (calc.) of 9.2%/9.1% for FY27/FY28 (FY26: 8.2%).

Minor seasonal deterioration in asset quality; credit costs stable QoQ

- Minor seasonal deterioration in asset quality was observed across CV, CE, MSME, and PL, with overall GS3 rising ~5bp QoQ to 4.65% while NS3 was stable QoQ at 2.3%. Net slippages rose ~15bp QoQ to 1.95% (PY: 1.4% and PQ: 1.8%). Stage 2 assets increased ~5bp QoQ to 6.95% (PQ: 6.9% and PY: 7.3%). 30+ dpd rose ~10bp QoQ.
- PCR on Stage 3 rose ~55bp QoQ to ~51% (PQ: ~50.4% and PY: ~44.3%). While PCR on Stage 1 was stable, the PCR on Stage 2 declined ~25bp QoQ to 7.8%.

Highlights from the management commentary

- The company is gradually increasing new vehicle disbursements by focusing on existing customers and reaching out to its earlier customer base for vehicle upgrades.
- Management shared that around 2,200 branches have been enabled to offer gold loans, providing significant headroom for portfolio expansion.

Valuation and view

- SHFL delivered a healthy quarter, with earnings beat driven by NIM expansion and sequentially stable credit costs. While asset quality witnessed a marginal seasonal deterioration amid higher slippages, management remains confident of sustaining its growth trajectory and maintaining asset quality in FY27 despite the uncertain geopolitical environment.
- SHFL is among our top picks in the NBFC sector, and the healthy growth momentum will be supported by resilient vehicle finance demand and increasing contribution from higher-growth segments such as MSME, PL. and gold loans. Stable NIM (after equity infusion), supported by lower incremental CoF, should provide further support to profitability.
- The stock is currently trading at 2x FY27E P/B. We expect SHFL to deliver a CAGR of ~18%/~29% in AUM/PAT over FY26-28E, along with RoA/RoE of ~4%/13.5% in FY28. **Reiterate BUY with a TP of INR1,235 (premised on 2.2x FY28E BVPS).**

Quarterly Performance (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	1,11,732	1,15,506	1,18,331	1,20,871	1,29,100	1,31,682	1,36,027	1,41,273	4,66,440	5,38,081	1,25,102	3
Interest Expenses	54,008	55,248	52,591	53,358	52,043	51,314	53,880	55,180	2,15,204	2,12,416	52,824	-1
Net Interest Income	**57,725**	**60,258**	**65,740**	**67,514**	**77,057**	**80,367**	**82,147**	**86,093**	**2,51,236**	**3,25,665**	**72,278**	7
YoY Growth (%)	10.3	10.3	17.6	21.3	33.5	33.4	25.0	27.5	15.0	29.6	25.2	
Other Income	3,685	3,643	3,584	4,408	5,021	4,541	4,063	4,692	15,339	18,317	7,681	-35
Total Income	**61,410**	**63,901**	**69,325**	**71,922**	**82,078**	**84,908**	**86,210**	**90,785**	**2,66,576**	**3,43,982**	**79,959**	3
YoY Growth (%)	12.3	11.2	16.4	15.3	33.7	32.9	24.4	26.2	13.9	29.0	30.2	
Operating Expenses	19,486	19,486	22,620	18,671	21,225	22,214	22,846	24,145	80,262	90,430	21,045	1
Operating Profit	**41,924**	**44,415**	**46,705**	**53,250**	**60,854**	**62,694**	**63,364**	**66,640**	**1,86,313**	**2,53,552**	**58,914**	3
YoY Growth (%)	8.8	11.5	14.3	22.8	45.2	41.2	35.7	25.1	14.6	36.1	40.5	
Provisions & Loan Losses	12,857	13,333	13,103	14,097	14,633	15,998	16,260	17,606	53,391	64,496	15,028	-3
Profit before Tax	**29,067**	**31,082**	**33,602**	**39,153**	**46,221**	**46,696**	**47,105**	**49,034**	**1,32,923**	**1,89,056**	**43,886**	5
Tax Provisions	7,510	8,028	8,385	9,017	11,776	11,768	11,870	12,229	32,941	47,642	11,059	6
Net Profit	**21,557**	**23,053**	**25,217**	**30,136**	**34,446**	**34,929**	**35,234**	**36,805**	**99,982**	**1,41,414**	**32,827**	5
YoY Growth (%)	8.8	11.4	21.2	40.9	59.8	51.5	39.7	22.1	20.9	41.4	52.3	
Key Parameters (Calc., %)												
Yield on loans	16.7	16.7	16.5	16.3	16.8	16.5	16.3	16.3				
Cost of funds	9.1	9.3	8.7	8.5	8.6	8.5	8.4	8.4				
Spread	7.6	7.4	7.9	7.8	8.2	8.0	7.9	7.8				
NIM	8.6	8.71	9.18	9.09	10.0	10.05	9.85	9.90				
C/I ratio	31.7	30.5	32.6	26.0	25.9	26.2	26.5	26.6				
Credit cost	1.9	1.9	1.8	1.9	1.9	2.0	2.0	2.0				
Tax rate	25.8	25.8	25.0	23.0	25.5	25.2	25.2	24.9				
Balance Sheet Parameters												
Disbursements (INR b)	**418**	**430**	**486**	**509**	**500**	**525**	**579**	**596**				
Growth (%)	10.9	7.6	11.1	13.6	19.5	22.0	19.0	17.0				
AUM (INR b)	**2,722**	**2,813**	**2,917**	**3,023**	**3,138**	**3,261**	**3,410**	**3,544**				
Growth (%)	**16.6**	**15.7**	**14.6**	**14.8**	**15.3**	**15.9**	**16.9**	**17.3**				
Borrowings (INR b)	**2,429**	**2,343**	**2,517**	**2,507**	**2,326**	**2,511**	**2,591**	**2,658**				
Growth (%)	26.7	12.7	12.7	7.0	-4.2	7.2	2.9	6.0				
Asset Quality Parameters												
GS 3 (INR B)	122.0	127.4	131.2	137.4	144.8							
GS 3 (%)	4.53	4.57	4.54	4.58	4.64							
NS 3 (INR B)	67.9	67.88	67.25	68.25	71.0							
NS 3 (%)	2.57	2.49	2.38	2.33	2.33							
PCR (%)	44.3	46.70	48.77	50.34	51.0							

E: MOFSL estimates

CONFERENCE CALL

Highlights from the management commentary

Guidance

- SHFL maintained its AUM growth guidance of ~18% for FY27 and plans to reassess the outlook after 2QFY27, once there is greater clarity on monsoon trends and Rural demand.
- Management expects AUM growth of 15-16% YoY in 2QFY27, with potential for stronger growth thereafter depending on the macro environment.
- CV growth is expected at ~15%, while MSME and gold loans are expected to grow faster than the total AUM growth.
- New vehicle financing is expected to increase to 20-25% of total disbursements (currently at ~16-17%) and to ~30% over the medium-term.
- Gold loan portfolio is expected to double over the next three years, increasing its share in the AUM mix from ~2.5% to ~5%.
- MSME in the AUM mix is expected to increase to ~20% (from 13-14% now) over the medium-term.
- Credit costs are expected to remain at ~2% in the near term.
- The company expects NIM to remain stable over the next two quarters, with medium-term organic margins expected to settle at ~8.5%.
- The cost-to-income ratio is expected to remain stable despite the expected addition of ~150 branches in FY27.
- SHFL remains comfortable with its growth guidance but will monitor the impact of El Niño, monsoon trends and rural incomes before reassessing the medium-term growth trajectory.

Macro environment

- RBI maintained the repo rate at 5.25% with a neutral policy stance, while raising its inflation forecast to 5.1% from 4.6%.
- The company highlighted geopolitical tensions and uneven southwest monsoon as the key challenges for the Indian economy.
- IMD has lowered its rainfall forecast, with the El Niño phenomenon strengthening. Southwest monsoon rainfall was 24% below normal between June 4 and July 16.
- It remains watchful of the evolving monsoon trajectory, given potential risks to agriculture, inflation and rural spending.
- Rural income remains a key uncertainty, with management awaiting greater clarity on monsoon trends and crop cycles before assessing the impact on growth.
- The company expects broadly stable rice production, while oilseeds and pulses could see some moderation due to lower rainfall in Central India.

Business updates

- Disbursements grew 19.5% YoY to ~INR500b in 1QFY27, while AUM grew 15.3% YoY and 3.8% QoQ.
- Expects growth to remain healthy, with CV growth projected at ~15% and MSME and gold loans expected to grow at a faster pace.
- The company is gradually increasing new vehicle disbursements by focusing on existing customers and reaching out to its earlier customer base for vehicle upgrades.

- New vehicle financing currently accounts for ~16% of disbursements and is expected to increase to 20–25% over the medium term.
- The company expects the CE segment to recover, with positive sales growth in 1QFY27 after four consecutive quarters of decline. Management expects the CE book to start growing from 2QFY27.
- The company plans to add ~150 branches in FY27, with branch expansion expected to support growth without a significant increase in the cost base.
- PAT grew 60% YoY to INR34.4b in 1QFY27.
- Cost-to-income ratio improved to 25.5% from 29.3% in 1QFY26.

Vehicle finance

- Gradual recovery in new vehicle demand, and is increasingly targeting existing customers for vehicle upgrades and new vehicle financing.
- Some customers had shifted to competitors in the past as the company was unable to match market rates; however, with the decline in cost of funds, the company is now able to offer more competitive pricing and, in some cases, serve customers better.
- Management expects new vehicle disbursements to increase to 20–25% of total disbursements, with the new vehicle portfolio expected to account for ~30%+ of the overall book over the medium term.
- The company expects to maintain long-term margins at ~8.5%, with the benefit of lower borrowing costs helping offset the impact of increasing new vehicle financing.

Gold Loans

- Management remains positive on the long-term gold loan opportunity, supported by India's large and growing gold holdings and increasing customer preference for gold-backed borrowing over higher-cost alternatives.
- The shift from traditional pawnbrokers towards organized NBFCs is expected to further expand the addressable market and support industry growth.
- Around 2,200 branches have been enabled to offer gold loans, providing significant headroom for portfolio expansion.
- Management expects the gold loan portfolio to double over the next three years, increasing its contribution from ~2.5% currently to ~5% of overall AUM.
- The company sees significant growth opportunities in gold and MSME lending, supported by its pan-India branch network.
- Asset quality in the gold loan portfolio remains healthy, with no material concerns.

MSME

- Management expects the MSME portfolio to grow faster than the overall business, with its contribution expected to increase to ~20% of AUM.
- The company sees significant headroom to scale MSME lending beyond its traditional South India presence, with expansion underway in West India and plans to deepen its presence across North and East India.
- MSME growth was relatively cautious over the past year amid US tariff uncertainty and inconsistent policies affecting export-oriented businesses.

However, management is now more confident as MSMEs are increasingly finding new markets and expanding within India.

- The company is strengthening its specialized manpower and building experienced teams in newer regions to support MSME growth.
- MSME sourcing is largely undertaken through the branch network, while processing is centralized through select hubs under a hub-and-spoke model, with greater focus on industrial clusters and manufacturing-oriented MSME markets.
- Management is now more confident about MSME asset quality after maintaining a cautious approach over the past year.

Personal Loans

- Personal loans are expected to continue growing, with the company primarily targeting existing gold loan and MSME customers.
- Management intends to keep personal lending focused on its known customer base to maintain underwriting discipline and manage asset quality.

Asset Quality and credit costs

- GS3 stood at 4.64% and NS3 at 2.33% in 1QFY27.
- Expects credit costs to remain at ~2% in the near term.
- The company has not witnessed any asset-quality concerns in the gold loan portfolio.
- Management remains confident about MSME asset quality after taking a cautious approach over the past year.
- No concerns were highlighted in the CE portfolio, with improving demand expected to support growth in the segment.
- Despite higher fuel prices amid West Asia tensions, vehicle operators have been able to pass on the increase to end customers, with operating margins remaining broadly stable.
- Vehicle demand remains healthy, with no meaningful stress or increase in vehicle idling observed. Management noted that lower vehicle utilization would likely have resulted in weaker CV sales, which has not been the case.

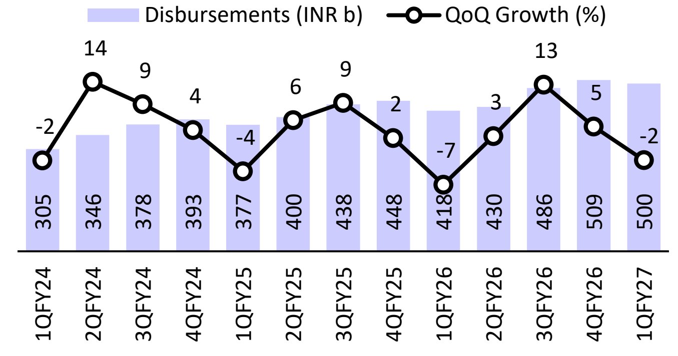
Margins and liquidity

- NIM stood at 9.04% in 1QFY27, up from 8.61% in 4QFY26. Management expects current NIMs to remain broadly stable over the next two quarters.
- The company expects to manage medium-term organic margins at ~8.5%, despite the change in product mix in favor of new vehicles, supported by lower borrowing costs.
- Management expects to pass on the benefit of lower cost of funds through competitive pricing in new vehicle financing while maintaining overall margins.
- The company did not borrow from banks during the quarter, and overall liabilities declined, partly due to repayment of higher-cost borrowings.
- Cost of liabilities declined to 8.56% from 8.59%, while incremental borrowing costs are currently at ~7.7-7.8%.
- SHFL expects incremental borrowing costs to remain below the current average cost of liabilities, supporting further reduction in overall funding costs.

- Borrowings and securitization remained subdued during the quarter due to the company's higher liquidity position.
- Fresh borrowing is expected to resume from the end of the quarter, with securitization likely to form part of the funding mix.
- The company has achieved its targeted liability repayments and plans to maintain liquidity of INR17-18b, equivalent to around three months of liability payments.
- Excess liquidity (from equity infusion) is expected to be utilized for growth rather than being utilized for liability repayments.

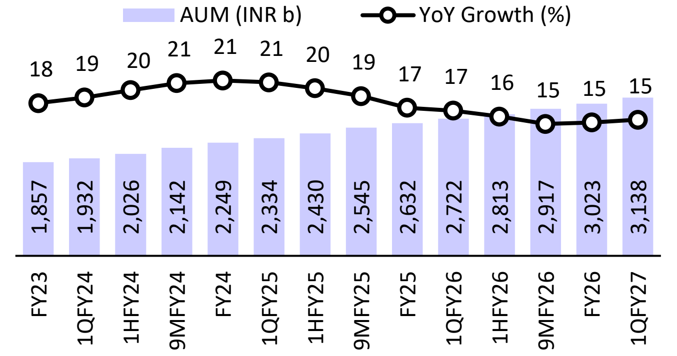
Key exhibits

Exhibit 1: Disbursements grew 20% YoY…



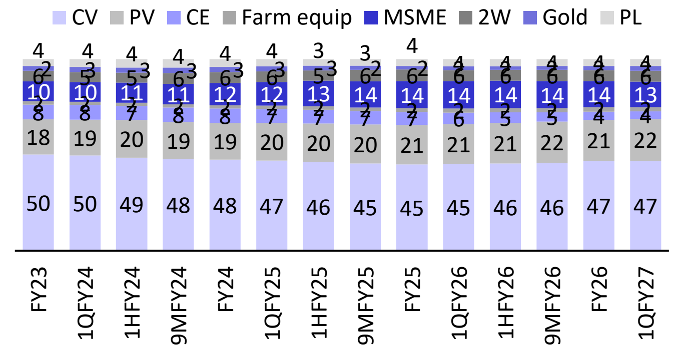
Source: MOFSL, Company

Exhibit 2: …leading to AUM growth of 15% YoY/3.8% QoQ



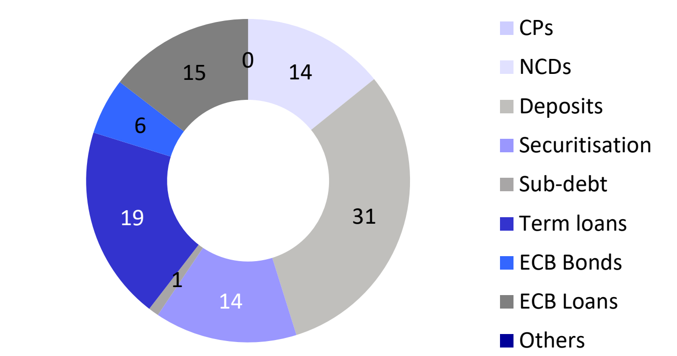
Source: MOFSL, Company

Exhibit 3: AUM mix largely stable (%)



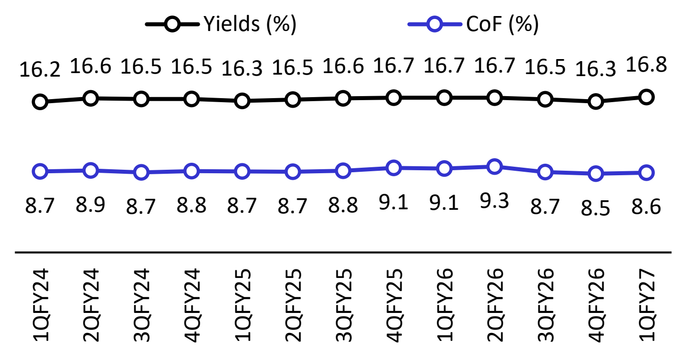
Source: MOFSL, Company

Exhibit 4: Borrowing mix as of Jun'26 (%)



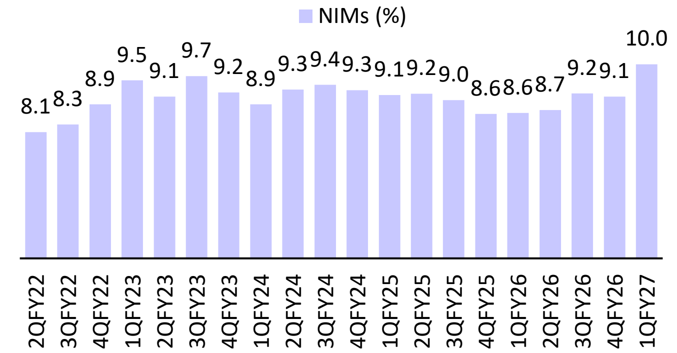
Source: MOFSL, Company

Exhibit 5: CoF (calc.) rose ~50bp QoQ (%)



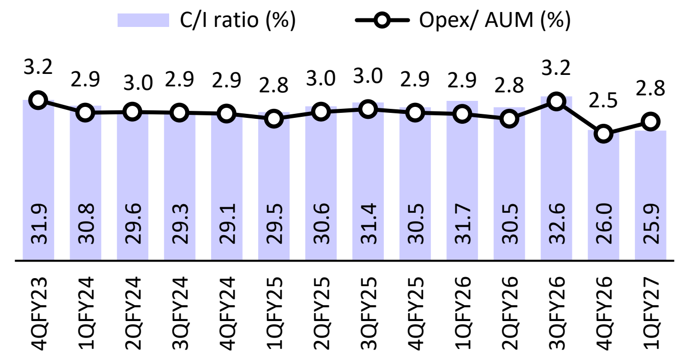
Source: MOFSL, Company

Exhibit 6: NIM (calc.) rose ~90bp QoQ (%)



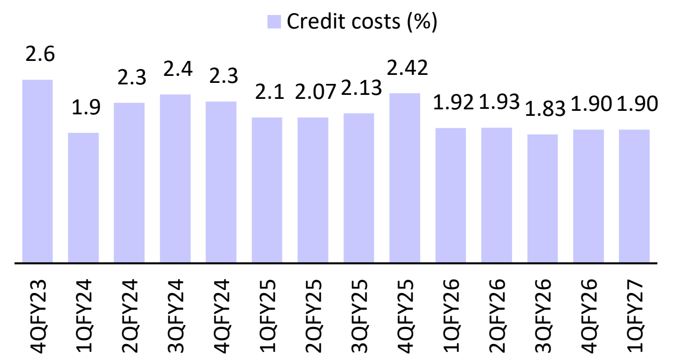
Source: MOFSL, Company

Exhibit 7: Cost-to-income was broadly stable QoQ



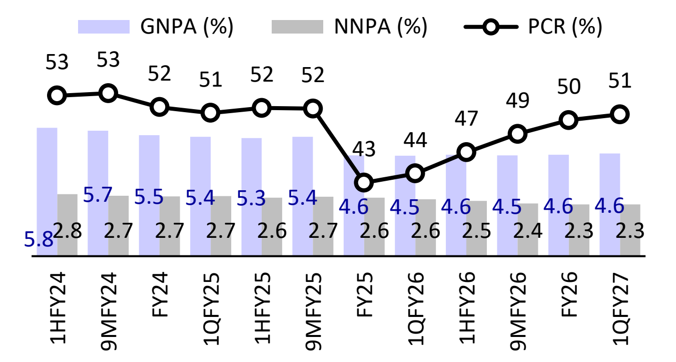
Source: MOFSL, Company

Exhibit 8: Credit costs (calc.) were stable sequentially



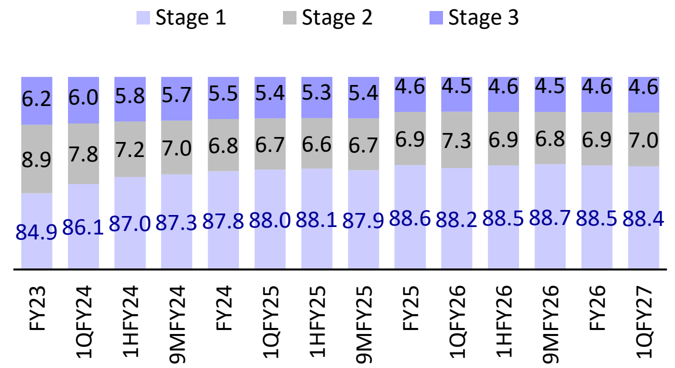
Source: MOFSL, Company

Exhibit 9: Minor seasonal deterioration in asset quality



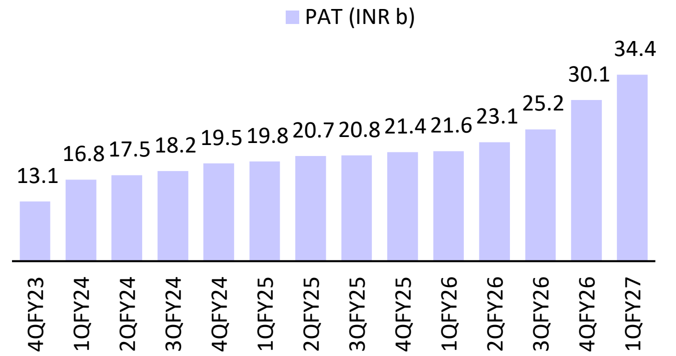
Source: MOFSL, Company

Exhibit 10: Stage 2 increased ~5bp QoQ (%)



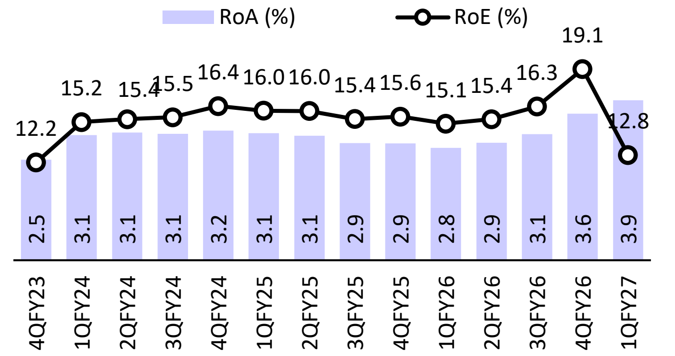
Source: MOFSL, Company

Exhibit 11: PAT grew ~60% YoY/~14% QoQ to ~INR34.4b



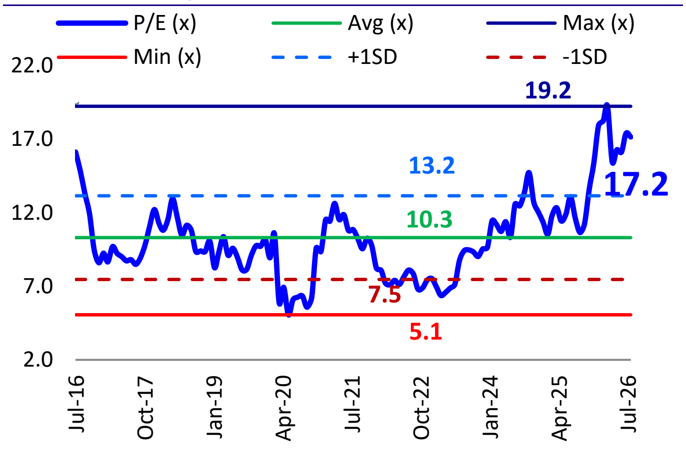
Source: MOFSL, Company

Exhibit 12: RoA rose to ~3.9% in 1QFY27



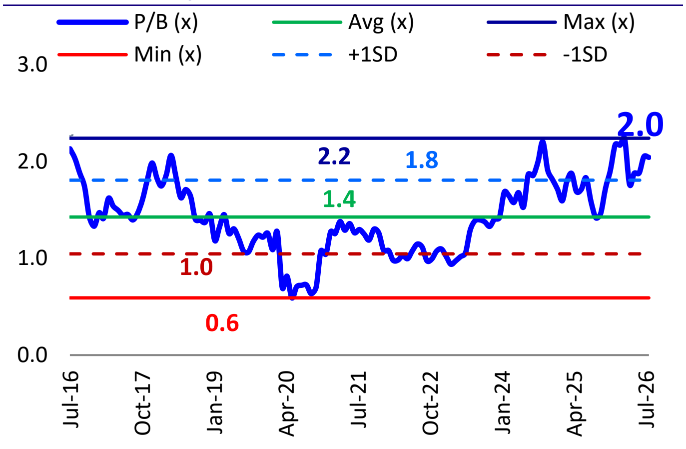
Source: MOFSL, Company

Exhibit 13: One-year forward P/E



Source: MOFSL, Company

Exhibit 14: One-year forward P/B



Source: MOFSL, Company

Exhibit 15: We raise our FY27E EPS by 7% to factor in higher NIM and marginally lower credit costs

INR B	Old Est.		New Est.		Change (%)	
	FY27	FY28	FY27	FY28	FY27	FY28
NII (incl. assignments)	313.4	377.2	325.7	384.6	3.9	2.0
Other Income	20.1	21.5	18.3	17.5	-8.8	-18.7
Total Income	**333.5**	**398.7**	**344.0**	**402.1**	**3.2**	**0.8**
Operating Expenses	89.3	102.1	90.4	103.8	1.2	1.7
Operating Profits	**244.1**	**296.6**	**253.6**	**298.3**	**3.9**	**0.6**
Provisions	66.7	74.8	64.5	74.7	-3.4	-0.1
PBT	**177.4**	**221.8**	**189.1**	**223.5**	**6.6**	**0.8**
Tax	44.7	55.9	47.6	56.3	6.6	0.8
PAT	**132.7**	**165.9**	**141.4**	**167.2**	**6.6**	**0.8**
AUM	3,525	4,149	3,544	4,192	0.5	1.0
Loans	3,299	3,896	3,318	3,939	0.6	1.1
Borrowings	2,609	3,112	2,658	3,165	1.9	1.7
NIM	9.6	9.8	9.9	9.9		
Credit Cost (%)	2.2	2.1	2.1	2.1		
RoA	3.8	4.0	4.0	4.0		
RoE	**14.6**	**13.5**	**15.5**	**13.5**		

Exhibit 16: Du-Pont (% of average assets)

	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	14.7	14.4	14.8	15.2	15.2	15.2	15.2	14.8
Interest Expended	7.2	7.1	6.5	6.7	7.0	7.0	6.0	5.6
Net Interest Income	**7.5**	**7.3**	**8.3**	**8.5**	**8.2**	**8.2**	**9.2**	**9.1**
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**	**9.7**	**9.6**
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**	**7.1**	**7.1**
Provisions/write offs	2.6	2.7	2.2	2.0	2.0	1.7	1.8	1.8
PBT	**3.0**	**2.9**	**4.2**	**4.4**	**4.1**	**4.3**	**5.3**	**5.3**
Tax	0.8	0.7	1.1	1.1	1.0	1.1	1.3	1.3
RoA	**2.3**	**2.2**	**3.1**	**3.3**	**3.1**	**3.3**	**4.0**	**4.0**
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**	**15.5**	**13.5**

Financials and valuation

Income Statement								(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	5,38,081	6,20,453
Interest Expenses	1,11,881	1,22,668	1,25,458	1,48,061	1,84,546	2,15,204	2,12,416	2,35,848
Net Interest Income	**1,15,116**	**1,25,936**	**1,60,616**	**1,87,935**	**2,18,531**	**2,51,236**	**3,25,665**	**3,84,604**
Change (%)	-0.4	9.4	27.5	17.0	16.3	15.0	29.6	18.1
Other Operating Income	4,514	9,214	11,648	13,648	15,268	14,739	17,686	16,802
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**	**3,43,982**	**4,02,069**
Change (%)	-0.5	12.9	27.5	17.0	15.9	13.9	29.0	16.9
Total Operating Expenses	**33,500**	**37,805**	**49,131**	**59,895**	**71,440**	**80,262**	**90,430**	**1,03,790**
Change (%)	-6.4	12.8	30.0	21.9	19.3	12.3	12.7	14.8
Employee Expenses	16,699	19,695	25,061	32,156	36,512	41,260	45,542	52,828
Depreciation	2,172	2,137	5,242	5,688	6,453	6,988	7,431	7,885
Other Operating Expenses	14,629	15,973	18,828	22,051	28,475	32,015	37,457	43,076
Operating Profit	**86,367**	**97,573**	**1,23,441**	**1,42,020**	**1,62,609**	**1,86,313**	**2,53,552**	**2,98,279**
Change (%)	1.9	13.0	26.5	15.1	14.5	14.6	36.1	17.6
Total Provisions	**39,693**	**47,485**	**41,592**	**45,183**	**53,117**	**53,391**	**64,496**	**74,745**
% Loan loss provisions to Avg loans ratio	2.8	3.1	2.4	2.2	2.3	2.0	2.1	2.1
PBT	**46,674**	**50,088**	**81,849**	**96,836**	**1,09,493**	**1,32,923**	**1,89,056**	**2,23,534**
Tax Provisions	11,692	12,164	22,056	24,932	26,776	32,941	47,642	56,331
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**	**1,41,414**	**1,67,204**
Change (%)	-0.1	8.4	57.7	20.3	15.0	20.9	41.4	18.2
PAT (including exceptional gains)	**34,982**	**37,925**	**59,793**	**71,905**	**97,610**	**99,982**	**1,41,414**	**1,67,204**

Balance Sheet								(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	11,65,614	12,99,540
Net Worth	**2,94,954**	**3,47,132**	**4,33,066**	**4,85,684**	**5,62,806**	**6,57,049**	**11,70,320**	**13,04,246**
Borrowings	**13,17,617**	**14,51,285**	**15,79,063**	**18,58,411**	**23,41,973**	**25,06,899**	**26,58,243**	**31,65,173**
Change (%)	12.1	10.1	8.8	17.7	26.0	7.0	6.0	19.1
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**	**38,80,926**	**45,27,019**
Cash and bank balances	**2,16,562**	**2,29,679**	**1,58,174**	**1,08,126**	**2,13,657**	**79,384**	**2,20,255**	**2,19,122**
Investments	42,152	86,455	85,651	1,06,566	1,55,987	1,47,828	1,62,610	1,70,741
Loans	**13,57,232**	**14,76,890**	**17,19,846**	**20,79,294**	**24,53,928**	**28,24,524**	**33,17,957**	**39,38,799**
Change (%)	5.3	8.8	16.5	20.9	18.0	15.1	17.5	18.7
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**	**38,80,926**	**45,27,019**

E: MOFSL Estimates

Financials and valuation

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	35,44,324	41,92,282
Change (%)	**6**	**7**	**18**	**21**	**17**	**15**	**17**	**18**
Disbursements	5,21,985	8,62,135	11,06,899	14,21,675	16,62,981	18,44,290	21,99,782	25,65,707
Change (%)	**-26**	**65**	**28**	**28**	**17**	**11**	**19**	**17**

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	17.7	17.52	17.1
Avg Cost of Funds	9.0	8.9	8.3	8.6	8.8	8.9	8.23	8.1
Spread of loans	8.2	8.7	9.6	9.1	9.0	8.8	9.30	9.0
NIM (on assets)	7.5	7.3	8.3	8.5	8.2	8.2	9.2	9.1
C/I ratio	27.9	27.9	28.5	29.7	30.5	30.1	26.3	25.8
Profitability Ratios (%)								
RoE	12.8	11.8	15.3	15.7	15.8	16.4	15.5	13.5
RoA	2.3	2.2	3.1	3.3	3.1	3.3	4.0	4.0
Int. Expended / Int.Earned	49.3	49.3	43.9	44.1	45.8	46.1	39.5	38.0
Other Inc. / Net Income	4.0	7.0	6.9	6.9	6.6	5.8	5.3	4.3
Efficiency Ratios (%)								
Op. Exps. / Net Income	27.9	27.9	28.5	29.7	30.5	30.1	26.3	25.8
Empl. Cost/Op. Exps.	49.8	52.1	51.0	53.7	51.1	51.4	50.4	50.9
Asset-Liability Profile (%)								
Loans/Borrowings Ratio	1.0	1.0	1.1	1.1	1.0	1.1	1.2	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	1,76,457
NNPA	51,523	49,731	56,749	58,245	67,145	68,255	85,495	97,051
GNPA ratio	6.9	6.9	6.2	5.5	4.6	4.6	4.4	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	2.1	2.1

Valuations	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Book Value (INR)	185	206	231	258	299	349	497	554
BV Growth (%)	8	11	12	12	16	17	42	11
P/BV	**5.4**	**4.9**	**4.3**	**3.9**	**3.4**	**2.9**	**2.0**	**1.8**
EPS (INR)	22	22	32	38	44	53	60	71
EPS Growth (%)	-8.3	2.6	42.0	19.8	14.9	20.8	13.1	18.2
P/E	**45.8**	**44.7**	**31.5**	**26.3**	**22.8**	**18.9**	**16.7**	**14.1**
DPS	4.2	4.7	7.0	9.0	9.9	12.0	14	16
Dividend Yield (%)	**0.4**	**0.5**	**0.7**	**0.9**	**1.0**	**1.2**	**1.4**	**1.6**

E: MOFSL Estimates

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
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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
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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.
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