21 October 2026
2QFY27 Results Update | Sector: Financials

Aditya Birla Sun Life AMC

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	ABSLAMC IN
Equity Shares (m)	289
M.Cap.(INRb)/(USDb)	275.1 / 2.9
52-Week Range (INR)	1225 / 708
1, 6, 12 Rel. Per (%)	-6/-1/21
12M Avg Val (INR M)	388

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
AAUM	4,269	4,493	5,139
MF Yield (bps)	40.3	39.7	39.6
Rev from Ops	18.5	19.6	22.4
Core PAT	8.1	7.8	8.8
PAT	9.8	10.5	11.8
PAT (bps as AAUM)	23	23	23
Core EPS	28	27	31
EPS	34	36	41
EPS Grw. (%)	5	7	12
BVPS	140	150	161
RoE (%)	25	25	26
Div. Payout (%)	76	74	73
Valuations			
M cap/AUM (%)	6.4	6.1	5.3
P/E (x)	28.1	26.2	23.4
P/BV (x)	6.8	6.4	5.9
Div. Yield (%)	2.7	2.8	3.1

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	74.7	74.7	74.9
DII	15.1	14.3	10.3
FII	4.3	4.4	6.2
Others	5.9	6.6	8.6

FII includes depository receipts

CMP: INR950 TP: INR1,160 (+22%) Buy

Core performance in line; other income drives a PAT beat

- Aditya Birla Sun Life AMC (ABSLAMC)'s operating revenue grew 5% YoY/ 4% QoQ to ~INR4.8b (in-line). For 1HFY27, revenue grew 4% YoY. The yield for the quarter stood at 43.8bp vs. 43.4bp in 2QFY26 and 43.3bp in 1QFY27.
- Total opex grew 21% YoY to INR2.2b (in-line) reflecting a cost-to-income ratio of 44.6% vs. 38.7% in 2QFY26 (vs. our est. of 44.5%). EBITDA dipped 5% YoY to INR2.7b (in line), reflecting an EBITDA margin of 55.4% (vs. 61.3% in 2QFY26 and MOFSLe of 55.5%). EBITDA stood at INR5.3b in 1HFY27.
- The beat on other income resulted in a 15% beat on PAT, which stood at INR2.2b, declining 8% YoY and 29% QoQ. 1HFY27 PAT stood at INR5.3b. Core PAT for 2Q came in at INR1.9b (-8% YoY; in line).
- Employee expenses are likely to remain around 2QFY27 levels going forward. The newly launched ESOP scheme is expected to have an annual impact of INR140–150m, while earlier schemes could entail an annual impact of INR550–600m over the next two years.
- We have broadly kept our estimates intact considering the in-line operating performance in 2QFY27. **We reiterate our BUY rating on the stock with a TP of INR1,160, based on a valuation of 38x FY28E core P/E.**

Flat sequential growth in MF AUM; alternates continue to scale

- ABSLAMC's overall MF QAAUM grew 4% YoY/3% QoQ to INR4.4t driven by 8%/17%/36% YoY growth in equity/liquid/ ETF QAAUM while debt/index QAAUM declined 19%/8% YoY.
- Overall average AUM grew 140% YoY (mainly due to EPFO mandates) to INR11.1t in 2QFY27, with the asset mix comprising domestic equity at 19%, debt at 14%, liquid at 7%, and alternate and offshore assets at 60%.
- Total alternate AUM grew 19x YoY to ~INR6.6b (from INR357m in 2QFY26). PMS/AIF QAAUM, including the ESIC mandate, surged 24x YoY to INR6.5t, while Offshore AUM grew 6% YoY to INR51b. Gross alternate yields rose to 7.4% from 7.1% in 1QFY27, while net yields increased to 4.3% from 4.0%.
- Passive QAAUM stood at INR399b as of Sep'26, up 10% YoY, with ETF AUM at INR126b (up 43% YoY). The FoF AUM stood at INR61b (+49% YoY), while Index AUM was INR211b (-9% YoY). ABSLAMC has a passive product suite of 50 products as of Sep'26.
- The monthly SIP flows remained flat QoQ at INR10.9b for Sep'26, with SIP accounts increasing to ~4.17m from ~4.03m in Jun'26. SIP AUM stood at INR860b as of Sep'26 with sequential improvement in monthly gross SIP contribution.
- In terms of channel mix, the direct channel continued to dominate the overall asset sourcing mix with a 44% share, followed by MFDs (31%), national distributors (17%), and banks (8%). However, in equity AUM, MFDs contributed 52% to the distribution mix.
- Investor folios rose to 11.4m (from 10.7m in 2QFY26), while the number of MFDs increased by ~0.5k in 2QFY27, reaching over 96k.
- Opex, as a percentage of QAAUM, stood at 19.5bp in 2QFY27 vs. 16.8bp in 2QFY26 (est. of 18.8bp).

Research Analyst: Prayesh Jain (Prayesh.Jain@MotilalOswal.com) | **Nitin Aggarwal** (Nitin.Aggarwal@MotilalOswal.com)
Research Analyst: Kartikeya Mohata (Kartikeya.Mohata@MotilalOswal.com) | **Muskan Chopra** (Muskan.Chopra@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Employee costs grew 33% YoY/9% QoQ to INR1,263m (8% higher than our est.). The YoY increase in employee costs was due to 1) INR120-130m of ESOP costs, 2) the absence of an INR60m provision reversal recorded in the previous year, and 3) higher headcount. Employee costs are expected to remain broadly at the current levels in subsequent quarters.
- Other operating expenses remained stable QoQ and are likely to grow broadly in line with inflation, with no major incremental cost pressures anticipated.
- Other income was INR424m vs. INR452m in 2QFY26 and our est. at INR110m.

Key takeaways from the management commentary

- Retention ratio has increased to ~25–30%, from just 4–5% driven by better performance and the redirection of investors to other schemes.
- EPFO mandates are cost-neutral, but can strengthen credibility and create opportunities for privately managed assets and overseas mandates.
- A dedicated team has been hired to build the SIF franchise, with a focus on driving product awareness and investor allocations.

Valuation and view

- Improving flagship fund performance, stronger distribution traction, and an improving retention rate provide confidence in sustained AUM growth while disciplined cost management should support operating leverage. Continued improvement in flows and market share recovery remain key earnings drivers.
- The expanding alternatives, PMS, passive, SIF and GIFT City businesses provide meaningful long-term optionality beyond the core mutual fund franchise. As these businesses scale, they are expected to diversify revenue streams and support profitability, although execution and fundraising momentum remain the key monitorables.
- We have broadly kept our estimates intact considering the in-line operating performance in 2QFY27. **We reiterate our BUY rating on the stock with a TP of INR1,160, based on a valuation of 38x FY28E core P/E.**

Quarterly Performance **(INR m)**

Y/E March	FY26				FY27				FY26	FY27E	2QFY27E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Revenue from Operations	**4,474**	**4,613**	**4,781**	**4,582**	**4,630**	**4,838**	**4,971**	**5,120**	**18,450**	**19,559**	4,689	3.2	4.9	4.5
Change YoY (%)	15.7	8.7	7.4	6.9	3.5	4.9	4.0	11.7	9.5	6.0	1.6			
Fees & Commission	135	145	161	156	154	160	173	181	596	668	162.8	-1.7	10.5	4.2
Employee Expenses	926	951	1,049	1,044	1,163	1,263	1,280	1,297	3,971	5,003	1,170	8.0	32.8	8.5
Other expenses	753	692	674	718	736	735	741	766	2,836	2,978	754	-2.5	6.2	(0.2)
Total Operating Expenses	1,814	1,788	1,884	1,918	2,053	2,158	2,194	2,244	7,404	8,649	2,086	3.4	20.7	5.1
Change YoY (%)	9	3	10	4	13	21	16	17	6.4	16.8	16.7			
EBITDA	**2,660**	**2,826**	**2,897**	**2,664**	**2,576**	**2,681**	**2,777**	**2,875**	**11,047**	**10,909**	2,602	3.0	(5.1)	4.0
EBITDA margin (%)	59.5	61.3	60.6	58.1	55.6	55.4	55.9	56.2	59.9	55.8	55.5	-10bp	-585bp	-24bp
Other Income	**1,179**	**452**	**843**	**-329**	**1,624**	**424**	**800**	**789**	2,145	3,637	110	285.3	(6.1)	(73.9)
Depreciation/Reversal	103	108	117	130	128	131	135	141	458	536	138	-5.1	20.8	2.2
Finance Cost	13	13	12	12	12	11	12	12	50	48	13	-12.3	(10.9)	(5.0)
PBT	**3,723**	**3,156**	**3,583**	**2,194**	**4,060**	**2,962**	**3,402**	**3,511**	**12,684**	**13,963**	**2,561**	**15.6**	(6.2)	(27.0)
Tax Provisions	952	743	888	323	966	752	858	887	2,905	3,463	640	17.4	1.3	(22.1)
Net Profit	**2,771**	**2,413**	**2,695**	**1,871**	**3,094**	**2,210**	**2,545**	**2,624**	**9,779**	**10,500**	**1,921**	**15.0**	(8.4)	(28.6)
Change YoY (%)	17.6	-0.4	20.1	-18.0	11.7	-8.4	-5.6	40.2	5.1	7.4	-20.4			
Core PAT	**1,894**	**2,068**	**2,061**	**2,151**	**1,857**	**1,894**	**1,946**	**2,034**	**8,125**	**7,765**	**1,839**	**3.0**	(8.4)	2.0
Change YoY (%)	16.7	19.5	5.3	23.4	-2.0	-8.4	-5.6	-5.5	15.2	-4.4	-11.1			
Key Operating Parameters (%)														
Revenue / AUM (bps)	44.4	43.4	43.1	42.1	43.3	43.8	43.6	43.4	43.2	43.5	42.9	94bp	40bp	50bp
Opex / AUM (bps)	18.0	16.8	17.0	17.6	19.2	19.5	19.2	19.0	17.3	19.3	19.1	46bp	272bp	33bp
PAT / AUM (bps)	27.5	22.7	24.3	17.2	28.9	20.0	22.3	22.3	22.9	23.4	17.6	244bp	-270bp	-893bp
Cost to Operating Income Ratio	40.5	38.7	39.4	41.9	44.4	44.6	44.1	43.8	40.13	44.22	44.5	10bp	585bp	24bp
EBITDA Margin	59.5	61.3	60.6	58.1	55.6	55.4	55.9	56.2	59.9	55.8	55.5	-10bp	-585bp	-24bp
Tax Rate	25.6	23.5	24.8	14.7	23.8	25.4	25.2	25.3	22.9	24.8	25.0	39bp	186bp	160bp
PAT Margin	61.9	52.3	56.4	40.8	66.8	45.7	51.2	51.2	53.0	53.7	41.0	470bp	-664bp	-2116bp
Core PAT Margin	42.3	44.8	43.1	46.9	40.1	39.1	39.1	39.7	44.0	39.7	39.2	-7bp	-569bp	-96bp
Opex Mix (%)														
Fees & Commission	7.4	8.1	8.5	8.1	7.5	7.4	7.9	8.1	21.0	22.4	7.8	-38bp	-69bp	-6bp
Employee Expenses	51.1	53.2	55.7	54.4	56.7	58.5	58.3	57.8	53.6	57.8	56.1	246bp	532bp	186bp
Others	41.5	38.7	35.8	37.4	35.9	34.1	33.8	34.1	38.3	34.4	36.1	-208bp	-464bp	-180bp

Key Parameters

	FY26				FY27									
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY26	FY27E	2QFY27E	Act v/s Est. (%)	YoY	QoQ
QAUM (INR b)	4,035	4,252	4,432	4,359	4,277	4,418	4,562	4,714	4,269	4,493	4,375	1.0	3.9	3.3
Mix (%)														
Equity	43.9	44.5	44.2	44.4	45.4	46.2	46.4	46.5	44.2	46.2	45.7		176bp	80bp
Debt	21.4	22.1	22.3	21.3	19.3	17.2	17.1	17.1	21.8	17.7	19.8		-495bp	-209bp
Liquid	25.8	25.0	25.1	25.4	26.4	28.3	28.0	27.9	25.3	27.7	25.3		323bp	185bp
Others	8.8	8.4	8.5	8.9	8.9	8.3	8.4	8.5	8.6	8.5	9.2		-4bp	-55bp
Domestic - Equity	1,802	1,924	1,994	1,974	1,987	2,092							8.7	5.3
Domestic - Fixed Income	1,597	1,694	1,767	1,700	1,587	1,505							-11.2	-5.2
Domestic - Liquid	636	637	671	685	703	821							28.9	16.8
Alternate and Offshore - Others	257	270	296	297	1,915	6,549							2,325.6	242.0
Alternate and Offshore - Equity	141	87	86	84	87	87							0.0	0.0
SIP Flows (INRm)	11,400	11,000	10,800	12,040	10,850	10,940							-0.5	0.8
New SIP registrations('000)	583	582	531	617	547	705							21.1	28.9
Distribution mix - Overall														
Bank	8.0	8.0	8.0	7.0	8.0	8.0							0bp	0bp
National Distributor	16.0	16.0	16.0	16.0	16.0	17.0							100bp	100bp
MFDs	34.0	32.0	31.0	31.0	33.0	31.0							-100bp	-200bp
Direct	42.0	44.0	45.0	46.0	43.0	44.0							0bp	100bp
Distribution mix - Equity														
Bank	10.0	10.0	10.0	10.0	10.0	10.0							0bp	0bp
National Distributor	20.0	20.0	20.0	20.0	20.0	20.0							0bp	0bp
MFDs	54.0	53.0	52.0	52.0	52.0	52.0							-100bp	0bp
Direct	17.0	17.0	18.0	18.0	18.0	18.0							100bp	0bp

Exhibit 1: Summary of our revised estimates

(INR b)	New		Old		Change in Estimates	
Y/E March	2027E	2028E	2027E	2028E	2027E	2028E
AAUM (INRb)	4,493	5,139	4,489	5,135	0%	0%
MF Yield (bps)	39.7	39.6	39.1	39.0	6bps	6bps
Rev from Ops	19.6	22.4	19.3	22.1	1%	1%
Core PAT	7.8	8.8	7.7	8.7	1%	1%
PAT	10.5	11.8	10.2	11.6	2.8%	1.2%
PAT (bp/AAUM)	23	23	23	23	6bps	3bps
Core EPS	27	31	27	30	1%	1%
EPS	36	41	35	40	3%	1%
EPS Grw. (%)	7	12	4	14		
BVPS	150	161	149	159	1%	1%
RoE (%)	25	26	25	26		
Div. Payout (%)	74	73	76	74		



Key takeaways from the management commentary

Industry

- Concerns around investor appetite for mutual funds are not translating into meaningful on-ground weakness.
- With bond yields becoming relatively attractive versus bank deposit rates, the industry should continue to benefit from financialization of savings and portfolio reallocation.
- Improving fund performance is encouraging investors to shift allocations between schemes resulting in improvement in flows of core categories.
- Ability of SIFs to generate differentiated returns in the current market environment could support allocations.

Performance

- Sequential improvement across core funds offsetting continued weakness in select categories. Monthly SIP trends are also improving, with SIP AUM at INR860b.
- ABSL AMC's retention ratio has increased to ~25–30%, from just 4–5% historically driven by better performance and the ability to redirect investors to other schemes.
- While EPFO mandates are broadly cost-neutral, they could strengthen credibility and create opportunities for privately managed assets and overseas mandates.
- A dedicated team has been hired to build the SIF franchise, with management now focused on driving product awareness and investor allocations.

Distribution

- MFDs contribute 52% of flows, followed by national distributors and banks at approximately 20% each. The banking channel's incremental contribution is increasing, particularly in flexi-cap funds.
- Around 80 dedicated personnel across 14 locations are targeting existing HNI investors, supported by referrals, Birla Group synergies and virtual relationship managers.
- ABSLAMC is looking to increase outreach and improve customer acquisition momentum, making the productivity of the expanded direct team a key monitorable.

Yields

- Yields of 63–64bp for equity, 24–25bp for debt, 12–13bp for liquid funds and ~8bp for ETFs.
- The EPFO mandate currently carries expense-neutral yields. Any future relaxation in permitted economics could add a few basis points to profitability.

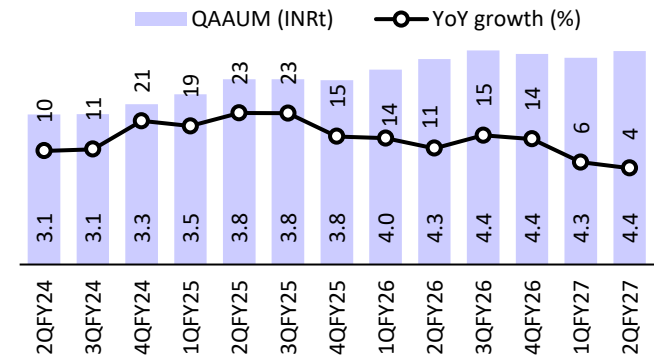
Financials

- The YoY increase in employee costs was due to 1) INR120-130m of ESOP costs, 2) the absence of an INR60m provision reversal recorded in the previous year, and 3) higher headcount.
- Employee costs **are expected to remain broadly at the current levels in subsequent quarters.**

- The newly launched ESOP scheme is expected to have an annual impact of INR140–150m, while earlier schemes could entail an annual impact of INR550–600m over the next two years.
- Alternatives account for 7.4% of revenue on a gross basis and 4.3% on a net basis, indicating a growing contribution from the business.
- The investment book stood at INR39b, largely invested in debt mutual funds and corporate bonds, with equities accounting for approximately 17–18%.

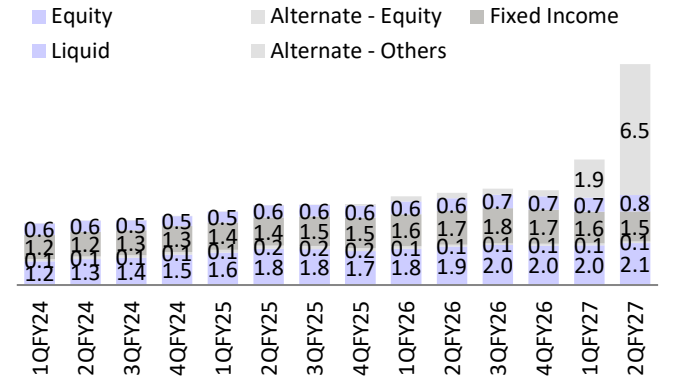
Key exhibits

Exhibit 1: QAAUM grew 4% YoY in 2QFY27



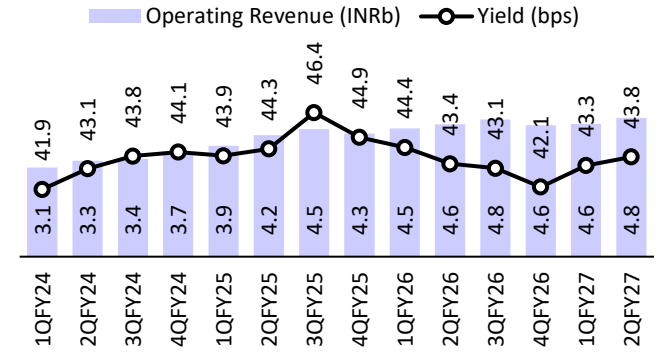
Source: MOFSL, Company

Exhibit 2: AUM mix (INR t)



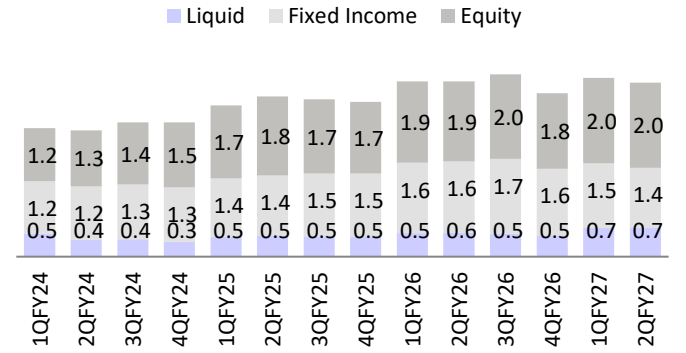
Source: MOFSL, Company

Exhibit 3: Yields remained stable on a sequential basis



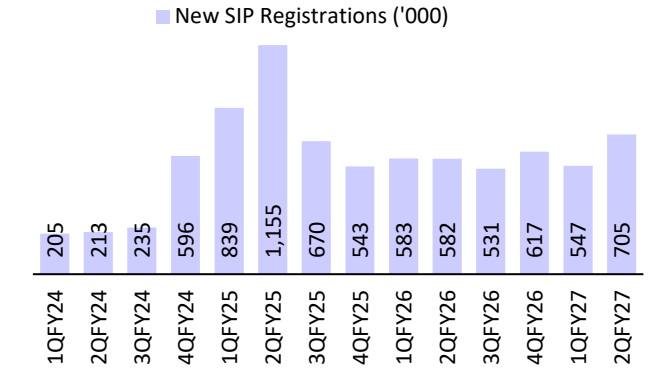
Source: MOFSL, Company

Exhibit 4: Equity AUM stood at ~INR2t in 2QFY27



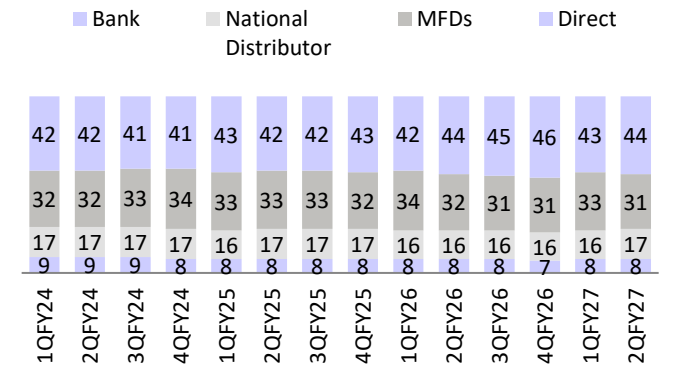
Source: MOFSL, Company

Exhibit 5: New SIP registration trend



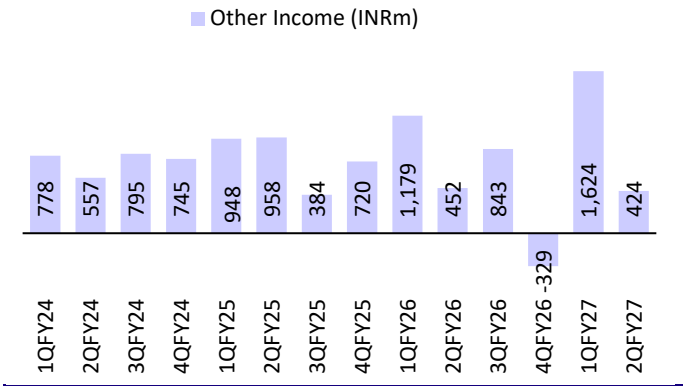
Source: MOFSL, Company

Exhibit 6: Distribution mix (%)



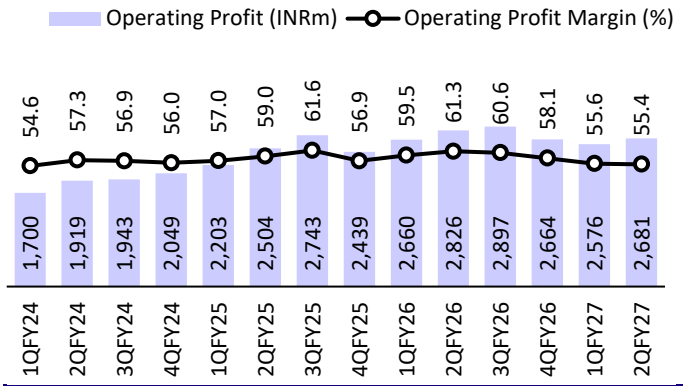
Source: MOFSL, Company

Exhibit 7: Other income stood at INR424m in 2QFY27



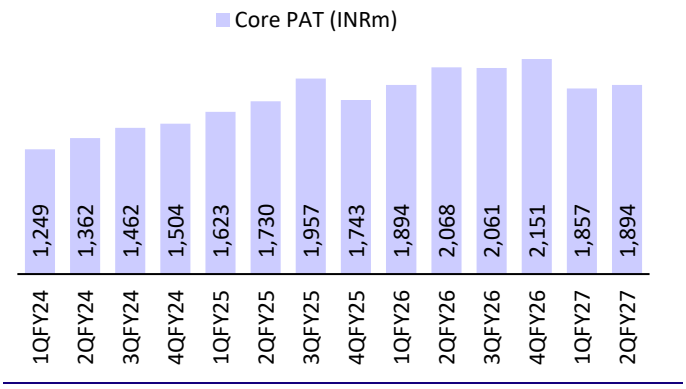
Source: MOFSL, Company

Exhibit 8: Operating profit trends



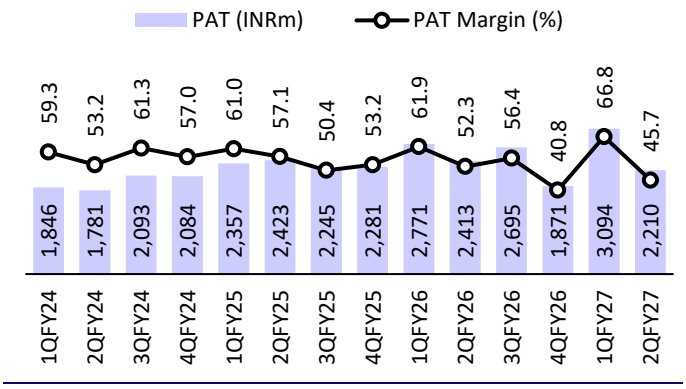
Source: MOFSL, Company

Exhibit 9: Core PAT trend



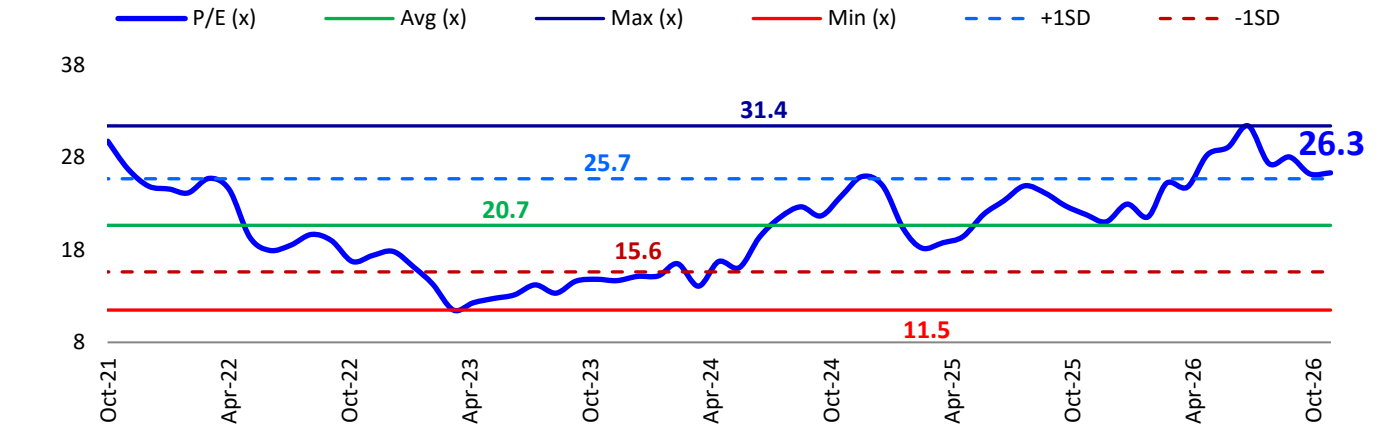
Source: MOFSL, Company

Exhibit 10: PAT and margin trends



Source: MOFSL, Company

Exhibit 11: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

Income Statement									INR m
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Investment management fees	11,597	10,679	12,930	12,266	13,532	16,848	18,450	19,559	22,417
Change (%)	(12.6)	(7.9)	21.1	(5.1)	10.3	24.5	9.5	6.0	14.6
Operating Expenses	5,321	4,670	4,992	5,216	5,922	6,958	7,403	8,649	10,009
Core Operating Profits	**6,276**	**6,010**	**7,937**	**7,050**	**7,610**	**9,890**	**11,047**	**10,909**	**12,408**
Change (%)	4.0	-4.2	32.1	-11.2	7.9	30.0	11.7	-1.2	13.7
Dep/Interest/Provisions	420	430	147	382	402	455	508	583	649
Core PBT	**5,856**	**5,580**	**7,791**	**6,668**	**7,208**	**9,435**	**10,539**	**10,326**	**11,759**
Change (%)	3.6	-4.7	39.6	-14.4	8.1	30.9	11.7	-2.0	13.9
Other Income	751	1,379	1,156	1,271	2,874	3,010	2,145	3,637	3,877
PBT	**6,607**	**6,959**	**8,947**	**7,938**	**10,082**	**12,445**	**12,684**	**13,963**	**15,636**
Change (%)	2.3	5.3	28.6	-11.3	27.0	23.4	1.9	10.1	12.0
Tax	1,663	1,696	2,219	1,975	2,278	3,139	2,905	3,463	3,878
Tax Rate (%)	25.2	24.4	24.8	24.9	22.6	25.2	22.9	24.8	24.8
PAT	**4,944**	**5,263**	**6,728**	**5,964**	**7,804**	**9,306**	**9,779**	**10,500**	**11,758**
Change (%)	10.7	6.4	27.8	-11.4	30.9	19.3	5.1	7.4	12.0
Core PAT	4,382	4,220	5,858	5,009	5,579	7,055	8,125	7,765	8,843
Change (%)	12.0	-3.7	38.8	-14.5	11.4	26.5	15.2	-4.4	13.9
Dividend	3,978	1,400	3,298	2,952	3,889	6,924	7,364	7,776	8,640

Balance Sheet									INR m
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Equity Share Capital	180	180	1,440	1,440	1,441	1,442	1,444	1,440	1,440
Reserves & Surplus	12,989	16,866	20,525	23,730	30,248	35,826	38,973	41,697	44,815
Net Worth	**13,169**	**17,046**	**21,965**	**25,170**	**31,689**	**37,269**	**40,417**	**43,137**	**46,255**
Borrowings	0	0	0	0	0	0	0	0	0
Other Liabilities	2,551	2,799	2,382	2,711	3,330	3,876	3,738	4,111	4,523
Total Liabilities	**15,720**	**19,846**	**24,347**	**27,881**	**35,019**	**41,144**	**44,154**	**47,248**	**50,778**
Cash and Investments	14,038	18,393	22,848	25,896	33,167	39,120	41,962	44,847	48,178
Change (%)	5.4	31.0	24.2	13.3	28.1	18.0	7.3	6.9	7.4
Loans	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Fixed Assets	872	782	750	723	1,128	1,081	1,211	1,321	1,425
Current Assets	808	670	750	1,263	724	943	982	1,080	1,175
Total Assets	**15,720**	**19,846**	**24,347**	**27,881**	**35,019**	**41,144**	**44,154**	**47,248**	**50,778**

E: MOSL Estimates

Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
AAAUM (INR B)	**2,513**	**2,445**	**2,926**	**2,802**	**3,127**	**3,754**	**4,269**	**4,493**	**5,139**
Change (%)	1.3	-2.7	19.7	-4.2	11.6	20.0	13.7	5.2	14.4
Equity (Including Hybrid)	36.5	34.9	39.5	42.1	42.6	45.4	44.2	46.2	46.8
Debt	35.0	40.7	32.7	23.0	21.9	20.3	21.8	17.7	17.3
Liquid	28.2	23.7	26.4	28.6	26.2	25.9	25.3	27.7	27.1
Others	0.4	0.6	1.4	6.3	9.3	8.4	8.6	8.5	8.8

E: MOFSL Estimates

Financials and valuations

Cashflow									INR m
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Cashflow from operations	**5014**	**6067**	**6624**	**6153**	**9350**	**10074**	**10070**	**11347**	**12712**
PBT	6,607	6,959	8,947	7,938	10,082	12,445	12,656	13,963	15,636
Depreciation and amortization	365	374	356	343	346	398	458	536	600
Tax Paid	-1,663	-1,696	-2,219	-1,975	-2,278	-3,139	-2,905	-3,463	-3,878
Deferred tax	76	-9	115	96	266	194	-297	51	56
Interest, dividend income (post-tax)	0	0	0	0	0	0	0	0	0
Interest expense (post-tax)	41	42	37	29	44	42	39	36	37
Change in Working Capital	(412)	396	(611)	(279)	891	134	120	225	260
Cash from investments	**-908**	**-4540**	**-4368**	**-3077**	**-8440**	**-6119**	**-3073**	**-4646**	**-4703**
Capex	-268	-284	-324	-317	-751	-352	-588	-646	-703
Others	-641	-4,255	-4,044	-2,761	-7,689	-5,768	-2,485	-4,000	-4,000
Cash from financing	**-4022**	**-1427**	**-1845**	**-2788**	**-1328**	**-3767**	**-6640**	**-7820**	**-8677**
Equity	0	0	0	0	1	2	2	-4	0
Interest costs	-41	-42	-37	-29	-44	-42	-39	-36	-37
Dividend Expense	-3,978	-1,400	-3,298	-2,952	-3,889	-6,924	-7,364	-7,776	-8,640
Others	-3	15	1,489	193	2,605	3,197	762	-4	0
Change of cash	**84**	**99**	**411**	**287**	**-418**	**188**	**358**	**-1119**	**-669**
Opening Cash	385	469	568	979	1,266	848	1,034	1,390	276
Closing Cash	**469**	**568**	**979**	**1,266**	**848**	**1,034**	**1,390**	**276**	**-393**
FCFF	**4,746**	**5,782**	**6,300**	**5,836**	**8,599**	**9,722**	**9,483**	**10,701**	**12,008**

Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Margins Analysis (%)									
Operating income to total income	93.9	88.6	91.8	90.6	82.5	84.8	89.6	84.3	85.3
Cost to Core Income Ratio	**45.9**	**43.7**	**38.6**	**42.5**	**43.8**	**41.3**	**40.1**	**44.2**	**44.6**
EBITDA Margins	54.1	56.3	61.4	57.5	56.2	58.7	59.9	55.8	55.4
Core PBT Margins	**50.5**	**52.2**	**60.3**	**54.4**	**53.3**	**56.0**	**57.1**	**52.8**	**52.5**
PBT Margins (On total income)	53.5	57.7	63.5	58.6	61.5	62.7	61.6	60.2	59.5
Profitability Ratios (%)									
RoE	39.0	34.8	34.5	25.3	27.4	27.0	25.2	25.1	26.3
Dividend Payout Ratio	80.5	26.6	49.0	49.5	49.8	74.4	75.5	74.1	73.5

Valuations	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
BVPS (INR)	46	59	76	87	110	129	140	150	161
Change (%)	7.9	29.4	28.9	14.6	25.9	17.6	8.4	6.7	7.2
Price-BV (x)	**22.9**	**17.7**	**13.7**	**12.0**	**9.5**	**8.1**	**7.4**	**6.4**	**5.9**
EPS (INR)	17.2	18.3	23.4	20.7	27.1	32.3	33.9	36.4	40.8
Change (%)	10.7	6.4	27.8	-11.4	30.9	19.3	5.1	7.4	12.0
Price-Earnings (x)	**60.9**	**57.2**	**44.7**	**50.5**	**38.6**	**32.4**	**30.8**	**26.2**	**23.4**
Core EPS (INR)	15.2	14.6	20.3	17.3	19.3	24.4	28.1	26.9	30.6
Change (%)	11.8	-3.7	38.8	-14.5	11.4	26.5	15.2	-4.4	13.9
Core Price-Earnings (x)	**68.9**	**71.5**	**51.5**	**60.3**	**54.1**	**42.8**	**37.1**	**35.5**	**31.2**
DPS (INR)	183.3	77.8	11.5	10.3	13.5	24.0	25.5	27.0	30.0
Dividend Yield (%)	**17.5**	**7.4**	**1.1**	**1.0**	**1.3**	**2.3**	**2.4**	**2.8**	**3.1**

E: MOSL Estimates

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

NOTES

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

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

Disclosures

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

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

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

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

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

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

.

Specific Disclosures

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.