16 October 2026
2QFY27 Result Update| Sector: NBFCs

Bajaj Housing Finance

Estimate changes	⇔
TP change	⇔
Rating change	⇔

Bloomberg	BAJAJHFL IN
Equity Shares (m)	8332
M.Cap.(INRb)/(USDb)	694.9 / 7.3
52-Week Range (INR)	112 / 73
1, 6, 12 Rel. Per (%)	1/-2/-15
12M Avg Val (INR M)	710

Financials Snapshot (INR b)

INR b	FY26	FY27E	FY28E
NII	37.5	42.6	51.6
PPP	35.2	41.4	50.6
PAT	25.6	30.7	37.2
EPS (INR)	3.1	3.7	4.5
EPS Gr. (%)	18	20	21
BV/Sh. (INR)	27	31	35
Ratios (%)			
NIM	3.4	3.1	3.0
C/I ratio	19.7	19.1	18.2
RoA	2.2	2.2	2.1
RoE	12.1	12.8	13.5
Valuation			
P/E (x)	27.0	22.5	18.6
P/BV (x)	3.1	2.7	2.4
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	86.7	86.7	88.7
DII	1.1	1.0	0.6
FII	0.9	0.9	0.9
Others	11.3	11.3	9.8

FII Includes depository receipts

CMP: INR83 TP: INR95 (+14%) Neutral

Steady quarter; slight margin vulnerability in rate hike cycle

Reported NTI stable sequentially; AUM growth remains strong

- Bajaj Housing (BHFL)'s 2QFY27 PAT grew 18% YoY to ~INR7.6b (in line). NII grew 10% YoY to ~INR10.55b (in line) in 2QFY27. Other income grew 42% YoY to ~INR2b (inline). NTI grew ~14% YoY to INR12.5b (in line). Opex rose ~12% YoY to INR2.4b (inline) and PPoP grew 15% YoY to INR10.1b (inline).
- Net credit costs stood at INR348m (~10% lower than our est.). This translated into an annualized credit cost of ~10bp (PQ: ~5bp and PY: ~18bp).
- BHFL's AUM grew 25% YoY to ~INR1.6t, while disbursements grew ~25% YoY to ~INR199b. Sambhav loans surpassed a monthly disbursement run rate of ~INR5b and contributed ~16% to overall home loan originations in 2Q.
- BHFL reiterated its FY27 AUM growth guidance of 21-23%, with management adopting a wait-and-watch approach amid uncertainty around competitive pricing on fresh originations and potential BT-led attrition in the prime housing segment. A slower-than-expected pass-through of repo rate hikes by banks in new loan acquisitions could intensify competitive pressure. We model AUM growth of ~24% over FY26-28E.
- Management expects ~80% of repo-rate hikes to transmit to its CoB. While repricing of the existing portfolio is expected to cushion NIM pressure, a lag in passing on higher funding costs in new loan acquisitions could result in an additional (relative to its guidance) 1-3bp NIM compression. We model an NIM of 3.7%/3.6% in FY27/FY28E (vs. 3.9% in FY26).
- We continue to remain confident in management's ability to deliver strong disbursement and AUM growth. However, the rising cost of borrowings and potential delays in passing on higher funding costs to new originations could exert slight pressure on margins, while competitive intensity in the prime housing segment poses minor risk to AUM growth. We believe the company's ability to scale its Sambhav franchise and maintain disciplined execution will be key to sustaining earnings growth and achieving its medium-term targets.
- **We estimate BHFL to post a CAGR of ~24%/21% in AUM/PAT over FY26-28, with an RoA/RoE of ~2.1%/13.5% in FY28. We reiterate our Neutral rating with a TP of INR95 (based on 2.5x Sep'28E BVPS), as current valuations largely factor in the medium-term growth and profitability potential.**

Yields dip ~10bp QoQ; reported NTI stable sequentially

- BHFL's reported yield declined ~10bp QoQ to ~8.8% while CoB declined ~20bp QoQ to ~7%. Spreads rose ~10bp QoQ to 1.8%. Reported NTI was stable QoQ at 3.7% and NIM (calc.) improved ~7bp QoQ to ~3.1% in 2QFY27.

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- Management highlighted that CoF declined ~20bp QoQ, driven by the refinancing of maturing high-cost borrowings at lower rates, the conversion of a portion of legacy fixed-rate borrowings to floating rates, and a higher share of relatively lower-cost money-market funding. The decline in CoF supported gross spread expansion during the quarter.

Asset quality stable; credit costs remain benign

- Asset quality was largely stable with GS3/NS3 at 0.3%/0.1%. PCR improved ~140bp QoQ to ~59.8% (PQ: ~58.4%).
- Home-loan GNPA increased marginally to 36bp, while LAP GNPA improved to 61bp. Developer-finance GNPA remained stable at 12bp. LRD GNPA increased to 2bp following the migration of one retail account from Stage 2 to Stage 3. Excluding this account, portfolio quality remained strong. We model credit costs of ~11bp/13bp for FY27/FY28E.

Highlights from the management commentary

- About 88% of both assets and liabilities are floating-rate linked, providing a natural hedge against changes in interest rates. On the asset side, around 25-30% of the overall portfolio is repo-linked, while the balance is largely linked to the company's internal floating reference rate (PLR). PLR-linked assets account for ~60-62% of total assets.
- If the final insurance commission guidelines remain broadly in line with the draft, cross-sell income and profitability could be adversely affected. Cross-sell income contributes ~10-11% of PBT, of which 4-5% could potentially be offset through higher processing fees, improved lending margins, and operating efficiencies, leaving a potential net PBT impact of 6-7%.

Valuation and view

- BHFL delivered a steady quarter, supported by broad-based growth across its key business segments. While portfolio yields remained under pressure and declined QoQ, the moderation in CoF more than offset the impact, resulting in gross spread expansion. Asset quality remained healthy, with credit costs stable at benign levels.
- **Given these dynamics, the current valuation of 2.4x FY28E already reflects its medium-term growth and profitability potential. We reiterate a Neutral rating on the stock with a TP of INR95 (based on 2.5x Sep'28E BVPS).**

Quarterly performance INR m

Particulars	FY26				FY27E				FY26	FY27E	2QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	24,926	26,144	26,973	27,073	28,561	30,517	32,654	34,758	1,05,116	1,26,489	30,160	1
Interest expense	16,060	16,580	17,335	17,620	18,885	19,967	21,664	23,338	67,594	83,853	20,018	0
Net interest income	**8,866**	**9,565**	**9,638**	**9,453**	**9,676**	**10,551**	**10,990**	**11,420**	**37,522**	**42,636**	**10,142**	**4**
Growth YoY (%)	33.4	34.1	19.6	14.9	9.1	10.3	14.0	20.8	24.8	13.6	6.0	
Other operating income	1,259	1,406	1,887	1,954	2,070	1,994	2,155	2,356	6,387	8,575	1,946	2
Net total income	**10,125**	**10,970**	**11,525**	**11,407**	**11,746**	**12,544**	**13,145**	**13,776**	**43,909**	**51,211**	**12,088**	**4**
Growth YoY (%)	25.0	22.4	23.5	19.2	16.0	14.3	14.1	20.8	22.1	16.6	10.2	
Operating expenses	2,145	2,147	2,316	2,194	2,297	2,399	2,492	2,615	8,671	9,804	2,327	3
Operating profits	**7,980**	**8,823**	**9,209**	**9,214**	**9,448**	**10,145**	**10,653**	**11,160**	**35,238**	**41,407**	**9,760**	**4**
Growth YoY (%)	24.7	23.8	23.0	23.0	18.4	15.0	15.7	21.1	23.6	17.5	10.6	
Provisions	411	497	564	555	161	348	529	738	1,907	1,776	385	-10
Profit before tax	**7,569**	**8,327**	**8,645**	**8,659**	**9,287**	**9,797**	**10,124**	**10,422**	**33,200**	**39,631**	**9,376**	**4**
Tax expenses	1,736	1,897	1,997	1,967	2,135	2,228	2,248	2,347	7,597	8,957	2,081	7
Net profit	**5,833**	**6,430**	**6,649**	**6,692**	**7,153**	**7,570**	**7,877**	**8,076**	**25,603**	**30,675**	**7,294**	**4**
Growth YoY (%)	20.9	17.8	21.3	14.1	22.6	17.7	18.5	20.7	18.4	19.8	13.5	
Key Parameters (%)												
Reported Yields	9.5	9.3	9.1	8.9	8.9	8.8						
Reported Cost of funds	7.7	7.4	7.3	7.3	7.2	7.0						
Spread	1.8	1.9	1.8	1.7	1.7	1.8						
Reported NIMs	4.0	4.0	4.0	3.8	3.7	3.7						
Credit cost on loans	0.16	0.18	0.20	0.18	0.05	0.10						
Cost to Income Ratio (%)	21.2	19.6	20.1	19.2	19.6	19.1						
Tax Rate (%)	22.9	22.8	23.1	22.7	23.0	22.7						
Balance Sheet Parameters												
AUM (INR B)	**1,204**	**1,267**	**1,334**	**1,407**	**1,496**	**1,582**	**1,672**	**1,758**				
Change YoY (%)	24.1	23.6	23.2	22.7	24.3	24.8	25.3	24.9				
Loans (INR B)	**1,059**	**1,131**	**1,173**	**1,237**	**1,312**	**1,399**	**1,463**	**1,536**				
% of AUM	88.0	89.2	87.9	87.9	87.7	88.4	0.0	0.0				
Disbursements (INR B)	**147**	**159**	**165**	**175**	**195**	**199**	**208**	**218**				
Change YoY (%)	22.1	32.5	31.6	22.8	33.2	25.3	26.0	24.4				
Borrowings (INR B)	**885**	**941**	**983**	**1,037**	**1,105**	**1,183**	**1,241**	**1,299**				
Change YoY (%)	20.7	26.4	24.1	26.5	24.9	25.6	26.2	25.2				
Asset Quality (%)												
GS 3 (INR M)	**3,150**	**2,980**	**3,190**	**3,300**	**3,800**	**4,100**						
G3 %	0.3	0.3	0.3	0.3	0.3	0.3						
NS 3 (INR M)	**1,380**	1,320	**1,870**	**1,330**	**2,220**	2,450						
NS3 %	0.1	0.1	0.1	0.1	0.1	0.1						
PCR (%)	56.2	**55.6**	58.8	59.8	58.5	**59.8**						
ECL (%)	0.6	0.6	0.6	0.6	0.6	0.5						
Return Ratios - YTD (%)												
ROA (Rep)	2.3	2.3	2.3	2.3	2.3	2.2						
ROE (Rep)	11.6	12.2	12.3	12.2	12.5	12.7						

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- BHFL reiterated its AUM growth guidance of 21–23% for FY27, with management awaiting greater clarity on bank pricing on new acquisitions, BT activity and potential prime-segment attrition. Growth could moderate towards 22-23% if market acquisition pricing does not adjust adequately to account for repo rate hikes.
- The full-year NIM compression guidance remains at 20-25bp, with ~17bp compression already realised in 1H. An additional 1-3bp compression in NIM is possible if new loan acquisition pricing lags the rise in CoF.
- About 80% of repo rate hikes are expected to transmit to its cost of borrowings. Management indicated that three hypothetical 25bp hikes could increase CoF by ~61bp by Mar'27, although the actual impact will depend on the timing and pace of transmission.
- FY27 RoA guidance remained unchanged at ~2.1–2.3% (against RoA of ~2.2% in 2QFY27).
- Management would look to increase the proportion of developer finance in the AUM mix to 15-17% over the medium-term, with a recovery expected in 3Q/4Q as the higher sanction pipeline converts into disbursements.
- Sambhav Housing: Monthly disbursement run rate targeted at INR6b by FY-end, with the segment expected to contribute ~20% of home-loan originations next year and 30% over the medium term.

Business momentum and growth

- AUM grew 25% YoY to INR1.58t, supported by broad-based growth across the portfolio, while disbursements increased 25% YoY to INR199b. Home loans, LRD, LAP and developer finance grew 22%, 39%, 26% and 13% YoY, respectively, with home loans accounting for ~54% of AUM.
- The company retained its AUM growth guidance of 21-23%, despite delivering 24% YoY growth in 1QFY27 and 25% YoY as on 1H, given uncertainty around competitive pricing, balance-transfer (BT) activity and potential attrition in the prime housing portfolio. Growth could moderate to 22–23% if larger lenders do not pass on higher funding costs adequately in new loan acquisitions.
- Management shared that housing demand depends more on expectations of property-price appreciation than on marginal changes in borrowing costs, while customer-led part-prepayments tend to remain relatively independent of the rate cycle.
- The company continues to undertake monthly assignments of non-home-loan assets, guided by regulatory PBC requirements and ALM considerations. Off-book mix is targeted at 11–13%.

Sambhav Housing

- Sambhav Housing surpassed a monthly disbursement run rate of INR5b and contributed 16% of overall home-loan originations in 2Q, up from 14% in 1Q. Management targets a monthly disbursement run rate of INR6b by FY-end, with Sambhav expected to contribute ~20% of the home-loan mix next year and 30% over the next 3-4 years.

- The segment is expected to grow significantly faster than the prime housing business, helping diversify the portfolio and support margins amid persistent competition and pricing pressure in the prime segment.
- The business follows centralized underwriting with partly regionalized operations, which management believes has strengthened its ability to scale.
- Investments in headcount, manpower and senior management, particularly in non-top-six markets, will continue in the near term, with salary-cost growth expected to stabilise YoY from next year as the impact of recent hiring is absorbed.

Developer finance

- Developer finance (DF) portfolio growth moderated to 13% YoY, primarily due to higher project-led repayments and slower disbursements. Stronger project cash flows drove repayments, while a significant YoY increase in sanctions in 1HFY27 is likely to translate into disbursements and AUM growth in 2H and beyond.
- Management reiterated its target of 15-17% growth in the DF portfolio, with growth recovery expected in 3Q/4Q. There has been no strategic shift or any cautious approach in this business.
- DF remains an important home-loan sourcing funnel and a significant profit contributor. A recovery in this relatively higher-margin business could also help offset pressure on prime housing margins if competitive pricing intensifies.

Profitability, margins and operating efficiency

- NII grew 16% YoY to INR24.3b, while operating expenses increased 10% YoY to INR4.7b. PBT and PAT rose 20% YoY to INR19.1b and INR14.7b, respectively.
- Cost of funds declined ~20bp QoQ, driven by refinancing maturing high-cost borrowings at lower rates, converting part of the older fixed-rate borrowing book to floating rates and increasing the share of relatively cheaper money-market borrowings. This benefit supported gross spread expansion in the housing-finance business.
- Opex/NTI improved to 19.1% from 19.7% in 2QFY26, reflecting operating efficiencies. However, continued investment in the Sambhav and affordable-housing businesses is expected to keep salary costs elevated over the next four quarters. The full-year impact of recent hiring should be absorbed from next year, helping salary-cost growth stabilise on a YoY basis.
- Higher fee and commission income was driven by increased insurance income and foreclosure charges. Insurance income benefited from higher disbursements and AUM growth, improved attachment rates and a rising contribution from Sambhav. Fee-related expenses remained broadly stable and relatively small, largely comprising charges associated with loan assignments.
- Income from derecognized loans dipped to INR400m from INR680m QoQ, primarily due to lower assignments of INR14.2b versus ~INR26b in the previous quarter. The income also depends on the type of assets assigned, the spread between acquisition and assignment prices, and the run-off of the previously assigned book.

Funding mix and interest-rate transmission

- About 88% of both assets and liabilities are floating-rate linked, providing a natural hedge against changes in interest rates. On the asset side, around 25-30% of the overall portfolio is repo-linked, while the balance is largely linked to the company's internal floating reference rate (PLR). PLR-linked assets account for ~60-62% of total assets.
- On the liability side, around 97-98% of borrowings are linked to external benchmark rates (EBLR), with MCLR-linked borrowings accounting for only 2-2.5%, excluding NHB refinance. Management expects ~80% pass-through of repo-rate hikes to its cost of funds, with every 25bp repo hike translating into an estimated 20bp increase in CoF. So if there are three rate hikes till Mar'27 end, CoF could increase by ~61bp.
- The company has not raised fresh NCDs or bank borrowings since the policy announcement. Its last 10-year NCD issuance before the repo rate hike was priced at ~7.24% post-hedging.
- NCDs now account for ~51% of the funding mix, with their share having increased over the past year as money-market funding offered relatively cheaper and longer-tenure funding, particularly since January–February.
- Scope to negotiate lower borrowing costs remains limited immediately after the first repo hike, given prevailing money-market conditions and recent treasury-market movements. CoF is expected to rise from 3QFY27 onwards.
- The company has already increased PLR by 15bp, effective 16th October 2026. Around 25-30% of loans (which are repo-rate linked) reset directly with the repo rate, while the remaining floating-rate book will reprice progressively based on applicable reset dates and further PLR adjustments.

Margins and competitive positioning

- Management expects yields on the existing portfolio to reprice broadly in line with the increase in CoF, limiting back-book margin pressure. Asset-side repricing will occur progressively through Oct–Dec'26, in line with the staggered transmission of higher funding costs.
- NIM compression guidance remains at 20-25bp for FY27, of which ~17bp has already materialised. If acquisition pricing on fresh loans does not increase proportionately with funding costs, incremental compression of another 1–3bp is possible.
- The larger risk from the rate hike is not back-book repricing but the competitive response of banks in the prime housing market. If banks do not raise new-loan acquisition rates adequately, the company could face higher BT-related attrition and slower AUM growth, particularly in prime housing and LRD. Management expects greater clarity on industry pricing over the next 8-10 days, with some banks reportedly having raised rates by 15-20bp.
- If pricing pressure intensifies over the next 2-3 months, management may accelerate growth in non-prime housing, LAP and construction finance to offset attrition in the prime portfolio. A recovery in developer finance could provide an additional cushion given its relatively higher margins.
- Management indicated that floating-rate assets and liabilities are largely matched, limiting portfolio-level margin compression. However, this protection

depends on the timing and extent of asset-side repricing, while the pricing of fresh acquisitions remains subject to competitive market conditions.

Asset quality

- Asset quality remained stable, with GNPA at 29bp and NNPA at 12bp. Credit costs declined to 10bp from 16bp in 2QFY26, while Stage 3 provision coverage remained healthy at 59.8%.
- Home-loan GNPA increased marginally to 36bp, while LAP GNPA improved to 61bp. Developer-finance GNPA remained stable at 12bp. LRD GNPA increased to 2bp following the migration of one retail account from Stage 2 to Stage 3; excluding this account, portfolio quality remained strong.
- Current focus is on sustaining asset quality while navigating competitive pricing and growth challenges, with no material deterioration evident in the reported portfolio indicators.

Insurance regulations

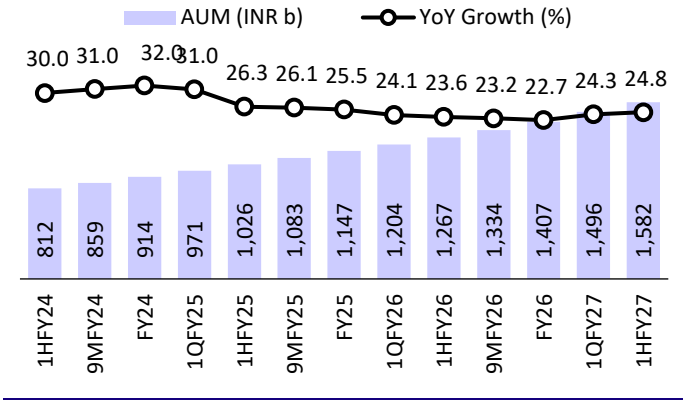
- If the final insurance commission guidelines remain broadly in line with the draft, cross-sell income and profitability could be adversely affected. Cross-sell income contributes ~10-11% of PBT, of which 4-5% could potentially be offset through higher processing fees, improved lending margins, and operating efficiencies, leaving a potential net PBT impact of 6-7%.
- Mitigation in the Sambhav segment could come through higher processing fees and lending margins, while the prime segment may benefit from better productivity, operating efficiencies and modestly higher fees. However, the benefit will accrue gradually because fees are recognised over the loan tenure under Ind AS, unlike upfront cross-sell income.
- Lower NTI could also constrain the company's ability to improve the opex-to-NTI ratio by ~1% point annually, potentially leaving the ratio broadly flat next year if the guidelines are implemented as drafted.

Regulatory compliance and capital

- As of Sept'26, the PBC ratio stood at 60.49% (above the minimum regulatory requirement of 60%), while individual home loans (IHL) accounted for 50.6% (marginally above the 50% minimum requirement). Capital adequacy stood at 21.24%.
- The relatively lower home-loan share under the regulatory definition partly reflects assignments over the past 5–6 quarters, which largely comprised non-home-loan assets. Regulatory compliance is assessed on the prescribed asset-represented basis rather than reported AUM.

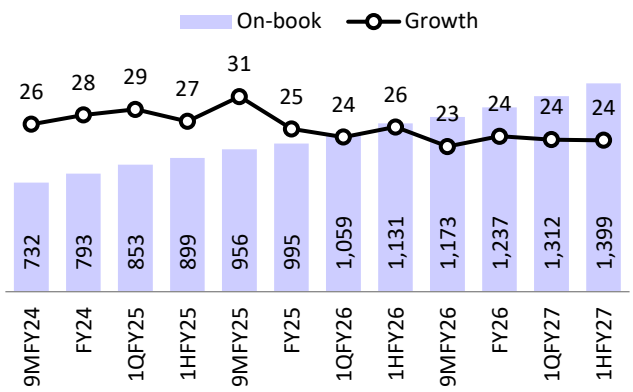
Key exhibits

Exhibit 1: AUM grew ~25% YoY…



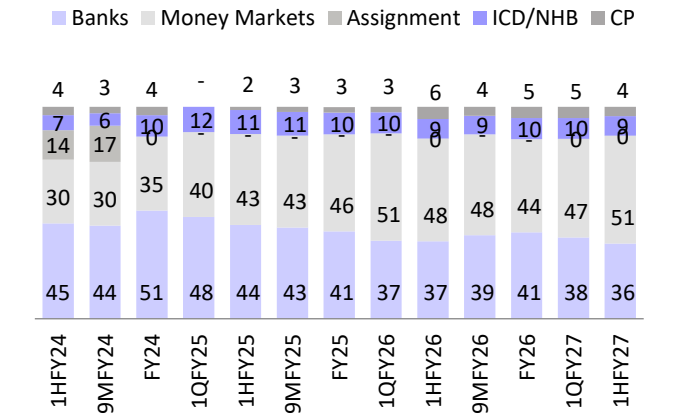
Source: MOFSL, Company

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



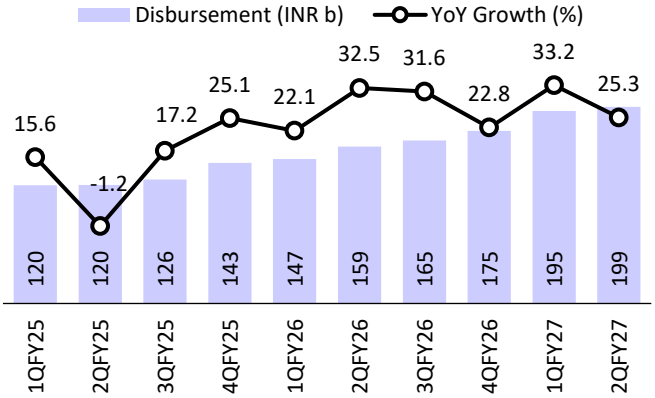
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



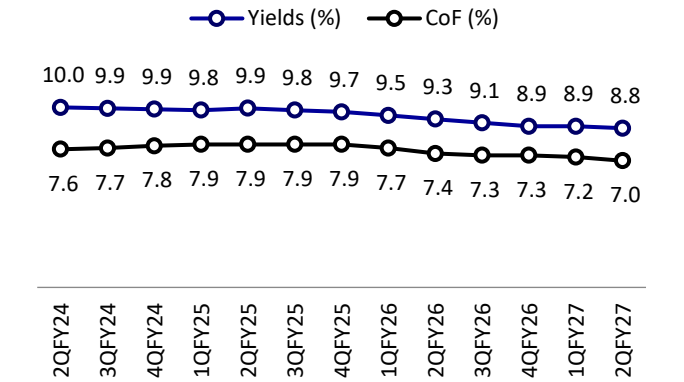
Source: MOFSL, Company

Exhibit 4: Disbursements in 2QFY27 grew ~25% YoY



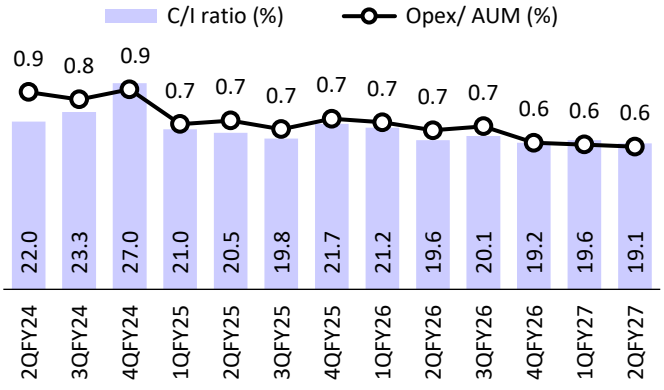
Source: MOFSL, Company

Exhibit 5: Reported yields declined ~10bp QoQ (%)



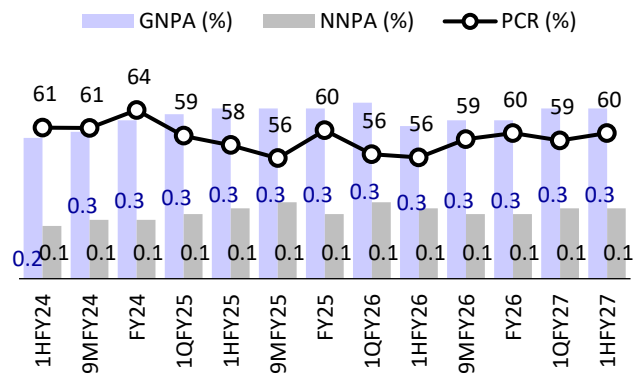
Source: MOFSL, Company, Calculated

Exhibit 6: C/I ratio declined ~50bp QoQ (%)



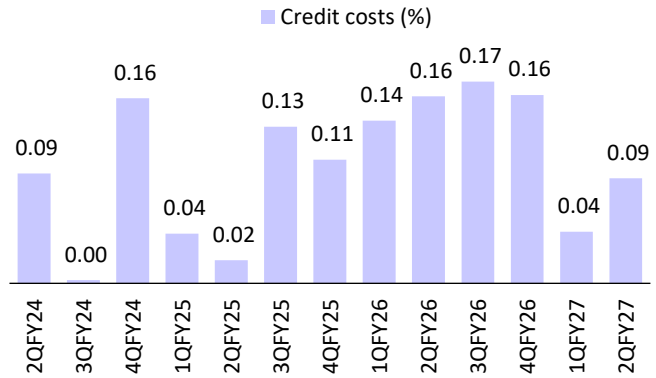
Source: MOFSL, Company, Calculated

Exhibit 7: GNPA/NNPA remained stable QoQ



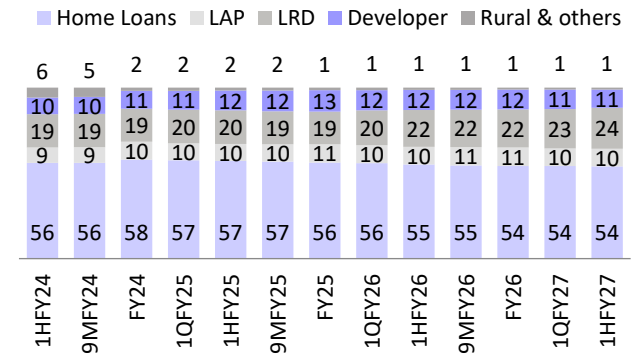
Source: MOFSL, Company

Exhibit 8: Credit costs remained benign



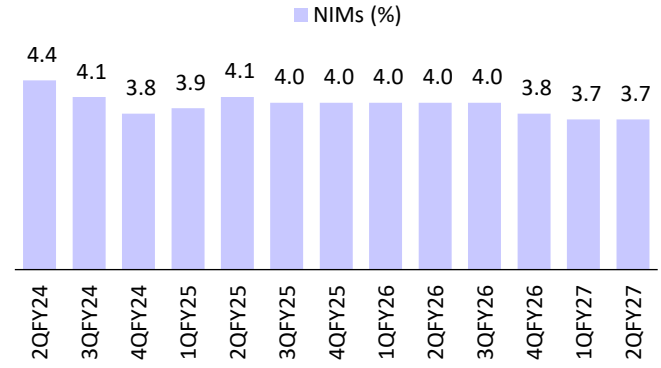
Source: MOFSL, Company

Exhibit 9: AUM mix (%)



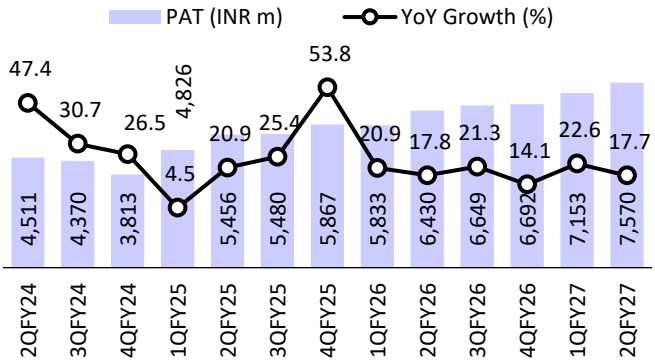
Source: MOFSL, Company

Exhibit 10: NIM was broadly stable sequentially



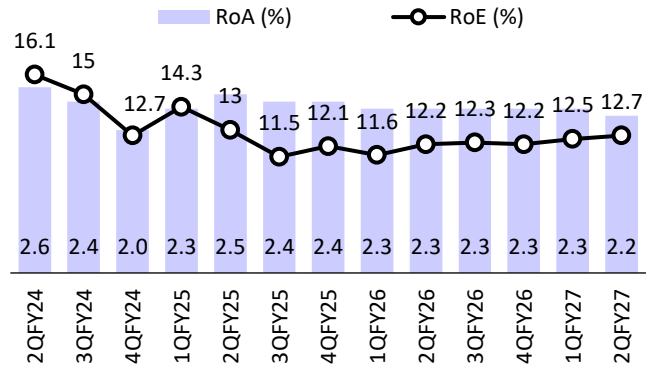
Source: MOFSL, Company

Exhibit 11: PAT grew ~18% YoY



Source: MOFSL, Company

Exhibit 12: RoA/RoE stood at 2.2%/12.7%



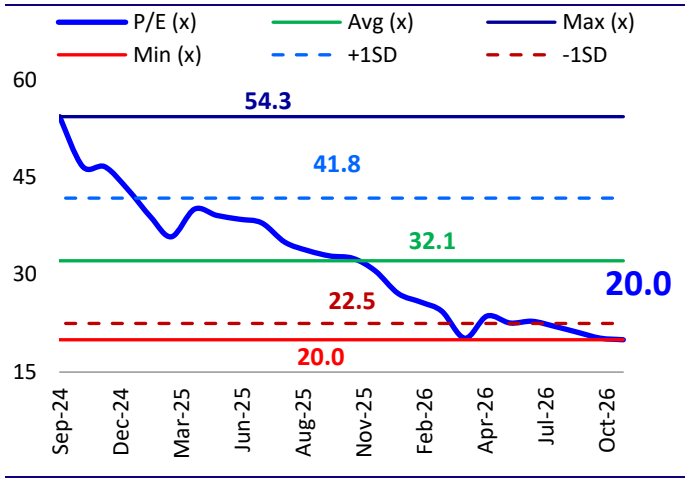
Source: MOFSL, Company

Exhibit 13: We keep our FY27/FY28 EPS estimates broadly unchanged

INR b	Old Estimates		New Estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
NII	41.6	51.2	42.6	51.6	2.4	0.7
Other Income	8.7	10.4	8.6	10.3	-1.3	-1.4
Total Income	**50.3**	**61.6**	**51.2**	**61.9**	**1.8**	**0.4**
Operating Expenses	9.6	10.9	9.8	11.2	1.7	2.9
Operating Profits	**40.7**	**50.7**	**41.4**	**50.6**	**1.8**	**-0.2**
Provisions	1.9	2.8	1.8	2.6	-8.9	-6.7
PBT	**38.7**	**47.9**	**39.6**	**48.0**	**2.4**	**0.2**
Tax	8.6	10.5	9.0	10.9	4.2	3.0
PAT	**30.1**	**37.4**	**30.7**	**37.2**	**1.8**	**-0.5**
AUM	1,763	2,171	1,758	2,167	-0.3	-0.2
Borrowings	1,306	1,627	1,299	1,621	-0.6	-0.4
NIM (%)	3.0	3.0	3.1	3.0		
ROA (%)	2.1	2.1	2.2	2.1		
RoE (%)	12.5	13.6	12.8	13.5		

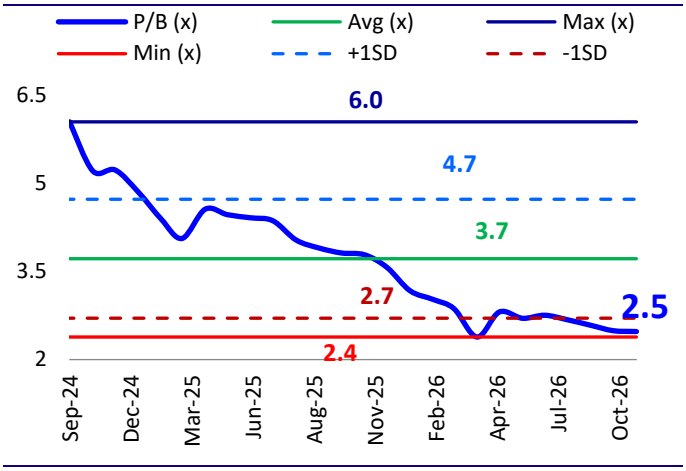
Source: MOFSL estimates

Exhibit 14: P/E chart



Source: MOFSL, Company

Exhibit 15: P/B chart



Source: MOFSL, Company

Financials and Valuation

Income Statement

INR m

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	28,774	34,818	52,692	72,024	89,862	1,05,116	1,26,489	1,58,165	1,95,122
Interest Expenses	19,659	21,553	32,113	46,926	59,793	67,594	83,853	1,06,552	1,31,980
Net Interest Income	**9,116**	**13,264**	**20,579**	**25,098**	**30,069**	**37,522**	**42,636**	**51,613**	**63,142**
Change (%)	32.7	45.5	55.1	22.0	19.8	24.8	13.6	21.1	22.3
Other Income	2,779	2,854	3,962	4,154	5,898	6,387	8,575	10,258	12,617
Total Income	**11,894**	**16,118**	**24,541**	**29,251**	**35,967**	**43,909**	**51,211**	**61,871**	**75,759**
Change (%)	15.5	35.5	52.3	19.2	23.0	22.1	16.6	20.8	22.4
Total Operating Expenses	**3,290**	**4,709**	**6,306**	**7,029**	**7,464**	**8,671**	**9,804**	**11,240**	**12,706**
Change (%)	-2.8	43.1	33.9	11.5	6.2	16.2	13.1	14.6	13.0
Employee Expenses	2,458	3,488	4,351	4,656	4,836	5,592	6,599	7,588	8,575
Depreciation	218	258	334	396	412	473	544	626	720
Other Operating Expenses	615	963	1,620	1,977	2,216	2,605	2,661	3,026	3,411
Operating Profit	**8,604**	**11,409**	**18,236**	**22,222**	**28,503**	**35,238**	**41,407**	**50,631**	**63,052**
Change (%)	24.4	32.6	59.8	21.9	28.3	23.6	17.5	22.3	24.5
Total Provisions	**2,472**	**1,811**	**1,235**	**609**	**801**	**1,907**	**1,776**	**2,588**	**3,870**
% Loan loss provisions to Avg loans ratio	0.8	0.5	0.2	0.1	0.1	0.2	0.1	0.2	0.2
PBT	**6,132**	**9,599**	**17,001**	**21,613**	**27,702**	**33,200**	**39,631**	**48,043**	**59,182**
Tax Provisions	1,600	2,500	4,423	4,301	6,073	7,597	8,957	10,858	13,375
Tax Rate (%)	26.1	26.0	26.0	19.9	21.9	22.9	22.6	22.6	22.6
PAT	**4,532**	**7,098**	**12,578**	**17,312**	**21,629**	**25,603**	**30,675**	**37,186**	**45,807**
Change (%)	8	57	77	38	25	18	20	21	23

Balance Sheet

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
Equity Share Capital	48,833	48,833	67,122	67,122	83,282	83,287	83,287	83,287	83,287
Reserves & Surplus	11,489	18,580	37,910	55,213	1,16,187	1,41,941	1,72,616	2,09,802	2,55,609
Net Worth	**60,322**	**67,414**	**1,05,032**	**1,22,335**	**1,99,468**	**2,25,228**	**2,55,903**	**2,93,088**	**3,38,895**
Borrowings	**3,16,006**	**4,14,923**	**5,37,454**	**6,91,293**	**8,20,719**	**10,37,040**	**12,98,705**	**16,20,530**	**19,70,770**
Change (%)	23.4	31.3	29.5	28.6	18.7	26.4	25.2	24.8	21.6
Other liabilities	2,256	2,934	4,056	4,643	7,900	9,203	10,510	12,010	13,731
Total Liabilities	**3,78,584**	**4,85,271**	**6,46,541**	**8,18,271**	**10,28,088**	**12,71,471**	**15,65,118**	**19,25,628**	**23,23,396**
Investments	32,660	12,483	20,009	19,386	25,333	25,022	26,273	27,587	28,966
Loans	**3,34,189**	**4,64,821**	**6,21,139**	**7,93,008**	**9,95,129**	**12,37,451**	**15,27,888**	**18,84,338**	**22,78,346**
Change (%)	19.5	39.1	33.6	27.7	25.5	24.4	23.5	23.3	20.9
Other assets	11,734	7,967	5,393	5,878	7,626	8,998	10,956	13,704	16,083
Total Assets	**3,78,584**	**4,85,271**	**6,46,541**	**8,18,271**	**10,28,088**	**12,71,471**	**15,65,118**	**19,25,628**	**23,23,396**

E: MOFSL Estimates

Financials and Valuation

AUM Mix

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
AUM	**3,88,710**	**5,33,220**	**6,92,280**	**9,13,700**	**11,46,840**	**14,07,000**	**17,57,685**	**21,67,077**	**26,20,582**
Change (%)	19	37	30	32	26	23	25	23	21
On Books AUM	**3,34,189**	**4,64,821**	**6,21,139**	**7,93,008**	**9,95,129**	**12,37,451**	**15,27,888**	**18,84,338**	**22,78,346**
% of AUM	86	87	90	87	87	88	87	87	87
Off Books AUM	**54,521**	**68,399**	**71,141**	**1,20,693**	**1,51,711**	**1,69,550**	**2,29,797**	**2,82,739**	**3,42,236**
% of AUM	14	13	10	13	13	12	13	13	13
Disbursements	**0**	**2,61,752**	**3,43,336**	**4,46,562**	**4,98,800**	**6,46,160**	**8,20,623**	**9,68,335**	**11,42,636**
Growth YoY (%)	0	0	31	30	12	30	27	18	18

Ratios (%)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
Spreads Analysis (%)									
Avg. Yield on Loans	9.2	8.7	9.6	10.0	9.8	9.2	9.0	9.1	9.2
Avg Cost of Funds	6.9	5.9	6.7	7.6	7.9	7.3	7.2	7.3	7.4
Spread of loans	2.4	2.8	2.9	2.4	1.9	2.0	1.8	1.8	1.9
NIM (on loans)	3.0	3.3	3.8	3.5	3.3	3.4	3.1	3.0	3.0
Profitability Ratios (%)									
RoE	7.8	11.1	14.6	15.2	13.4	12.1	12.8	13.5	14.5
RoA	1.3	1.6	2.2	2.4	2.3	2.2	2.2	2.1	2.2
Cost/Income	27.7	29.2	25.7	24.0	20.8	19.7	19.1	18.17	16.77
Opex to avg. assets	1.0	1.1	1.1	1.0	0.8	0.8	0.7	0.6	0.6
Asset quality									
GNPA (INR m)	1,191	1,464	1,373	2,156	2,870	3,302	3,858	4,731	6,300
GNPA (%)	0.35	0.31	0.22	0.27	0.29	0.27	0.25	0.25	0.28
NNPA (INR m)	739	669	500	782	1,141	1,328	1,659	2,035	2,709
NNPA (%)	0.22	0.14	0.08	0.10	0.11	0.11	0.11	0.11	0.12
PCR (%)	37.95	54.30	63.61	63.75	60.25	59.78	57.00	57.00	57.00
Credit costs	0.69	0.39	0.20	0.08	0.08	0.15	0.11	0.13	0.16
Valuation									
No. of Shares (m)	**4,883**	**4,883**	**6,712**	**6,712**	**8,328**	**8,329**	**8,329**	**8,329**	**8,329**
EPS	0.9	1.5	1.9	2.6	2.6	3.1	3.7	4.5	5.5
EPS Growth (%)	7.6	56.6	28.9	37.6	0.7	18.4	19.8	21.2	23.2
Price-Earnings (x)	**89**	**57**	**44**	**32**	**32**	**27**	**23**	**19**	**15**
Book Value (INR)	12	14	16	18	24	27	31	35	41
BVPS Growth (%)	-27	47	14	23	91	-59	6	7	8
Price-BV (x)	**6.7**	**6.0**	**5.3**	**4.6**	**3.5**	**3.1**	**2.7**	**2.4**	**2.0**
DPS (INR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

E: MOFSL Estimates

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