

# Home First Finance

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR1,215**

**TP: INR1,425 (+17%)**

**Buy**

## Entering FY27 with improved execution and growth visibility

### AUM growth healthy at ~25% YoY; NIM dips ~10bp QoQ

- Home First Finance (HOMEFIRST)'s 4QFY26 PAT grew 43% YoY to INR1.5b (in line). PAT for FY26 grew ~41% YoY to INR5.4b. NII in 4QFY26 grew 37% YoY to INR2.4b (in line). Other income grew 37% YoY to INR730m.
- Opex grew 23% YoY to INR984m (inline). PPoP rose ~45% YoY to INR2.1b (inline). PPoP for FY26 grew ~44% YoY to INR7.6b.
- Credit costs stood at INR158m (17% higher than est.), translating into an annualized credit cost of ~50bp (PQ: ~47bp and PY: ~30bp).
- HOMEFIRST's future growth is expected to be driven by a combination of calibrated distribution expansion, deeper market penetration, and sustained productivity gains. The company plans to add ~30-40 branches in FY27 while simultaneously increasing branch density in existing high-potential cities, strengthening customer access, and sourcing efficiency. This physical expansion is complemented by a stronger connector ecosystem (~78% of leads generated), enabling a larger addressable market and improved conversion. Management has guided ~25% AUM growth in FY27.
- Management clarified that HOMEFIRST continues to operate within the affordable segment and is not moving towards prime lending, and the increase in ticket sizes reflects higher property values (on the back of inflation), rather than any shift in risk profile or product positioning. The company does not expect higher ticket sizes to lead to any yield compression, as customers continue to demonstrate willingness to pay a premium for faster and more flexible access to credit.
- HOMEFIRST demonstrated resilience in navigating transitory headwinds around growth, attrition, and early-stage delinquencies in 1HFY26, with operational execution improving meaningfully as the year progressed. The company enters FY27 on a stronger footing, supported by stabilized teams, improved on-ground execution, and strengthening asset quality trends. Management remains confident of sustaining stable spreads, aided by its 100% floating-rate balance sheet, which limits interest rate risk and preserves pricing flexibility. Overall, with improving operational momentum and a steady credit environment, the franchise is well-positioned for the next phase of growth.
- The stock currently trades at ~2.6x FY27E P/B. We estimate a CAGR of ~23%/~18% in AUM/PAT over FY26-28E and an RoA/RoE of ~3.7%/14.2% in FY28E. **Reiterate BUY with a TP of INR1,425 (based on 2.6x FY28E BV).**

### Asset quality improves due to stronger collections/underwriting discipline

- GS3 declined ~20bp QoQ to 1.8% and NS3 also declined ~20bp QoQ to 1.4%. PCR improved ~2pp QoQ to ~24%.
- 1+dpd improved ~60bp QoQ to 4.7%. Bounce rates declined ~80bp QoQ to ~15.9% in 4QFY26 (v/s ~16.7% in 3QFY26). Apr'26 bounce rates were 16.3%.

#### Stock Info

Bloomberg	HOMEFIRS IN
Equity Shares (m)	104
M.Cap.(INRb)/(USD\$)	126.8 / 1.3
52-Week Range (INR)	1519 / 894
1, 6, 12 Rel. Per (%)	16/12/6
12M Avg Val (INR M)	472
Free float (%)	93.0

#### Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	8.7	10.7	12.7
PPoP	7.6	9.2	10.6
PAT	5.4	6.5	7.5
EPS (INR)	51.8	62.2	72.2
EPS Gr. (%)	22.1	20.1	16.1
BV/Sh. (INR)	418	475	543
ABV/Sh. (INR)	404	459	523

#### Ratios

NIM (%)	6.1	6.1	5.8
C/I ratio (%)	32.4	33.0	33.9
RoAA (%)	3.9	3.9	3.7
RoAE (%)	15.7	13.9	14.2

#### Valuations

P/E (x)	23.6	19.7	16.9
P/BV (x)	2.9	2.6	2.3
P/ABV (x)	3.0	2.7	2.3
Div. yield (%)	0.3	0.4	0.4

#### Shareholding Pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	7.0	12.4	14.3
DII	27.5	27.6	19.8
FII	45.7	40.8	36.0
Others	19.8	19.2	29.9

FII includes depository receipts

- HOMEFIRST has focused on strengthening portfolio performance through tighter front-end underwriting, improved collection discipline, and sharper resolution of early bucket delinquencies. Early indicators suggest improving collection trends and lower fresh slippages in Apr'26 compared to the previous two years, with no material stress emerging from external macro factors. We estimate credit costs of ~40bp/35bp in FY27E/FY28E.

#### **AUM rises ~25% YoY; BT-OUT rate declines YoY and QoQ**

- Disbursements grew 24% YoY/ 19% QoQ to ~INR15.7b, and this led to AUM growth of 25% YoY/ 6% QoQ to ~INR159b. BT-OUT rate (annualized) in 4QFY26 declined to ~6.4% (PQ: ~6.6% and PY: ~7.5%).
- We expect HOMEFIRST to deliver an AUM CAGR of ~23% for FY26-28E.

#### **Reported NIM contracts ~10bp QoQ, but spreads remain stable**

- Reported yields declined ~20bp QoQ to ~13.1%. The reported CoF also declined ~20bp QoQ to ~7.9%. Overall spreads remained stable QoQ at 5.2%.
- Incremental CoF and origination yield in 4QFY26 stood at 7.6% (PQ: 7.7%) and 13% (PQ: 13.1%), respectively. Reported NIM declined ~10bp QoQ to 5.9%. We model a NIM (calc.) of ~6.1%/~5.8% for FY27E/FY28E.

#### **Highlights from the management commentary**

- A calibrated branch expansion plan is in place, with ~30-40 branches planned to be added during the year, along with a focus on improving productivity across the network. Branch expansion will follow a dual approach of entering new geographies while deepening presence in existing high-potential cities through network strengthening.
- The company has not observed any material impact on asset quality from geopolitical tensions in the Middle East.

#### **Valuation and view**

- HOMEFIRST delivered a healthy 4QFY26 performance, supported by healthy AUM and disbursement growth. The management expressed confidence in maintaining spreads, even as yields witnessed some compression during the period. Asset quality is also expected to remain stable, with no observable impact from the Middle East conflict, aided by tighter underwriting standards and stronger collection efforts. Overall, the operating environment appears benign, with execution discipline and credit quality trends remaining well anchored, heading into the next phase of growth.
- The stock currently trades at ~2.6x FY27E P/B. We estimate a CAGR of ~23%/~18% in AUM/PAT over FY26-28E and an RoA/RoE of ~3.7%/14.2% in FY28E. **Reiterate BUY with a TP of INR1,425 (based on 2.6x FY28E BV).**

**Quarterly Performance**

(InR m)

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	3,032	3,322	3,558	3,629	3,944	4,091	4,288	4,317	13,540	16,640	4,493	-4
Interest expenses	1,568	1,756	1,926	1,903	2,003	2,026	1,941	1,953	7,153	7,923	2,044	-4
<b>Net Interest Income</b>	<b>1,464</b>	<b>1,566</b>	<b>1,631</b>	<b>1,726</b>	<b>1,941</b>	<b>2,065</b>	<b>2,347</b>	<b>2,364</b>	<b>6,388</b>	<b>8,717</b>	<b>2,449</b>	<b>-3</b>
YoY Growth (%)	17.5	18.6	21.4	26.2	32.6	31.8	43.9	37.0	21.0	36.5	41.9	
Other Income	382	421	517	533	609	699	549	730	1,852	2,587	652	12
<b>Net Income</b>	<b>1,846</b>	<b>1,987</b>	<b>2,148</b>	<b>2,259</b>	<b>2,550</b>	<b>2,764</b>	<b>2,896</b>	<b>3,094</b>	<b>8,239</b>	<b>11,304</b>	<b>3,101</b>	<b>0</b>
YoY Growth (%)	20.6	23.4	25.8	31.4	38.2	39.1	34.8	37.0	25.5	37.2	37.3	
Operating Expenses	655	726	752	803	868	879	926	984	2,936	3,658	971	1
<b>Operating Profit</b>	<b>1,191</b>	<b>1,261</b>	<b>1,396</b>	<b>1,456</b>	<b>1,682</b>	<b>1,885</b>	<b>1,970</b>	<b>2,110</b>	<b>5,304</b>	<b>7,646</b>	<b>2,130</b>	<b>-1.0</b>
YoY Growth (%)	21.9	20.7	27.2	28.3	41.2	49.5	41.1	44.9	24.7	44.2	46.3	
Provisions and Cont.	56	57	98	77	117	152	142	158	288	569	135	17
<b>Profit before Tax</b>	<b>1,135</b>	<b>1,204</b>	<b>1,298</b>	<b>1,379</b>	<b>1,565</b>	<b>1,732</b>	<b>1,828</b>	<b>1,952</b>	<b>5,016</b>	<b>7,078</b>	<b>1,996</b>	<b>-2</b>
Tax Provisions	258	281	324	332	376	414	426	457	1,195	1,674	493	-7
<b>Net Profit</b>	<b>878</b>	<b>922</b>	<b>974</b>	<b>1,047</b>	<b>1,189</b>	<b>1,318</b>	<b>1,402</b>	<b>1,494</b>	<b>3,821</b>	<b>5,404</b>	<b>1,503</b>	<b>-1</b>
YoY Growth (%)	27.0	24.1	23.5	25.4	35.5	43.0	44.0	42.7	25.0	41.4	43.6	

**Key Operating Parameters (%)**

Other income to Net Income Ratio	20.7	21.2	24.1	23.6	23.9	25.3	18.9	23.6				
Credit Cost	0.26	0.25	0.40	0.30	0.43	0.53	0.47	0.50				
Cost to Income Ratio	35.5	36.5	35.0	35.5	34.0	31.8	32.0	31.8				
Tax Rate	22.7	23.4	25.0	24.1	24.0	23.9	23.3	23.4				

**Balance Sheet Parameters**

<b>AUM (INR b)</b>	<b>104.8</b>	<b>112.3</b>	<b>119.5</b>	<b>127.1</b>	<b>134.8</b>	<b>141.8</b>	<b>149.2</b>	<b>158.8</b>				
Change YoY (%)	34.7	34.2	32.6	31.1	28.6	26.3	24.9	24.9				
<b>Loans (INR b)</b>	<b>87.9</b>	<b>94.5</b>	<b>100.6</b>	<b>106.5</b>	<b>112.5</b>	<b>118.1</b>	<b>123.5</b>	<b>131.3</b>				
Change YoY (%)	34.9	34.5	33.3	30.8	27.9	25.0	22.7	23.3				
<b>Borrowings (INR b)</b>	<b>95.1</b>	<b>105.9</b>	<b>110.4</b>	<b>115.6</b>	<b>118.5</b>	<b>119.7</b>	<b>124.5</b>	<b>132.8</b>				
Change YoY (%)	39.4	45.4	33.8	31.4	24.6	13.1	12.8	14.9				
Loans/Borrowings (%)	92.5	89.2	91.2	92.1	95.0	98.6	99.2	98.9				

**Asset Quality Parameters (%)**

GS 3 (INR m)	1,540	1,640	1,770	1,808	2,082	2,297	2,551	2,404				
Gross Stage 3 (% on Assets)	1.74	1.72	1.74	1.68	1.84	1.93	2.05	1.82				
NS 3 (INR m)	1,116	1,202	1,319	1,353	1,623	1,815	1,990	1,829				
Net Stage 3 (% on Assets)	1.26	1.26	1.30	1.26	1.43	1.53	1.60	1.38				
PCR (%)	27.5	26.7	25.5	25.2	22.0	21.0	22.0	23.9				
ECL (%)	0.83	0.80	0.80	0.77	0.77	0.77	0.81					

**Return Ratios (%)**

ROAA (Rep)	3.6	3.4	3.4	3.5	3.7	3.8	4.0	4.1				
ROAE (Rep)	16.3	16.5	16.6	17.0	14.9	13.4	13.7	14.0				

E: MOFSL Estimates



## Highlights from the management commentary

### Guidance and business outlook

- HomeFirst guided ~25% AUM growth in FY27.
- The company expects spreads to remain in the range of ~5.0-5.2%, with flexibility to pass on any decline or increase in borrowing costs to customers.
- Credit cost guidance maintained at ~30-40bp for FY27, reflecting continued portfolio stability.
- Guided for Opex to AUM of ~2.6-2.7%, supported by productivity improvements and technology adoption.
- The company does not expect further PLR cuts after the ~10bp PLR reduction effected in Jan'26.

### Growth strategy and expansion priorities

- Management indicated that investments across distribution, people, and technology are aimed at supporting durable long-term growth rather than near-term expansion alone.
- A calibrated branch expansion plan is in place, with ~30-40 branches planned to be added during the year, along with a focus on improving productivity across the network.
- Branch expansion will follow a dual approach of entering new geographies while deepening presence in existing high-potential cities through network strengthening.
- Productivity enhancement is being driven through technology tools aimed at reducing operational load and enabling branch teams to focus on customer acquisition and collections.
- Connector and distribution networks have been rebuilt, restoring operational momentum that was previously impacted by attrition and staffing gaps.

### Business growth and portfolio performance

- HomeFirst reported healthy AUM growth and strong disbursement momentum in the 4QFY26.
- Origination yield remains stable at ~13%, supported by a strong 83% contribution from individual housing loans.
- The lending portfolio will continue to be predominantly housing-led, with LAP contributing ~15-20% to the AUM mix.
- LAP yields are in the ~14-14.5% range, while overall pricing discipline has been maintained without yield compression.
- Management indicated that rising ticket sizes reflect higher property prices (on the back of inflation) and customer requirements rather than a shift in the customer segment (the company clearly articulated that it has no plans to cater to the prime customer segment).
- HomeFirst continues to maintain a floating-rate balance sheet, enabling effective repricing in line with borrowing cost movements.

### Profitability, margins, and financial discipline

- The company has been able to maintain spreads in the range of ~5-5.25%, supported by disciplined pricing and product mix optimization.
- An incremental decline in the cost of borrowings will be partially passed on to customers, depending on market conditions.

- Cost efficiency has improved YoY despite continued investments in branch expansion, an increase in employee headcount, and technology infrastructure.
- Operating leverage gains are being supported by productivity improvements and tighter cost control across the branch network.

### **Asset quality and collections**

- Asset quality focus remained on tightening early bucket performance, strengthening collections discipline, and improving collection efficiency across the portfolio.
- Early indicators from April'26 reflected improved collection outcomes compared to Apr'25 and Apr'24, with slippages trending below levels seen in prior years.
- External pressures such as tariffs and demand sluggishness have moderated, while internal staffing gaps and attrition-related disruptions have been resolved. Collections and demand have shown steady recovery momentum since Oct'25, supported by improved operational execution and rebuilt field teams.
- The company has not observed any material impact on asset quality from geopolitical tensions in the Middle East.

### **Geographic performance and market trends**

- Gujarat, Madhya Pradesh, and Rajasthan continue to demonstrate healthy growth with stable asset quality metrics.
- Maharashtra has regained strong growth momentum, particularly across Mumbai and Pune, supported by improved market penetration.
- Southern states, including Karnataka and Tamil Nadu, are on track for sustained growth, despite temporary disruptions earlier in the year. Karnataka has remained stable, with only a brief impact from regulatory-related issues, which have now normalized.
- Uttar Pradesh is still being beefed up, with management focusing on team building and expects it to emerge as a meaningful contributor from FY28 onwards.
- Tamil Nadu and Telangana disruptions linked to internal team-building issues have largely been resolved, which will support stabilization in operations.

### **Technology, AI, and productivity enhancements**

- HomeFirst is actively deploying technology solutions aimed at improving branch productivity and reducing time spent on non-core operational tasks.
- AI-led initiatives are expected to enhance decision-making, improve lead conversion, and strengthen underwriting efficiency over time. Early-stage pilots are underway with a focus on improving origination quality and identifying viable loan cases that may otherwise be declined.
- Digital tools and automation are being positioned to enhance both customer acquisition and field-level productivity in a scalable manner.

### **Distribution, connectors, and customer strategy**

- The company continues to strengthen its connector ecosystem by offering faster TAT and a wider product bouquet.
- Improved operational responsiveness and product diversity are being used as key levers to maintain competitive positioning on connector commissions.

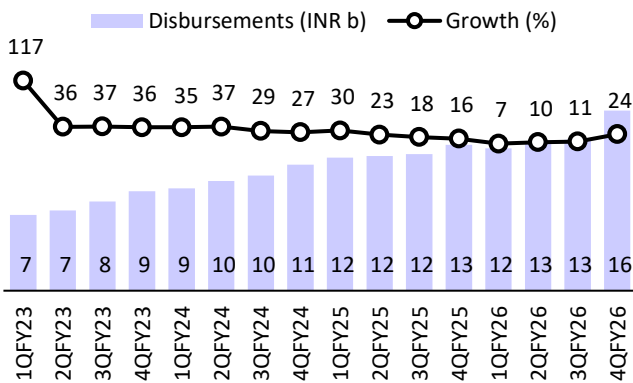
- Connector economics vary based on geography, throughput, and file quality, with engagement structured to balance cost and productivity outcomes.
- Management indicated that enhancements in TAT and product access help offset higher commission expectations in the distribution network.

#### **Risk, competition, and others**

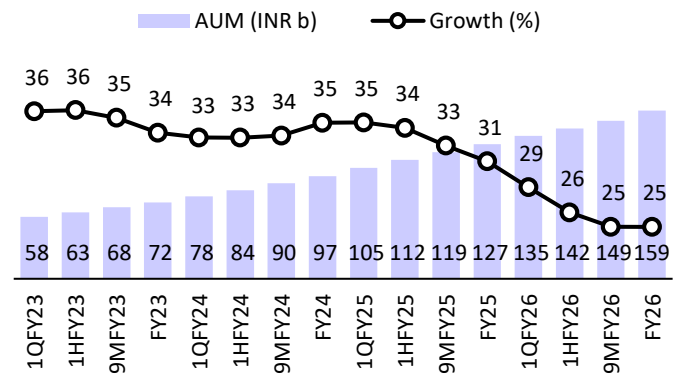
- HomeFirst has not observed any meaningful increase in competitive intensity from banks or other HFCs.
- Asset quality trends remain stable, with no material concerns arising from macro or geopolitical developments.
- The company continues to operate in a stable pricing environment without any significant yield pressure despite also operating in slightly higher ticket sizes.

## Key exhibits

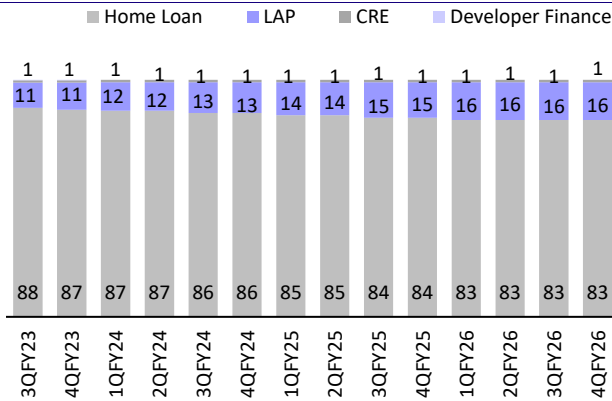
**Exhibit 1: Disbursements grew ~24% YoY**



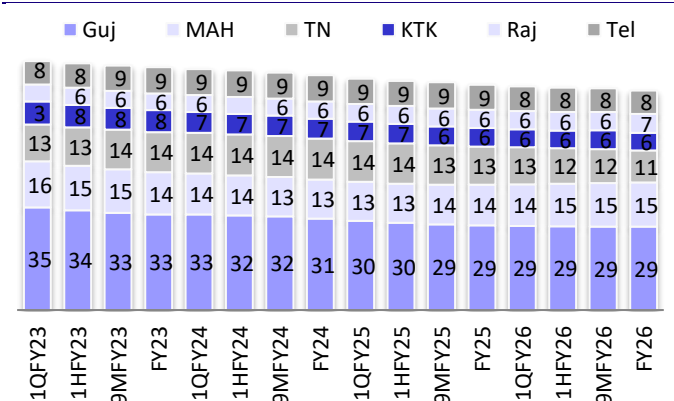
**Exhibit 2: AUM grew ~25% YoY to ~INR159b**



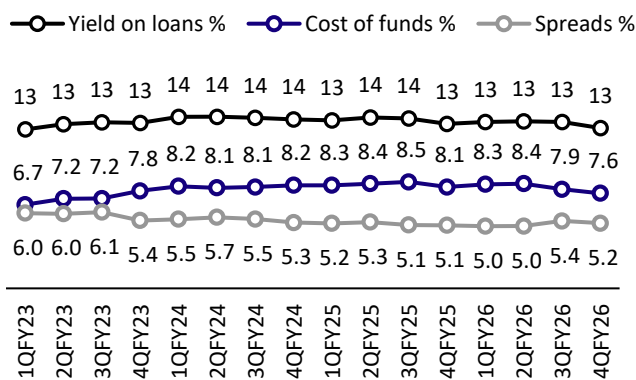
**Exhibit 3: Segment-wise loan mix (%)**



**Exhibit 4: Top 6 states contributed ~75% to the loan mix (%)**

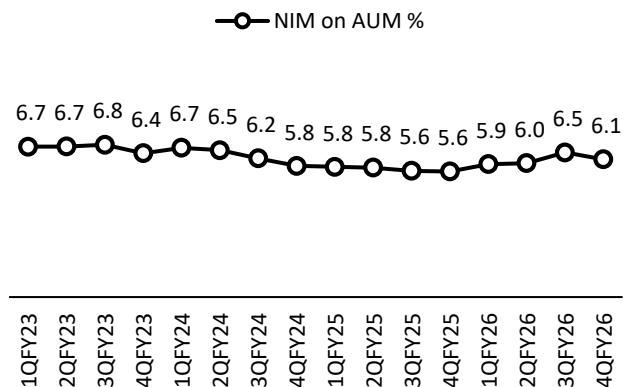


**Exhibit 5: Spreads (calc.) declined ~20bp QoQ (%)**



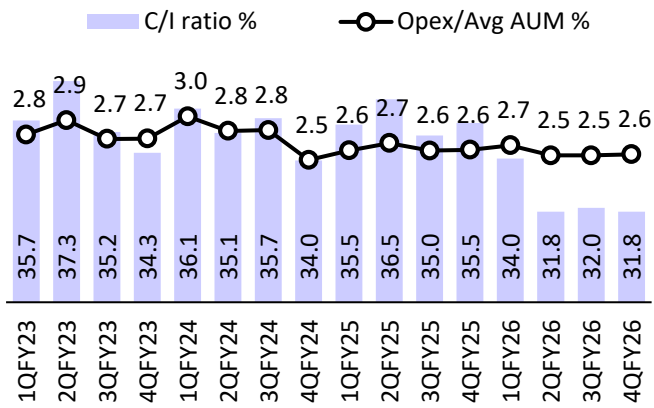
Sources: Company, MOFSL

**Exhibit 6: NIM (calc.) dipped ~40bp QoQ (%)**



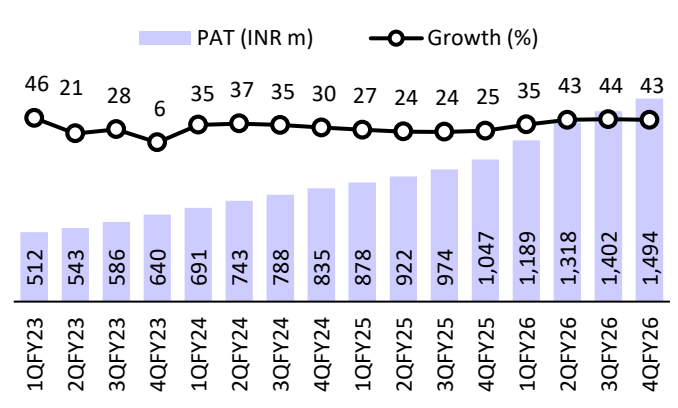
Sources: Company, MOFSL

**Exhibit 7: Opex/AUM was stable QoQ (%)**



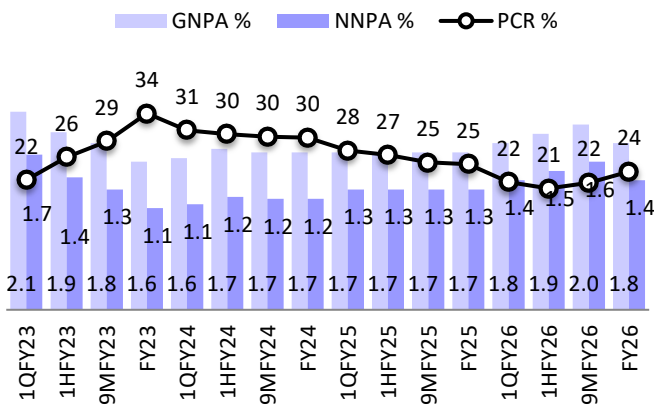
Sources: Company, MOFSL

**Exhibit 8: PAT rose ~43% YoY**



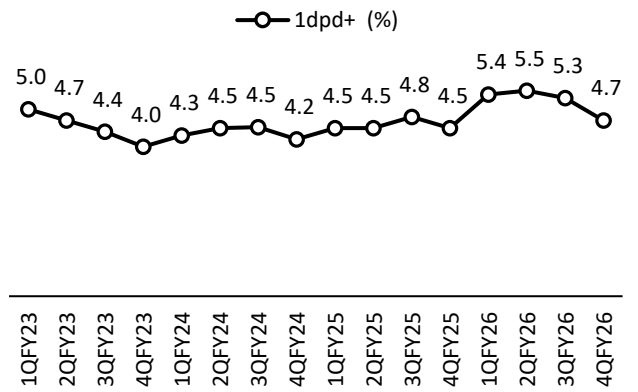
Sources: Company, MOFSL

**Exhibit 9: GS3 declined ~20bp QoQ (%)**



Sources: Company, MOFSL

**Exhibit 10: 1+dpd declined ~60bp QoQ to 4.7%**

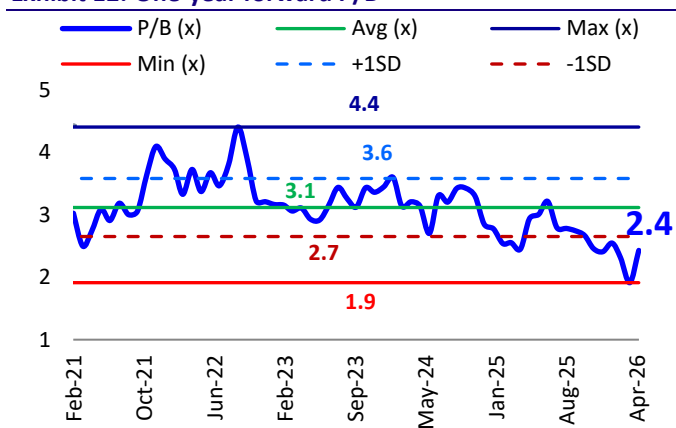


Sources: Company, MOFSL

**Exhibit 11: We keep our FY27/FY28 estimates broadly unchanged**

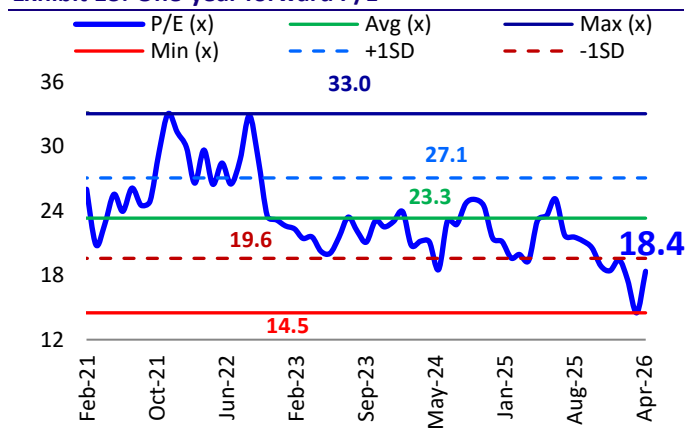
INR B	Old Est.		New Est.		% Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
NII	10.9	13.0	10.7	12.7	-1.4	-2.4
Other Operating Income	2.0	2.2	2.2	2.5	11.6	11.5
Other Income	0.6	0.7	0.7	0.8	18.4	18.3
<b>Total Income</b>	<b>13.5</b>	<b>15.9</b>	<b>13.7</b>	<b>16.0</b>	<b>1.4</b>	<b>0.5</b>
Operating Expenses	4.5	5.3	4.5	5.4	1.5	1.9
<b>Operating Profits</b>	<b>9.0</b>	<b>10.6</b>	<b>9.2</b>	<b>10.6</b>	<b>1.4</b>	<b>-0.3</b>
Provisions	0.6	0.7	0.6	0.7	6.0	-1.9
<b>PBT</b>	<b>8.5</b>	<b>9.9</b>	<b>8.5</b>	<b>9.9</b>	<b>1.1</b>	<b>-0.2</b>
Tax	2.0	2.4	2.1	2.4	1.1	-0.2
<b>PAT</b>	<b>6.4</b>	<b>7.5</b>	<b>6.5</b>	<b>7.5</b>	<b>1.1</b>	<b>-0.2</b>
Loans	196	241	196	239	-0.4	-0.9
Borrowings	130	162	131	162	0.9	-0.3
<b>RoA</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>	<b>3.7</b>	<b>0.0</b>	<b>-1.3</b>
<b>RoE</b>	<b>14.1</b>	<b>14.4</b>	<b>13.9</b>	<b>14.2</b>	<b>-0.1</b>	<b>-1.8</b>

**Exhibit 12: One-year forward P/B**



Source: MOFSL, Company

**Exhibit 13: One-year forward P/E**



Source: MOFSL, Company

## Financials and Valuation

Income statement									(INR M)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	3,548	4,237	5,117	7,222	10,277	13,540	16,640	20,096	24,343
Interest Expenses	1,938	2,202	2,157	3,043	4,999	7,153	7,923	9,362	11,643
<b>Net Interest Income</b>	<b>1,610</b>	<b>2,035</b>	<b>2,960</b>	<b>4,179</b>	<b>5,278</b>	<b>6,388</b>	<b>8,717</b>	<b>10,734</b>	<b>12,700</b>
Change (%)	52.6	26.4	45.4	41.2	26.3	21.0	36.5	23.1	18.3
Gain on Direct assignment	371	439	678	380	631	912	1,122	1,274	1,427
Fee and Commissions	38	35	13	104	99	453	827	969	1,076
Other Income	239	180	148	249	558	486	638	705	795
<b>Total Income (net of interest expenses)</b>	<b>2,258</b>	<b>2,690</b>	<b>3,800</b>	<b>4,913</b>	<b>6,567</b>	<b>8,239</b>	<b>11,304</b>	<b>13,683</b>	<b>15,998</b>
Change (%)	56.3	19.1	41.3	29.3	33.7	25.5	37.2	21.0	16.9
Employee Expenses	611	661	808	1,070	1,483	1,944	2,487	3,042	3,631
Depreciation	72	76	75	91	117	155	189	229	274
Other Operating Expenses	337	291	379	585	712	836	982	1,246	1,518
<b>Operating Expenses</b>	<b>1,020</b>	<b>1,028</b>	<b>1,262</b>	<b>1,746</b>	<b>2,313</b>	<b>2,936</b>	<b>3,658</b>	<b>4,517</b>	<b>5,424</b>
<b>PPoP</b>	<b>1,238</b>	<b>1,662</b>	<b>2,538</b>	<b>3,167</b>	<b>4,254</b>	<b>5,304</b>	<b>7,646</b>	<b>9,166</b>	<b>10,575</b>
Change (%)	70.6	34.2	52.7	24.8	34.3	24.7	44.2	19.9	15.4
Provisions/write offs	165	322	250	215	254	288	569	624	657
<b>PBT</b>	<b>1,073</b>	<b>1,340</b>	<b>2,288</b>	<b>2,952</b>	<b>4,000</b>	<b>5,016</b>	<b>7,078</b>	<b>8,542</b>	<b>9,918</b>
Tax	278	339	402	669	942	1,195	1,674	2,050	2,380
Tax Rate (%)	25.9	25.3	17.6	22.7	23.6	23.8	23.6	24.0	24.0
<b>PAT</b>	<b>796</b>	<b>1,001</b>	<b>1,886</b>	<b>2,283</b>	<b>3,057</b>	<b>3,821</b>	<b>5,404</b>	<b>6,492</b>	<b>7,537</b>
Change (%)	74	26	88	21	34	25	41	20	16

### Balance sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Capital	157	175	175	176	177	180	209	209	209
Reserves & Surplus	9,178	13,631	15,562	17,997	21,038	25,033	43,357	49,379	56,447
<b>Net Worth</b>	<b>9,334</b>	<b>13,805</b>	<b>15,737</b>	<b>18,173</b>	<b>21,215</b>	<b>25,213</b>	<b>43,565</b>	<b>49,588</b>	<b>56,656</b>
<b>Borrowings</b>	<b>24,938</b>	<b>30,537</b>	<b>34,668</b>	<b>48,135</b>	<b>73,021</b>	<b>95,507</b>	<b>1,05,900</b>	<b>1,31,117</b>	<b>1,61,781</b>
Change (%)	29.5	22.5	13.5	38.8	51.7	30.8	10.9	23.8	23.4
Other liabilities	530	759	764	1,062	1,104	1,397	2,200	2,859	3,431
<b>Total Liabilities</b>	<b>34,802</b>	<b>45,102</b>	<b>51,169</b>	<b>67,370</b>	<b>95,340</b>	<b>1,22,117</b>	<b>1,51,665</b>	<b>1,83,565</b>	<b>2,21,868</b>
E: MOFSL Estimates									
<b>Loans</b>	<b>30,139</b>	<b>33,265</b>	<b>43,049</b>	<b>59,957</b>	<b>81,434</b>	<b>1,06,487</b>	<b>1,31,326</b>	<b>1,62,879</b>	<b>1,99,729</b>
Change (%)	41.2	10.4	29.4	39.3	35.8	30.8	23.3	24.0	22.6
<b>Investments</b>	<b>1,456</b>	<b>3,750</b>	<b>0</b>	<b>2,808</b>	<b>3,788</b>	<b>3,602</b>	<b>8,122</b>	<b>6,092</b>	<b>4,873</b>
Change (%)	41.4	157.6	-100.0		34.9	-4.9	125.5	-25.0	-20.0
Fixed Assets	210	167	202	257	302	461	559	643	739
Cash and cash equivalents	2,221	6,799	6,678	2,984	8,215	9,382	8,410	9,894	11,660
Other assets	777	1,121	1,239	1,364	1,600	2,184	3,248	4,057	4,866
<b>Total Assets</b>	<b>34,802</b>	<b>45,102</b>	<b>51,169</b>	<b>67,370</b>	<b>95,340</b>	<b>1,22,117</b>	<b>1,51,665</b>	<b>1,83,565</b>	<b>2,21,868</b>

E: MOFSL Estimates

AUM and Disbursements (in INR m)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM	36,184	41,411	53,800	71,980	96,978	1,27,127	1,58,777	1,95,572	2,39,015
On-book Loans	30,407	33,718	43,515	60,521	82,126	1,07,308	1,32,376	1,64,281	2,01,490
Off-book Loans	5,777	7,693	10,285	11,459	14,852	19,819	26,401	31,292	37,525
Disbursements	16,183	10,966	20,304	30,127	39,632	48,052	54,237	64,581	76,831

## Financials and Valuation

### Ratios

Growth %	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM	48.1	14.4	29.9	33.8	34.7	31.1	24.9	23.2	22.2
Disbursements	2.9	-32.2	85.2	48.4	31.6	21.2	12.9	19.1	19.0
Loan book (on balance sheet)	41.6	10.9	29.1	39.1	35.7	30.7	23.4	24.1	22.6
Total Assets	40.2	29.6	13.5	31.7	41.5	28.1	24.2	21.0	20.9
NII	52.6	26.4	45.4	41.2	26.3	21.0	36.5	23.1	18.3
PPOP	70.6	34.2	52.7	24.8	34.3	24.7	44.2	19.9	15.4
PAT	74.0	25.8	88.4	21.1	33.9	25.0	41.4	20.1	16.1
EPS	40.7	12.7	87.9	20.5	33.2	22.8	22.1	20.1	16.1

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Spreads and margin (%)</b>									
Avg yield on loans	13.3	12.7	12.5	13.3	13.7	13.6	13.2	13.0	12.9
Avg. cost of funds	8.8	7.9	6.6	7.3	8.3	8.5	7.9	7.9	8.0
Interest Spread	4.5	4.8	5.9	5.9	5.5	5.1	5.4	5.1	4.9
NIM on AUM	5.3	5.2	6.2	6.6	6.2	5.7	6.1	6.1	5.8

Capital Structure & Profitability Ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Debt-Equity ratio	2.7	2.2	2.2	2.6	3.4	3.8	2.4	2.6	2.9
CAR	49.0	56.2	58.6	49.4	39.5	33.2	44.1	45.4	42.9
Tier-I	47.7	55.2	58.1	48.9	39.1	32.8	43.8	45.0	42.6
Leverage	3.7	3.3	3.3	3.7	4.5	4.8	3.5	3.7	3.9
RoAA	2.7	2.5	3.9	3.9	3.8	3.5	3.9	3.9	3.7
RoAE	10.9	8.7	12.8	13.5	15.5	16.5	15.7	13.9	14.2
ROAAUM	2.6	2.6	4.0	3.6	3.6	3.4	3.8	3.7	3.5
Int. Expended/Int.Earned	54.6	52.0	42.1	42.1	48.6	52.8	47.6	46.6	47.8
Other Inc./Net Income	10.6	6.7	3.9	5.1	8.5	5.9	5.6	5.2	5.0

Cost/Productivity Ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Cost/Income	45.2	38.2	33.2	35.5	35.2	35.6	32.4	33.0	33.9
Op. Exps./Avg Assets	3.4	2.6	2.6	2.9	2.8	2.7	2.7	2.7	2.7
Op. Exps./Avg AUM	3.4	2.6	2.7	2.8	2.7	2.6	2.6	2.5	2.5
Non-interest income as % of Total income	10.6	6.7	3.9	5.1	8.5	5.9	5.6	5.2	5.0
AUM/employee (INR m)	52	60	63	72	78	78	86	97	109
AUM/ branch (INR m)	532	575	673	648	729	820	929	1,035	1,166
Empl. Cost/Op. Exps. (%)	60	64	64	61	64	66	68	67	67

Asset Quality (INR m)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Gross NPA	315	622	1,015	974	1,393	1,808	2,404	3,094	3,799
GNPA %	1.0	1.8	2.3	1.6	1.7	1.7	1.8	1.9	1.9
Net NPA	234	398	763	643	979	1,353	1,829	2,321	2,850
NNPA %	0.8	1.2	1.8	1.1	1.2	1.3	1.4	1.4	1.4
PCR %	25.8	36.0	24.9	34.0	29.7	25.2	23.9	25.0	25.0
Credit cost % of avg loans (bps)	64	100	65	41	36	30	47	42	36

Valuation	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
No. of Shares (m)	78.3	87.4	87.6	88.0	88.5	90.1	104.3	104.3	104.3
EPS	10.2	11.5	21.5	25.9	34.5	42.4	51.8	62.2	72.2
P/E (x)	120.5	106.9	56.9	47.2	35.4	28.9	23.6	19.7	16.9
BV (INR)	119	158	180	206	240	280	418	475	543
Price-BV (x)	10.3	7.7	6.8	5.9	5.1	4.4	2.9	2.6	2.3
Adjusted BV (INR)	117	155	173	201	231	269	404	459	523
Price-ABV (x)	10.5	7.9	7.1	6.1	5.3	4.6	3.0	2.7	2.3
DPS (INR)	0.0	0.0	0.0	2.6	3.4	3.7	4.0	4.5	4.5
Dividend yield (%)	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.4	0.4

E: MOFSL Estimates

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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

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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/NCDX); 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.