28 July 2026

1QFY27 Results Update | Sector: Financials

Cholamandalam Inv. & Finance

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	CIFC IN
Equity Shares (m)	844
M.Cap.(INRb)/(USDb)	1497.2 / 15.6
52-Week Range (INR)	1875 / 1299
1, 6, 12 Rel. Per (%)	-2/12/20
12M Avg Val (INR M)	2923

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	170.7	213.9	252.4
PPP	105.0	133.7	157.6
PAT	52.2	71.7	84.1
EPS (INR)	61.2	83.7	98.1
EPS Gr. (%)	21	37	17
BV (INR)	357	444	539
Ratios			
NIM (%)	7.0	7.3	7.1
C/I ratio (%)	38.5	37.5	37.6
RoAA (%)	2.3	2.7	2.7
RoE (%)	19.3	21.0	20.0
Payout (%)	3.3	2.6	2.4
Valuations			
P/E (x)	28.6	20.9	17.9
P/BV (x)	4.9	3.9	3.2
Div. Yield (%)	0.1	0.1	0.1

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	49.2	49.3	49.9
DII	20.6	19.9	16.1
FII	24.5	24.9	28.0
Others	5.7	6.0	6.1

FII includes depository receipts

CMP: INR1,753 TP: INR2,140 (+22%) Buy

Healthy start to the fiscal year indicates strong profitability in FY27

Business AUM rises ~22% YoY; seasonal deterioration in asset quality

- Cholamandalam Inv. & Finance's (CIFC) 1QFY27 PAT grew ~46% YoY to INR16.5b (~14% beat). NII in 1QFY27 grew ~27% YoY to ~INR40.4b (in line). Other income grew ~31% YoY to ~INR8.9b. Opex rose ~23% YoY to ~INR17.9b (in line), and the cost-to-income ratio declined ~140bp QoQ to ~36.3% (PQ: 37.7% and PY: 37.6%).
- PPoP grew ~30% YoY to INR31.4b (~7% beat). Credit costs in 1QFY27 stood at ~INR9.2b (~8% lower than MOFSLe). This translated into annualized credit costs of ~160bp (PY: 185bp and PQ: 155bp).
- CIFC remains confident of sustaining its growth momentum, with management reiterating its FY27 loan growth guidance of ~20-23%. Growth is expected to be driven by continued traction across VF, MSME, consumer finance, and gold loans, supported by healthy demand, deeper market penetration, and incremental market share gains.
- The company is witnessing strong customer acquisition in MSME and consumer businesses, while the gold loan segment is gaining scale through branch expansion and improving productivity. Management also sees potential to leverage its expanding customer base for cross-selling opportunities over time, providing additional growth avenues.
- CIFC attributed the sequential increase in GNPA during 1QFY27 to normal seasonal trends, rather than any underlying portfolio stress. The company has not witnessed any adverse impact from monsoon conditions or external geopolitical conditions, and it remains positive on credit cost trends. However, given the macroeconomic uncertainties, management retained its FY27 credit cost guidance of ~1.5%, with scope for moderation in the coming quarters.
- CIFC is well positioned to sustain its growth trajectory, driven by a strong franchise, diversified product portfolio, and expanding customer reach. The company's focus on scaling newer growth engines such as gold loans, while deepening its presence across core segments, provides multiple avenues for sustained expansion. Healthy profitability, supported by operating leverage and benign credit trends, coupled with a strong capital position, should enable CIFC to capitalize on the favorable lending environment while maintaining a disciplined risk framework.
- We increase our FY27/FY28 estimates by 9%/4% to factor in lower credit costs and higher other income. The stock currently trades at ~3.9x FY27 P/B. We model a CAGR of ~20%/~21%/~27% in disbursement/AUM/PAT over FY26-28E. We estimate an RoA/RoE of ~2.7%/20% in FY28E. **We reiterate our BUY rating with a TP of INR2,140 (premised on 4x Mar'28E BVPS).**

AUM up ~22% YoY; new business lines contribute ~22% to the disbursement mix

- Business AUM grew 22% YoY to INR2.34t. Total disbursements grew ~22% YoY and declined ~10% QoQ to ~INR296b. The newer lines of business contributed ~22% to the disbursement mix (PQ: ~21% and PY: ~17%). VF disbursements grew ~21% YoY.

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com) | **Nitin Aggarwal** (Nitin.Aggarwal@MotilalOswal.com)
Research Analyst: Raghav Khemani (Raghav.Khemani@MotilalOswal.com) | **Pranav Nawale** (Pranav.Nawale@MotilalOswal.com)

- The company plans to open 360 gold loan branches during FY27 to support business expansion. We expect CIFC to deliver a disbursement/AUM CAGR of ~20%/~21% over FY26-28.

Seasonal deterioration in asset quality; 30+ dpd rises ~50bp QoQ

- GS3/NS3 increased 25bp/15bp QoQ to 3.3%/1.8%, while PCR on S3 declined ~1.6pp QoQ to ~45.7%. ECL/EAD increased ~5bp QoQ to 2.04% (PQ: ~1.97%).
- Stage 2 + Stage 3 [30+ dpd] increased ~50bp QoQ to ~6%. In 1QFY27, write-offs stood at ~INR5.9b, translating into ~1.2% of TTM AUM (PY: ~1.3% and PQ: ~1.5%). Net slippages increased to ~INR13.9b, amounting to 2.6% (PY: ~3% and PQ: 0.9%).
- The ~INR2b management overlay remains intact and will be reviewed at the end of FY27. We estimate CIFC's credit costs (as a % of average assets) at ~1.4% in FY27/FY28.

NIM to expand due to improvement bias on yields and stable CoF

- NIM (calc.) improved ~10bp QoQ to ~7.1%. Management expects the cost of funds to remain broadly stable in FY27, with any increase limited to ~5-10bp, as lower funding costs in 1HFY27 are expected to offset a potential increase in borrowing costs in 2HFY27. The company expects NIM improvement to be driven by a better funding mix, including continued access to bank funding, while maintaining discipline on lending yields.
- We model NIMs of 7.3%/7.1% for FY27E/ FY28E.

Key highlights from the management commentary

- Gold loan branches continue to scale well, with average branch AUM reaching INR120-150m, and management expects all new branches opened during the year to become profitable by next year. Gold loan yields are expected to remain in the 16-17% range.
- Of the ~INR20b compulsory convertible debentures (CCD) issuance, INR13.7b was converted into equity during FY26, followed by a further INR2b conversion in Jul'26. The remaining CCD of ~INR4.3b is scheduled for conversion into equity in Oct'26, which will further strengthen the company's capital base.

Valuation and View

- CIFC delivered a strong operating performance, supported by healthy disbursement momentum, ~22% YoY AUM growth, and steady margins. While asset quality witnessed some sequential deterioration, management attributed it to normal seasonal trends rather than any underlying portfolio stress and remains confident of asset quality improvement going forward.
- The stock currently trades at ~3.9x FY27 P/B. We model a CAGR of 20%/21%/ 27% in disbursement/AUM/PAT over FY26-28E. We estimate an RoA/RoE of ~2.7%/20% in FY28E. **We reiterate our BUY rating with a TP of INR2,140 (premised on 4x Mar'28E BVPS).**

Quarterly Performance (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	66,501	68,942	72,238	76,046	80,399	83,696	87,713	92,617	2,83,726	3,44,424	79,544	1
Interest Expenses	34,663	35,155	36,430	37,494	40,031	41,713	43,340	45,390	1,43,742	1,70,474	39,556	1
Net Interest Income	**31,838**	**33,787**	**35,808**	**38,551**	**40,368**	**41,983**	**44,373**	**47,226**	**1,39,984**	**1,73,951**	**39,987**	1
YoY Growth (%)	23.70	24.5	24.0	26.2	26.79	24.3	23.9	22.5	24.6	24.3	25.6	
Other Income	6,807	6,959	7,616	9,340	8,930	9,477	10,290	11,214	30,722	39,912	7,671	16
Total Income	**38,645**	**40,746**	**43,423**	**47,892**	**49,298**	**51,460**	**54,664**	**58,441**	**1,70,706**	**2,13,863**	**47,658**	3
YoY Growth (%)	27.4	25.9	22.6	27.4	27.6	26.3	25.9	22.0	25.8	25.3	23.3	
Operating Expenses	14,528	16,169	16,991	18,054	17,875	19,564	20,475	22,270	65,742	80,184	18,160	-2
Operating Profit	**24,117**	**24,578**	**26,432**	**29,838**	**31,423**	**31,896**	**34,189**	**36,171**	**1,04,965**	**1,33,679**	**29,498**	7
YoY Growth (%)	30.4	27.9	24.2	28.0	30.3	29.8	29.3	21.2	27.5	27.4	22.3	
Provisions & Loan Losses	8,821	8,970	9,103	8,464	9,219	9,500	9,700	9,218	35,358	37,636	10,000	-8
Profit before Tax	**15,296**	**15,608**	**17,329**	**21,374**	**22,205**	**22,396**	**24,489**	**26,953**	**69,607**	**96,043**	**19,498**	14
Tax Provisions	3,937	4,054	4,452	4,967	5,669	5,711	6,171	6,748	17,411	24,299	4,972	14
Net Profit	**11,359**	**11,553**	**12,877**	**16,407**	**16,536**	**16,685**	**18,318**	**20,205**	**52,196**	**71,744**	**14,526**	14
YoY Growth (%)	20.6	20.0	18.5	29.5	45.6	44.4	42.3	23.1	22.6	37.5	27.9	
Key Parameters (Calc., %)												
Yield on loans	14.40	14.45	14.49	14.40	14.5	14.5	14.6	14.6	14.2	14.4		
Cost of funds	7.78	7.63	7.56	7.34	7.4	7.5	7.5	7.5	7.5	7.5		
Spread	6.6	6.8	6.9	7.1	7.1	7.1	7.1	7.1	6.8	6.9		
NIM	6.76	6.91	6.99	7.09	7.05	7.04	7.10	7.15	7.0	7.3		
C/I ratio	37.6	39.7	39.1	37.7	36.3	38.0	37.5	38.1	38.5	37.5		
Credit cost	1.87	1.83	1.78	1.56	1.61	1.59	1.55	1.40	1.7	1.5		
Tax rate	25.7	26.0	25.7	23.2	25.5	25.5	25.2	25.0	25.0	25.3		
Balance Sheet Parameters												
Disbursements (INR b)	**243**	**244**	**300**	**329**	**296**	**313**	**345**	**386**	**1,116**	**1,340**		
Growth (%)	0.0	0.5	16.1	24.6	21.7	28.0	15.0	17.3	10.7	20.0		
AUM (INR b)	**1,921**	**1,992**	**2,107**	**2,243**	**2,336**	**2,436**	**2,561**	**2,720**	**2,243**	**2,720**		
Growth (%)	23.6	21.0	20.7	21.4	21.6	22.3	21.6	21.3	21.4	21.3		
AUM mix (%)												
Vehicle finance	54.5	54.0	53.6	53.3	53.1	52.6	52.6	51.4	53.3	51.4		
Home Equity	22.9	23.2	23.3	23.3	23.2	24.1	24.3	24.2	23.3	24.2		
Home loans & Others	22.6	22.7	23.1	23.4	23.7	23.3	23.1	24.4	13.3	14.2		
Borrowings (INR b)	**1,813**	**1,875**	**1,978**	**2,109**	**2,202**	**2,266**	**2,357**	**2,462**	**2,109**	**2,462**		
Growth (%)	20.9	18.8	18.4	20.5	21.5	20.8	19.1	16.7	20.5	16.7		
Asset Quality Parameters												
GS 3 (INR B)	60.4	66.3	70.1	67.7	75.7				67.7	81.6		
GS 3 (%)	3.16	3.4	3.4	3.1	3.29				3.0	3.0		
NS 3 (INR B)	34.0	37.6	40.0	35.7	41.1				35.7	45.7		
NS 3 (%)	1.81	1.9	2.0	1.6	1.82				1.9	1.8		
PCR (%)	43.7	43.2	43.0	47.3	45.7				47.3	44.0		
Vehicle finance AUM mix (%)												
LCV	19.2	19.3	18.7	18.5	18.5				19.8	19.2		
Cars & MUV	24.5	24.8	25.3	25.5	26.1				23.1	23.7		
3W & SCV	3.5	3.5	3.5	3.4	3.4				3.6	3.6		
Used CV	27.6	27.6	27.2	27.0	26.4				27.6	27.6		
Tractor	5.3	5.1	5.0	4.7	4.5				6.2	6.0		
HCV	6.7	6.7	6.9	7.3	7.3				6.6	6.6		
CE	6.3	6.1	6.2	6.3	6.2				6.3	6.4		
Two wheeler	6.8	6.9	7.3	7.4	7.6				6.7	6.8		

E: MOFSL estimates

Key highlights from the management commentary

Guidance

- Chola reiterated its FY27 loan growth guidance of ~22-23% and continues to witness healthy demand across all business segments, with July trends remaining encouraging. Management expects growth momentum to continue over the coming quarters, supported by healthy market conditions and incremental market share gains across vehicle finance and other businesses.
- Credit cost guidance for FY27 is unchanged at ~1.5%, with management expecting further improvement over time, supported by lower normalized credit losses across businesses.
- The company expects cost of funds in FY27 to remain broadly in line with FY26 as lower funding costs in 1HFY27 are likely to offset a potential increase in 2HFY27. At best, cost of funds could increase by ~5-10bp, while NIMs are likely to improve.
- Gold loan AUM is targeted to reach ~INR50b by end-FY27, supported by continued branch expansion and improving branch productivity.
- Management expects the current business upcycle to continue, although it remains watchful of global uncertainties such as geopolitical tensions and any tariff-related developments.

Business Updates

- Chola continued its strong growth trajectory in 1QFY27, with disbursements increasing 22% YoY to INR296b, reflecting healthy performance across all major businesses, robust customer demand and the strength of its distribution and operating model.
- Growth during the quarter was supported by healthy demand across key vehicle categories and continued deep market penetration.
- The MSME business remained resilient, benefiting from sustained customer acquisition and continued expansion into underpenetrated markets.
- The consumer business delivered robust growth driven by broad-based traction across product categories and healthy customer acquisition.
- Gold loans witnessed strong growth during the quarter, supported by increasing customer acceptance and continued network expansion.

Disbursement recognition

- Chola has aligned disbursement recognition for home loans, LAP, small business loans and used vehicle finance with cheque clearance rather than cheque issuance.
- This one-time accounting change resulted in relatively lower reported disbursements during the quarter, although on a like-for-like basis these businesses recorded over 20% growth.
- Management expects this timing impact to normalize from 2QFY27 onwards.
- The change aligns with regulatory guidance, as assets will now be recognized only after cheque realization, eliminating the period during which loans remained on the books without earning interest.

Asset Quality

- Chola attributed the sequential increase in GNPA, Stage 2 and Stage 3 assets primarily to the usual seasonal trend observed between the fourth and first quarters.
- Overall asset quality continued to improve on a YoY basis despite seasonal movements, with around ~94-96% of customers continuing to service their loans on time.
- Management remains confident of improving credit costs from current levels as there are no visible signs of deterioration across portfolios. The company has not observed any adverse impact from monsoon conditions or other external factors on asset quality and remains optimistic about portfolio performance through the coming quarters.
- The INR2b management overlay remains intact and will be reviewed at the end of the financial year.
- PCR moderated during the quarter primarily due to write-offs of fully provided accounts rather than any deterioration in portfolio quality.

Gold loan Business

- Chola plans to open 360 gold loan branches during FY27 to support business expansion.
- Gold loan branches continue to scale well, with average branch AUM reaching INR120-150m, and management expects all new branches opened during the year to become profitable by next year.
- Gold loan yields are expected to remain in the 16-17% range.
- Nearly 90% of gold loan customers acquired so far are new to the company, reflecting successful penetration into targeted micro-markets.
- While the current focus remains on acquiring customers in new markets, management sees a significant opportunity to leverage its existing customer base for cross-selling over time.
- The company offers both consumption and income-generation gold loans, with tenures ranging from 6-12 months for consumption loans and 6-9 months for income-generation loans.

Profitability

- Chola achieved its targeted 3.5% PBT RoA, supported by lower operating costs, a decline in funding costs and healthy income growth.
- Management continues to view 3.5% PBT RoA as a sustainable minimum benchmark while remaining conservatively positioned given potential macroeconomic uncertainties.
- Credit cost improvements could provide additional support to profitability going forward, with the company already achieving its FY27 credit cost guidance of 1.5% in 1QFY27.

Funding and Capital

- Banks continue to remain the most competitive source of funding, particularly through priority sector lending, although market borrowings have witnessed a modest increase in funding costs.

- Management highlighted that fixed-rate bond borrowings provide better visibility compared to MCLR-linked borrowings, where future funding costs remain uncertain.
- Of the INR20b CCD issuance, INR13.7b was converted into equity during FY26, followed by a further INR2b conversion in Jul'26. The remaining INR4.3b is scheduled for conversion in Oct'26, which will further strengthen the company's capital base.

Collections and Digital Initiatives

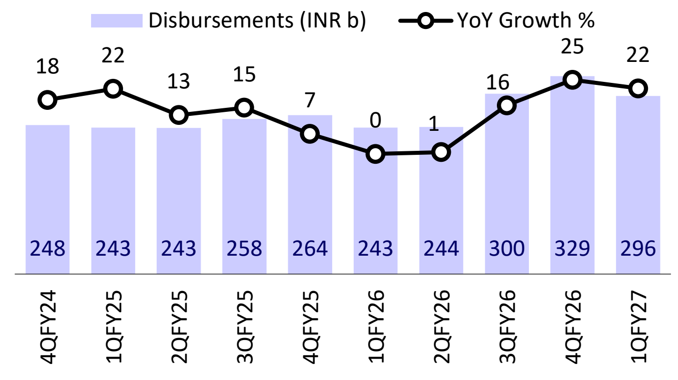
- The company employs nearly 30,000 collection personnel across businesses, with collection strategies tailored to each product segment.
- Around 50% of collections are now completed through digital channels, supporting operational efficiency and collection effectiveness.

Other Highlights

- The home loan business is gradually moving towards higher ticket-size loans.
- Management has not observed any meaningful impact from the monsoon or geopolitical developments on business performance so far and expects a healthy operating environment through the remainder of the year, subject to evolving macroeconomic conditions.

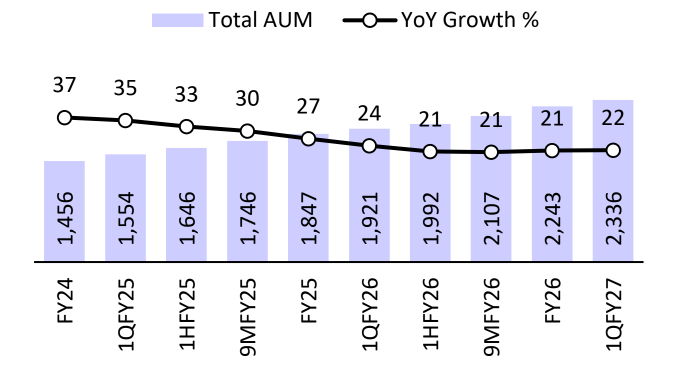
Key exhibits

Exhibit 1: Disbursements grew 22% YoY



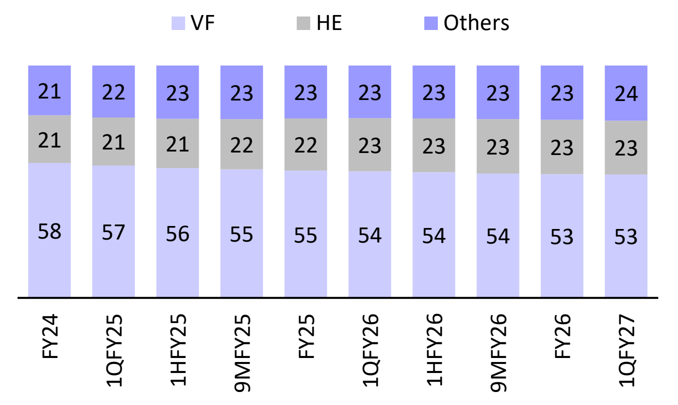
Source: MOFSL, Company

Exhibit 2: AUM grew 22% YoY



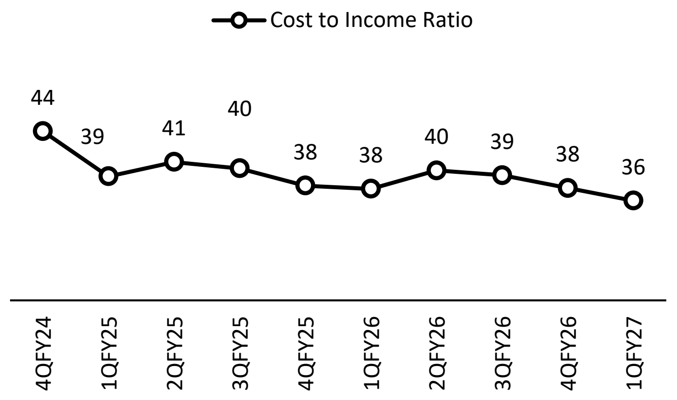
Source: MOFSL, Company

Exhibit 3: Other segments' share improved marginally



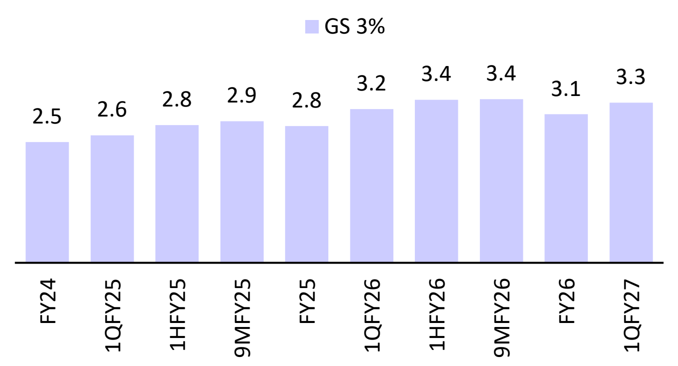
Source: MOFSL, Company

Exhibit 4: C/I ratio declined ~140bp QoQ to 36%



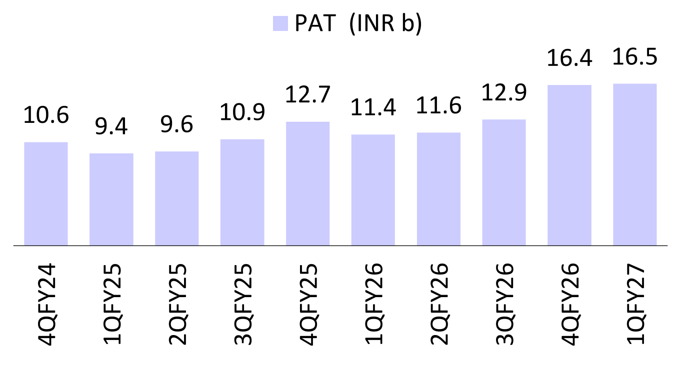
Source: MOFSL, Company

Exhibit 5: GS3 increased ~20bp QoQ to 3.3%



Source: MOFSL, Company,

Exhibit 6: PAT grew 46% YoY to INR16.5b



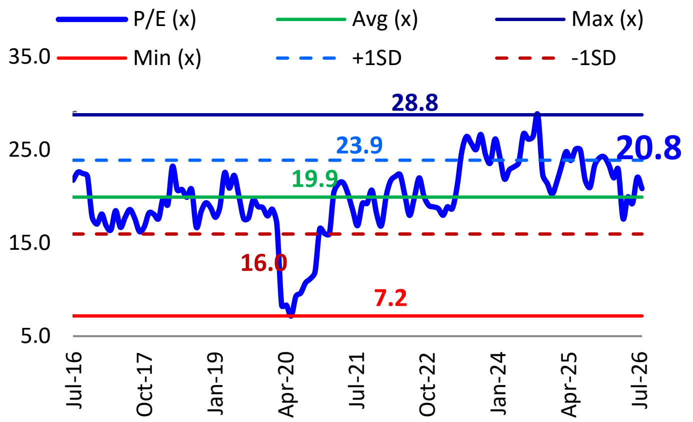
Source: MOFSL, Company

Exhibit 7: We increase our FY27/FY28 EPS estimates by ~9%/~4% to factor in lower credit costs and higher other income

INR B	Old Est.		New Est.		% change	
	FY27	FY28	FY27	FY28	FY27	FY28
NII (incl. assignments)	175.8	208.1	179.3	210.5	2.0	1.1
Other Income	32.8	40.5	34.6	41.9	5.3	3.5
Total Income	**208.6**	**248.7**	**213.9**	**252.4**	**2.5**	**1.5**
Operating Expenses	80.2	94.8	80.2	94.8	0.0	0.0
Operating Profits	**128.4**	**153.9**	**133.7**	**157.6**	**4.1**	**2.4**
Provisions	40.3	45.1	37.6	45.1	-6.7	-0.1
PBT	**88.1**	**108.8**	**96.0**	**112.5**	**9.0**	**3.5**
Tax	22.3	27.5	24.3	28.5	9.0	3.5
PAT	**65.8**	**81.2**	**71.7**	**84.1**	**9.0**	**3.5**
AUM	2,726	0	2,720	0	-0.2	-1.0
Loans	2,617	3,141	2,611	3,130	-0.2	-0.3
Borrowings	2,453	2,963	2,462	2,933	0.4	-1.0
NIM	7.1	7.0	7.3	7.1		
Credit Cost	1.6	0.0	1.5	0.0		
RoA on AUM	2.5	2.6	2.7	2.7		
RoE	**19.4**	**19.6**	**21.0**	**20.0**		

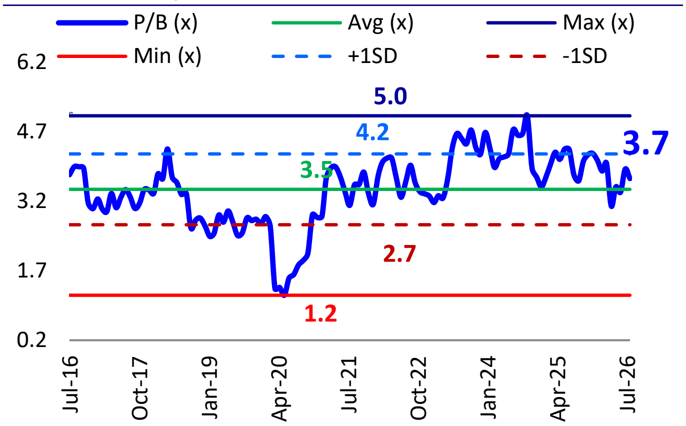
Source: MOFSL, Company

Exhibit 8: One-year forward P/E



Source: Company, MOFSL

Exhibit 9: One-year forward P/B



Source: Company, MOFSL

Financials and valuations

Income Statement (INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	78,417	88,772	93,251	1,18,084	1,75,637	2,37,200	2,83,726	3,44,424	4,08,238
Interest Expenses	45,922	45,759	42,988	57,488	92,306	1,24,849	1,43,742	1,70,474	2,03,639
Net Interest Income	**32,495**	**43,013**	**50,263**	**60,596**	**83,331**	**1,12,351**	**1,39,984**	**1,73,951**	**2,04,598**
Change (%)	11.8	32.4	16.9	20.6	37.5	34.8	24.6	24.3	17.6
Income from assignments	2,473	0	0	0	0	1,590	4,391	5,357	5,893
Other Operating Income	5,637	6,388	7,232	9,487	12,815	18,666	21,700	28,998	35,544
Other Income	3	596	905	2,209	3,711	3,092	4,631	5,557	6,391
Total Income	**40,607**	**49,997**	**58,400**	**72,292**	**99,857**	**1,35,699**	**1,70,706**	**2,13,863**	**2,52,426**
Change (%)	19.3	23.1	16.8	23.8	38.1	35.9	25.8	25.3	18.0
Total Operating Expenses	**15,776**	**16,394**	**20,687**	**27,799**	**40,818**	**53,388**	**65,742**	**80,184**	**94,807**
Change (%)	24.3	3.9	26.2	34.4	46.8	30.8	23.1	22.0	18.2
Employee Expenses	6,550	7,494	8,945	12,657	23,306	32,805	41,528	51,910	62,292
Business Origination Expenses	2,398	2,242	2,259	2,744	0	0	0	0	0
Other Operating Expenses	6,828	6,659	9,483	12,398	17,512	20,583	24,214	28,274	32,515
Operating Profit	**24,831**	**33,603**	**37,712**	**44,494**	**59,039**	**82,311**	**1,04,965**	**1,33,679**	**1,57,620**
Change (%)	16.3	35.3	12.2	18.0	32.7	39.4	27.5	27.4	17.9
Total Provisions	**8,973**	**13,218**	**8,803**	**8,497**	**13,218**	**24,943**	**35,358**	**37,636**	**45,080**
% of Operating Profit	36.1	39.3	23.3	19.1	22.4	30.3	33.7	28.2	28.6
PBT	**15,857**	**20,384**	**28,909**	**35,997**	**45,821**	**57,369**	**69,607**	**96,043**	**1,12,539**
Tax Provisions	5,334	5,235	7,442	9,335	11,593	14,783	17,411	24,299	28,472
Tax Rate (%)	33.6	25.7	25.7	25.9	25.3	25.8	25.0	25.3	25.3
Extraordinary Items	0	0	0	0	0	0	0	0	0
PAT	**10,524**	**15,149**	**21,467**	**26,662**	**34,228**	**42,585**	**52,196**	**71,744**	**84,067**
Change (%)	-11.3	44.0	41.7	24.2	28.4	24.4	22.6	37.5	17.2
Proposed Dividend	1,662	1,640	1,641	1,645	1,681	1,683	1,705	1,885	2,057

Balance Sheet (INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	1,640	1,640	1,643	1,645	1,681	1,683	1,705	1,714	1,714
Equity Share Capital	1,640	1,640	1,643	1,645	1,681	1,683	1,705	1,714	1,714
Preference Share Capital	0	0	0	0	0	0	0	0	0
Reserves & Surplus	80,079	93,962	1,15,434	1,41,316	1,93,885	2,34,592	3,02,335	3,78,485	4,60,495
Net Worth for Equity Shareholders	**81,718**	**95,602**	**1,17,077**	**1,42,961**	**1,95,565**	**2,36,274**	**3,04,040**	**3,80,199**	**4,62,209**
Borrowings	**5,50,054**	**6,37,300**	**6,91,735**	**9,73,561**	**13,44,736**	**17,49,461**	**21,08,666**	**24,61,680**	**29,32,742**
Change (%)	8.8	15.9	8.5	40.7	38.1	30.1	20.5	16.7	19.1
Total Liabilities	**6,39,930**	**7,45,484**	**8,23,634**	**11,35,155**	**15,64,508**	**20,16,476**	**24,50,699**	**28,85,571**	**34,45,196**
Investments	729	16,188	20,762	36,280	41,002	63,904	66,381	71,389	79,184
Change (%)	0.0	2,120.0	28.3	74.7	13.0	55.9	3.9	7.5	10.9
Loans	**5,54,027**	**6,58,393**	**7,41,492**	**10,47,483**	**14,44,243**	**18,19,299**	**21,75,712**	**26,11,285**	**31,30,455**
Change (%)	5.3	18.8	12.6	41.3	37.9	26.0	19.6	20.0	19.9
Net Fixed Assets	2,839	2,294	2,685	4,233	16,067	17,827	18,953	22,744	26,155
Total Assets	**6,39,930**	**7,45,484**	**8,23,634**	**11,35,155**	**15,64,508**	**20,16,476**	**24,50,699**	**28,85,571**	**34,45,196**

E: MOFSL Estimates

Financials and valuations

Ratios									(%)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Spreads Analysis (%)									
Avg. Yield on Loans	14.5	14.6	13.3	13.2	14.1	14.5	14.2	14.4	14.2
Avg Cost of Funds	8.7	7.7	6.5	6.9	8.0	8.1	7.5	7.5	7.6
Spread of loans	5.8	6.9	6.9	6.3	6.1	6.5	6.8	6.9	6.7
NIM (on loans)	6.5	7.7	7.5	7.1	6.7	6.89	7.01	7.27	7.1
Profitability Ratios (%)									
RoE	14.7	17.1	20.2	20.5	20.2	19.7	19.3	21.0	20.0
RoA	1.7	2.2	2.7	2.7	2.5	2.4	2.3	2.7	2.7
Int. Expended / Int.Earned	58.6	51.5	46.1	48.7	52.6	52.6	50.7	49.5	49.9
Other Inc. / Net Income	13.9	14.0	13.9	16.2	16.5	16.0	15.4	16.2	16.6
Efficiency Ratios (%)									
Op. Exps. / Net Income	38.9	32.8	35.4	38.5	40.9	39.3	38.5	37.5	37.6
Empl. Cost/Op. Exps.	41.5	45.7	43.2	45.5	57.1	61.4	63.2	64.7	65.7
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	101	103	107	108	107	104	103	106	107
Net NPAs to Net Adv.	2.2	2.2	2.6	1.6	1.3	1.5	1.9	1.8	1.7
Assets/Equity	7.8	7.8	7.0	7.9	8.0	8.5	8.1	7.6	7.5
Average leverage	8.5	7.8	7.4	7.5	8.0	8.3	8.3	7.8	7.5

Valuations	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Book Value (INR)	100	117	143	174	233	281	357	444	539
BV Growth (%)	26.9	17.0	22.2	22.0	33.9	20.7	27.0	24.4	21.6
Price-BV (x)	**17.6**	**15.0**	**12.3**	**10.1**	**7.5**	**6.2**	**4.9**	**3.9**	**3.2**
EPS (INR)	13	18	26	32	41	51	61	84	98
EPS Growth (%)	-15.4	44.0	41.4	24.0	25.6	24.3	21.0	36.7	17.2
Price-Earnings (x)	**136.5**	**94.8**	**67.0**	**54.0**	**43.0**	**34.6**	**28.6**	**20.9**	**17.9**
Dividend per share	1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.2	2.4
Dividend Yield (%)	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**

E: MOFSL Estimates

AUM Mix (%)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM	**6,05,490**	**6,99,960**	**7,69,070**	**10,64,980**	**14,55,720**	**18,47,460**	**22,43,340**	**27,20,089**	**32,95,216**
Change (%)	11.6	15.6	9.9	38.5	36.7	26.9	21.4	21.3	21.1
On Books AUM	**5,51,350**	**6,58,380**	**7,41,420**	**10,47,360**	**14,43,510**	**18,19,290**	**21,76,060**	**26,11,285**	**31,30,455**
Change (%)	4.8	19.4	12.6	41.3	37.8	26.0	19.6	20.0	19.9
% of AUM	91.1	94.1	96.4	98.3	99.2	98.5	97.0	96.0	95.0
Off Books AUM	**54,140**	**41,580**	**27,650**	**17,620**	**12,210**	**28,170**	**67,280**	**1,08,804**	**1,64,761**
Change (%)	223.8	-23.2	-33.5	-36.3	-30.7	130.7	138.8	61.7	51.4
% of AUM	8.9	5.9	3.6	1.7	0.8	1.5	3.0	4.0	5.0

E: MOFSL Estimates

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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.