

Manappuram Finance

Estimate change 

TP change 

Rating change 

CMP: INR194

TP: INR215 (+11%)

NEUTRAL

Operationally weak quarter; MFI stress keeps credit costs high

Earnings miss; gold loan AUM largely flat QoQ

- Manappuram Finance's (MGFL) consol. PAT in 3QFY25 declined ~52% YoY and ~51% QoQ to ~INR2.8b (~44% miss). NII grew ~10% YoY to ~INR15.9b (in line) and PPOp was flat YoY at ~INR9.3b (~9% miss).
- Consol. credit costs stood at ~INR5.5b (vs. MOFSLe of ~INR3.5b). Annualized credit costs for the quarter rose ~260bp QoQ to 4.9% (vs. PQ: ~2.3%). Higher credit costs were primarily attributable to the MFI business.
- Gold AUM was largely flat QoQ and grew ~18% YoY to ~INR245b.** Net yields on gold loans remained stable at ~22.7%. Net yields on the standalone business rose ~20bp QoQ to 22.2% and standalone CoB rose by ~10bp QoQ to 9.2%, resulting in a ~10bp increase in spreads.
- Standalone (Gold + Vehicle + On-lending + MSME) GNPA/NNPA ratios rose ~10bp/20bp QoQ to ~2.5%/~2.3%. Asset quality deteriorated across non-gold segments, with GS3 increasing in vehicle finance (~5.2% vs. ~4.2% in 2Q) and housing finance (~3.9% vs ~3.3% in 2Q).
- Management said that GNPA in vehicle finance rose due to macroeconomic challenges, with higher delinquencies in the 2W and farm equipment segments. However, improvements in vehicle finance have been evident since Jan'25.
- MGFL plans to expand its secured lending portfolio, prioritizing secured lending in MSME and vehicle finance within its non-gold business segments. However, capital allocation will be limited to ~10% of net worth.
- We cut our FY25/FY26/FY27 PAT estimates by ~15%/5%/3% to factor in lower loan growth and higher credit costs. Over FY24-27, we estimate a CAGR of 15%/13% in gold/consolidated AUM and ~10% in consolidated PAT, with consolidated RoA/RoE of ~4.7%/18% in FY27. **Reiterate our Neutral rating on the stock with a TP of INR215 (based on 1.1x Sep'26E consolidated BVPS).**

Gold AUM largely flat QoQ; gold tonnage declines sequentially

- Gold AUM was largely flat QoQ and grew ~18% YoY to ~INR245b. Gold tonnage declined ~4% QoQ to ~57.3 tons. Within gold loans, LTV rose ~2pp QoQ to ~60%, while the average ticket size (ATS) in gold loans rose to INR64.3k (PQ: INR62.5k). Gold loan customer base declined to ~2.6m (PQ: 2.66m).
- Management shared that gold loan growth in 3QFY25 was sluggish because of festive seasonality. Management guided for gold loan growth of ~15-20%. The decline in gold tonnage was because of higher gold prices.

Bloomberg	MGFL IN
Equity Shares (m)	846
M.Cap.(INRb)/(USDb)	164.3 / 1.9
52-Week Range (INR)	230 / 138
1, 6, 12 Rel. Per (%)	13/-2/3
12M Avg Val (INR M)	1836

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
NII	63.7	70.4	80.4
PPP	39.7	43.2	49.4
PAT	18.4	23.2	29.6
EPS (INR)	21.7	27.4	34.9
EPS Gr. (%)	-16.3	25.9	27.7
BV/Sh.(INR)	155	178	208

Ratios

NIM (%)	14.8	13.6	14.5
C/I ratio (%)	41.5	42.3	42.1
RoA (%)	3.8	4.2	4.7
RoE (%)	14.9	16.4	18.1
Payout (%)	15.5	15.2	14.0

Valuations

P/E (x)	8.9	7.1	5.6
P/BV (x)	1.3	1.1	0.9
Div. Yld. (%)	1.7	2.1	2.5

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	35.3	35.3	35.2
DII	7.9	11.0	12.2
FII	27.0	30.4	29.0
Others	29.9	23.4	23.7

FII Includes depository receipts

Asirvad MFI: Credit costs elevated; GS3 up ~150bp QoQ

- Asirvad's GNPA rose ~150bp QoQ to 5.8% and NNPA rose ~50bp QoQ to ~2.5%. Credit costs stood at ~INR4.7b (PQ: ~INR2b), translating into annualized credit costs of ~17% (PQ: ~7%). Technical write-offs stood at INR4b during the quarter (vs. INR400m in 2QFY25).
- Asirvad AUM declined ~13% YoY and ~18% QoQ to ~INR100b. Asirvad reported 3QFY25 loss of INR1.9b (vs. PAT of INR750m in 2QFY25).
- Management guided for MFI loan growth of ~10%-12% over the next 2-3 years. The company expects collection efficiency to go up to ~99%, driven by tighter underwriting norms, and expects its MFI operations to normalize within the next two-three quarters.

Highlights from the management commentary

- **Regulatory changes:** MGFL will be strictly monitoring the LTV ratio at the time of disbursement, ensuring it remains strictly below 75%, while also closely tracking interest accruals. In case of a minor deviation of 5%, an SME notification will be issued. If the LTV reaches ~85%, the company will send a letter, and at ~90%, an auction notice will be sent.
- **MFI:** The company has tightened its underwriting processes and it is giving MFI loans only to its customers who have a good credit track record.
- A corporate borrower default resulted in elevated credit costs; otherwise, credit costs would have remained at 0.5–0.6%.

Valuation and view

- MGFL reported a weak quarter, with sequentially flat gold loan growth. Additionally, asset quality deteriorated across all segments, with a more pronounced impact on the MFI portfolio due to customer overleveraging and macroeconomic stress. Asirvad Microfinance reported a net loss for the quarter, driven by elevated credit costs, while AUM declined sequentially. The RBI in Dec'24 revoked the ban on operations of Asirvad MFI. Resumption of MFI operations will support better collections.
- MGFL trades at 0.9x FY27E P/BV, and we believe that there could be a near-term impact on profitability and growth due to the stress in the MFI sector and overall weakness in macroeconomic activity. **We reiterate our Neutral rating on the stock with a TP of INR215 (based on 1.1x Sep'26E consolidated BVPS).**

MGFL - Quarterly Performance (Consolidated)

(INR M)

Y/E March	FY24				FY25E				FY24	FY25E	3QFY25E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest Income	19,363	20,438	22,011	22,734	23,861	25,411	25,163	24,978	84,546	99,413	25,207	0
Interest Expenses	6,484	6,894	7,487	7,792	8,483	9,057	9,253	8,912	28,657	35,706	8,921	4
Net Interest Income	12,879	13,543	14,524	14,943	15,378	16,354	15,909	16,066	55,889	63,707	16,286	-2
YoY Growth (%)	34.6	25.5	33.0	32.8	19.4	20.8	9.54	7.5	31.4	14.0	12.1	
Other income	1,209	1,303	1,256	888	1,259	961	464	1,410	4,655	4,093	1,168	-60
Net Income	14,088	14,846	15,780	15,831	16,636	17,314	16,373	17,476	60,544	67,800	17,454	-6
Operating Expenses	6,068	6,182	6,419	6,497	6,823	6,984	7,066	7,261	25,165	28,133	7,190	-2
Operating Profits	8,020	8,664	9,361	9,333	9,814	10,331	9,307	10,215	35,379	39,667	10,265	-9
YoY Growth (%)	57.5	36.8	58.1	52.0	22.4	19.2	-0.6	9.5	50.7	12.1	9.7	
Provisions	1,212	1,197	1,496	1,878	2,286	2,604	5,546	4,379	5,783	14,815	3,517	58
PBT	6,808	7,467	7,864	7,455	7,528	7,727	3,761	5,836	29,595	24,852	6,748	-44
Tax Provisions	1,828	1,861	2,111	1,820	1,963	2,006	976	1,517	7,621	6,461	1,754	-44
PAT	4,980	5,607	5,753	5,635	5,565	5,721	2,785	4,320	21,974	18,390	4,993	-44
YoY Growth (%)	77	37	46	36	12	2	-52	-23	46	-16	-13	
Key Ratios (%)												
Yield on loans	22.3	22.6	23.2	22.8	22.5	22.9	22.8					
Cost of funds (Cal)	9.1	9.1	9.3	9.5	9.4	9.4	9.8					
Spreads (Cal)	13.2	13.5	13.9	13.3	13.1	13.5	13.0					
NIMs (Cal)	14.8	15.0	15.3	15.0	14.5	14.8	14.4					
C/I ratio	43.1	41.6	40.7	41.0	41.0	40.3	43.2					
Credit Cost	1.3	1.3	1.5	1.8	2.1	2.3	4.9					
Tax Rate	26.9	24.9	26.8	24.4	26.1	26.0	26.0					
Balance Sheet Parameters												
Consol. AUM (INR b)	371	390	404	421	449	457	442					
Change YoY (%)	20.6	27.0	26.7	18.7	21.2	17.4	9.5					
Gold loans (INR b)	206	208	208	215	236	244	245					
Change YoY (%)	0.6	8.4	11.5	8.9	14.8	17.1	18.0					
Gold stock (tonnes)	59	59	58	59	60	60	57					
Gold loans/branch (INR m)	51	51	51	53	58	60	61					
Consol. Borrowings (INR b)	285	322	319	337	385	385	370					
Change YoY (%)	19.0	20.5	18.2	18.2	34.8	19.4	15.9					
Borrowings Mix (%)												
Debentures	20.3	18.2	18.5	14.4	12.3	12.1	11.3					
CPs	0.0	2.0	0.1	2.5	2.3	1.5	0.8					
WC/CC	27.0	27.5	25.7	22.7	20.5	19.1	20.6					
TL	49.5	50.2	52.9	56.5	54.3	47.7	53.5					
ECB	3.3	0.6	1.6	2.8	10.0	19.0	13.4					
Others	0.0	1.4	1.3	1.2	0.6	0.7	0.4					
Debt/Equity (x)	1.4	1.5	1.4	0.7	1.6							
Asset Quality Parameters (%)												
GNPL ratio (Standalone)	1.4	1.6	2.0	1.9	2.0	2.4	2.5					
NNPL ratio (Standalone)	1.2	1.4	1.8	1.7	1.7	2.1	2.3					
Return Ratios (%)												
RoA (Rep)	5.0	5.3	5.2	4.9	4.8	4.4	2.2					
RoE (Rep)	20.1	21.6	21.2	19.9	16.7	18.6	8.9					

E: MOFSL estimates



Highlights from the management commentary

Gold Loans

- Gold loan growth was a little slower in 3QFY25 because of festivities. Guided for gold loans to grow at 15-20%.
- Gold tonnage decline was because of higher gold prices. When a higher amount is available with a lower quantity of gold, then customers bring lower quantity of gold jewelry.
- Gold auction stood at INR1.2b.
- Average LTV was at ~60% for gold loan price of INR7110/gm.
- Accrued interest stood at INR10.94b.
- Credit cost in the gold loan business is negligible. ECL provisions on the total gold loan book are 0.4%.

Gold loan branch expansion

- MGFL had a meeting with RBI Governor who asked the Deputy Governor to examine if there is no compelling reason why gold loan companies are asked to take prior approval before opening gold loan branches. Higher officials in the RBI asked MGFL to re-submit the application for permission to open new gold loan branches. It expects that MGFL will get the permission to open new gold loan branches without much delay.
- It appeared that the RBI will be supportive of NBFCs and it expects positive outcomes.

Regulatory Changes wrt the September Circular

- LTV Monitoring and rolling over the pledges at the time of maturity. Re-pledge will be done only with the full repayment of the principal.
- MGFL will be strictly monitoring the LTV at the time of disbursement, with the LTV strictly below 75%, and the interest accrual will be monitored. If there is a small deviation of 5%, it will send SME notifications. With LTV of ~85%, it will send a letter and with LTV of ~90%, it will send an auction notice.
- During the tenor, within the permissible LTV, customers used to take additional loans. Now it will ensure that the customer repays ~50% of the interest before taking additional loans. ~100% of the principal has to be repaid before renewing the loan.
- In the first few days, there was an impact when changes were made but now the customers have aligned to the new processes.

Asirvad MFI

- Asirvad PCR on Stage 3 stood at ~59% (PQ: ~55%). Stage 2 has a PCR of 14% (PQ: 14%) and Stage 1 PCR of 1.2%.
- Technical write-offs stood at INR4b vs. nil write-offs in 3QFY24 and INR400m in 2QFY25.
- MFI industry was reporting reasonable profits even when there was a cap on the interest spreads. With the removal of spread caps, MFI lenders increased the lending rates. This led to indiscriminate lending from all the lenders. There will be a difficult transition phase for the MFI lenders and things should normalize within 2-3 quarters.

- Guided for MFI loan growth of 10-12%, over the next 2-3 years. Expects CE to go up to 99% because of the tighter underwriting. It will bring down the opex through improvement in employee productivity.
- Tightened the underwriting processes and it is giving MFI loans only to its customers who have a good credit track record.
- PAR O stood at 16.96%.

Focus on increasing secured loans

- Plans to increase the secured lending business. Priority in non-gold businesses will be secured lending in MSME and Vehicle Finance. Capital allocation will be limited to ~10% of net worth.

Strategic stake sale

- MGFL has been in discussions for a strategic investor, but it does not mean that those discussions have reached anywhere.

Competition and the way forward for MGFL

- There is a pricing difference with MUTH, and MGFL is trying to gradually match that. The pricing difference will narrow down, going forward. It will help MGFL to grow its gold loan book at a higher rate.

Others

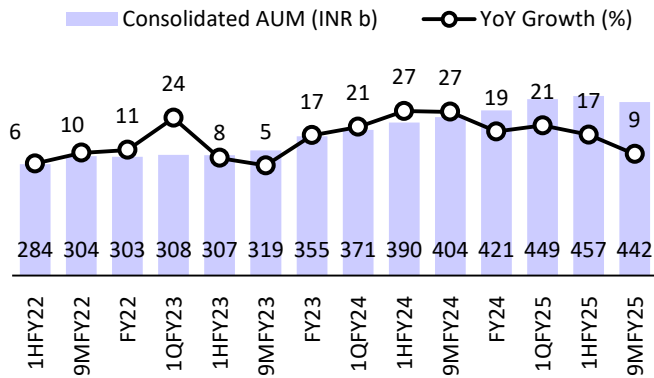
- Digital personal loans have been stopped already. It has completely moved to secured loans in the standalone entity.
- Opex has gone up by INR70-80m because employee expenses and other admin costs have gone up due to higher usage of technology and cloud-based tools.
- ECB borrowings are 100% hedged. There is a small increase in the cost of bank borrowings (because of increase in MCLR), which led to a slight increase in CoB.
- GNPA in vehicle finance went up because of macro-economic weakness. Faced with higher delinquencies in 2W and the Farm Equipment segments. However, there has been improvement seen from Jan'25 onward.
- There was a corporate borrower default, which led to higher credit costs. Otherwise the credit costs would have been 0.5-0.6%.

Gold loans by ticket size

- <INR100k: 42%
- INR100k-200k: 22%
- INR200k-300k: 12%
- >INR300k: 25%

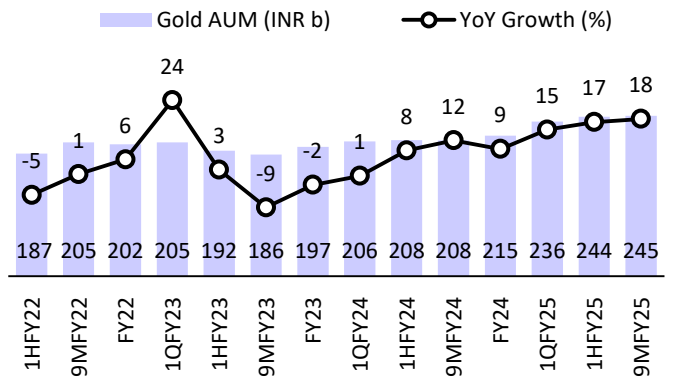
Key Exhibits

Exhibit 1: Consolidated AUM rose ~9% YoY



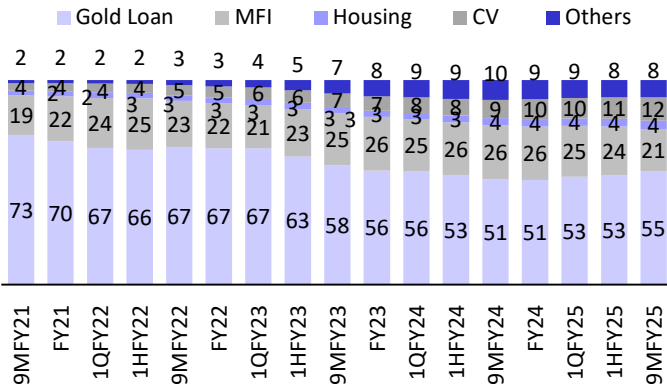
Source: MOFSL, Company

Exhibit 2: Gold AUM grew 18% YoY and was flat QoQ



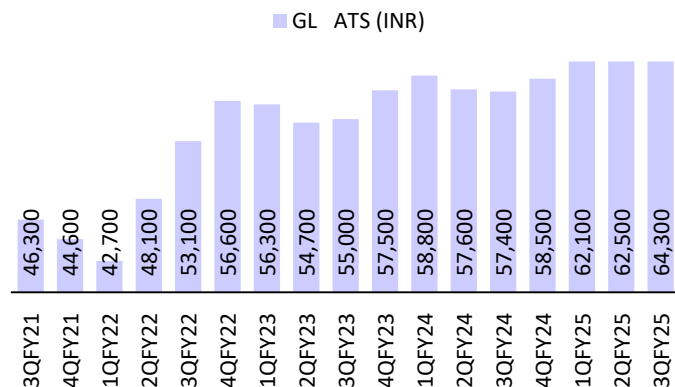
Source: MOFSL, Company

Exhibit 3: Share of gold rose ~210bp QoQ (%)



Source: MOFSL, Company

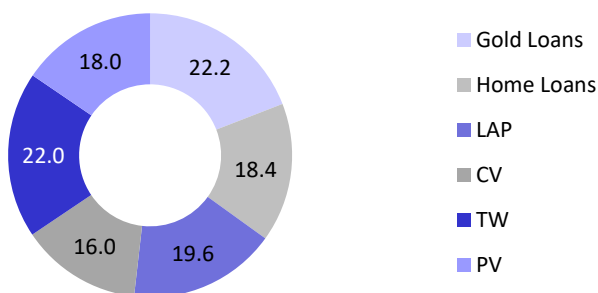
Exhibit 4: ATS in gold loans rose to INR64.3k



Source: MOFSL, Company

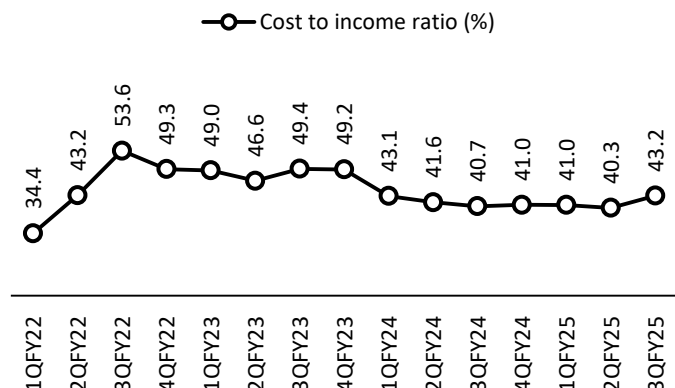
Exhibit 5: Consol. yield was at ~22.8% as of 3QFY25

Product-wise yields



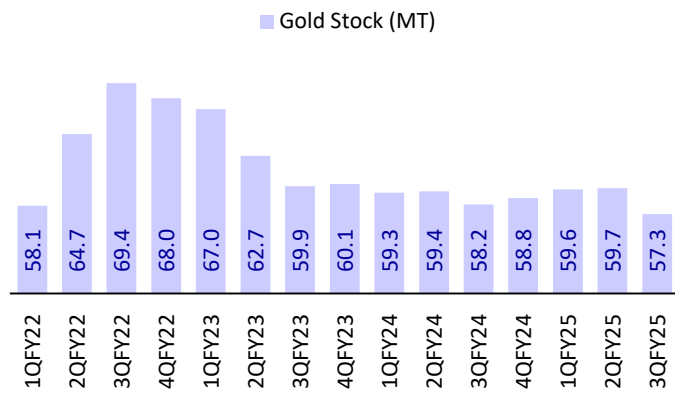
Source: MOFSL, Company

Exhibit 6: C/I ratio rose ~280bp QoQ to ~43.2%



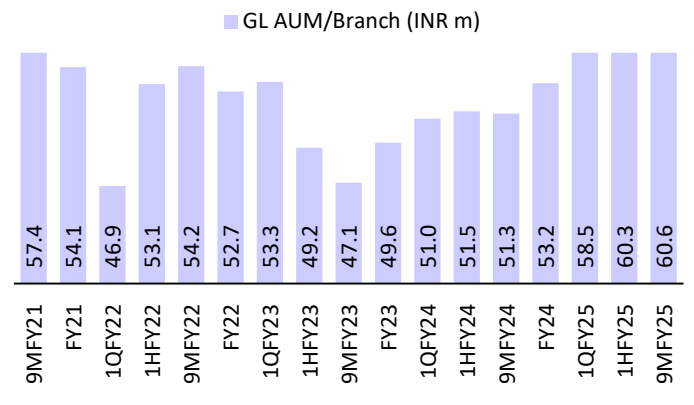
Source: MOFSL, Company

Exhibit 7: Gold tonnage declined to ~57MT



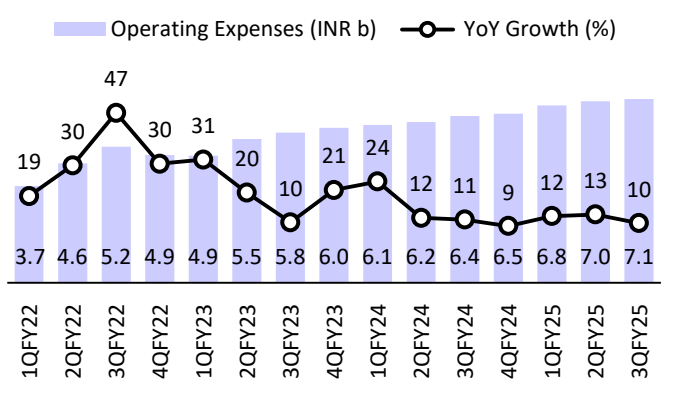
Source: MOFSL, Company

Exhibit 8: Branch productivity improved QoQ



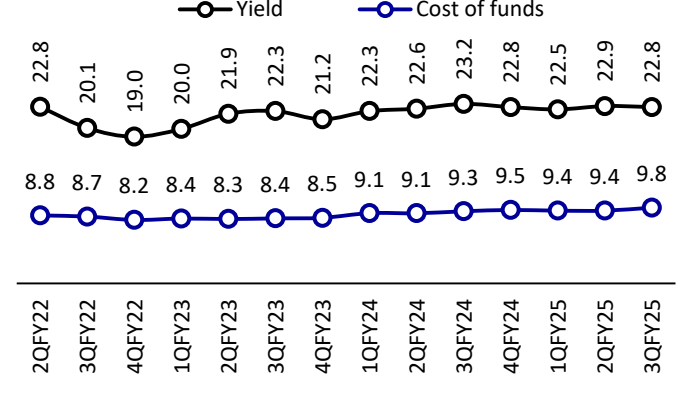
Source: MOFSL, Company

Exhibit 9: Opex grew ~10% YoY



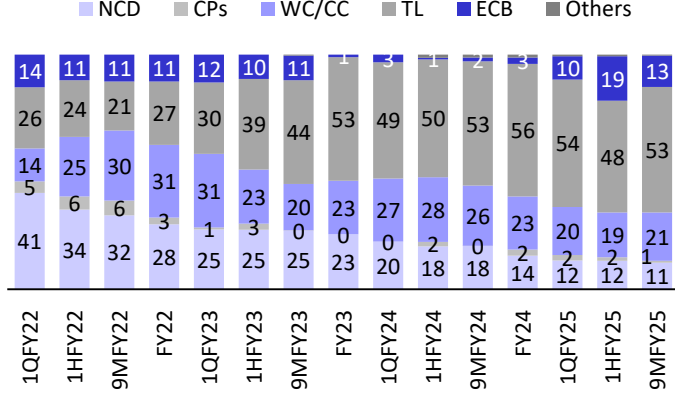
Source: MOFSL, Company

Exhibit 10: Consolidated spreads declined ~50bp QoQ (%)



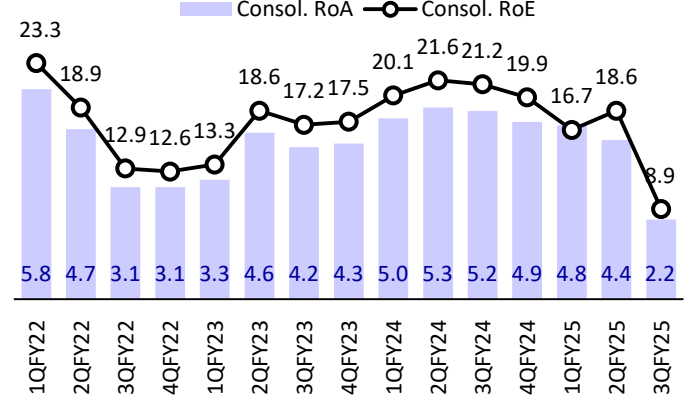
Source: MOFSL, Company

Exhibit 11: Consolidated borrowing mix (%)



Source: MOFSL, Company

Exhibit 12: RoA declined ~220bp QoQ to ~2.2%



Source: MOFSL, Company

Valuation and view

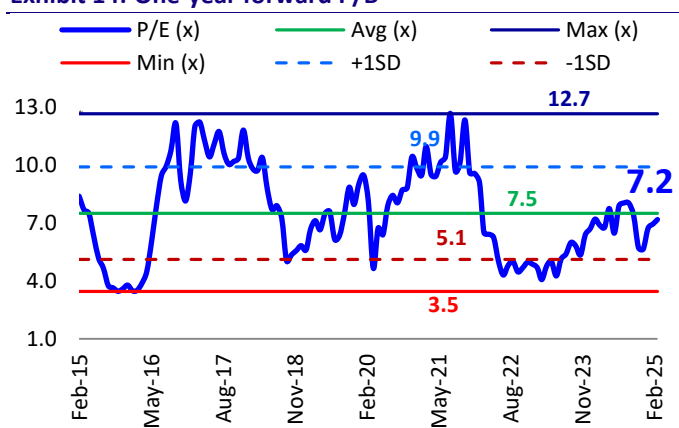
- MGFL reported a weak quarter, with sequentially flat gold loan growth. Additionally, asset quality deteriorated across all segments, with a more pronounced impact on the MFI portfolio due to customer overleveraging and macroeconomic stress. Asirvad Microfinance reported a net loss for the quarter, driven by elevated credit costs, while AUM declined sequentially. The RBI in Dec'24 revoked the ban on operations of Asirvad MFI. The resumption of MFI operations will support better collections.
- MGFL trades at 0.9x FY27E P/BV, and we believe that there could be a near-term impact on profitability and growth due to the stress in the MFI sector and overall weakness in macroeconomic activity. **We reiterate our Neutral rating on the stock with a TP of INR215 (based on 1.1x Sep'26E consolidated BVPS).**

Exhibit 13: We cut our FY26/FY27 EPS estimates by ~5%/3% to factor in lower loan growth and higher credit costs

INR b	Old Est.			New Est.			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
NII	64.5	71.1	82.4	63.7	70.4	80.4	-1.3	-0.9	-2.4
Other Income	4.8	5.3	5.8	4.1	4.5	4.8	-15.3	-15.4	-16.8
Net Income	69.4	76.4	88.2	67.8	74.9	85.2	-2.3	-1.9	-3.4
Operating Expenses	28.3	32.6	37.2	28.1	31.7	35.9	-0.6	-2.9	-3.7
Operating Profits	41.1	43.7	51.0	39.7	43.2	49.4	-3.4	-1.2	-3.1
Provisions	11.7	10.7	9.8	14.8	11.9	9.4	26.6	11.2	-3.9
PBT	29.4	33.0	41.2	24.9	31.3	40.0	-15.3	-5.2	-2.9
Tax	7.7	8.7	10.8	6.5	8.1	10.4	-16.0	-6.0	-3.7
PAT	21.7	24.4	30.4	18.4	23.2	29.6	-15.1	-5.0	-2.6
Loans	457	532	621	449	514	593	-1.7	-3.3	-4.4
Borrowings	374	433	502	362	411	472			
RoA (%)	4.4	4.3	4.6	3.8	4.2	4.7			
RoE (%)	17.4	16.9	18.1	14.9	16.4	18.1			

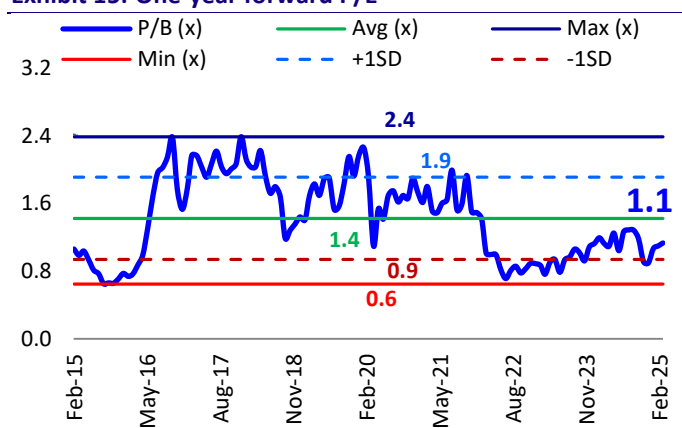
Source: MOFSL, Company

Exhibit 14: One-year forward P/B



Source: MOFSL, Company

Exhibit 15: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

INCOME STATEMENT										(INR M)
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	
Interest Income	40,461	52,805	61,896	58,397	64,404	84,546	99,413	1,07,924	1,22,398	
Interest Expense	13,449	18,322	22,190	20,114	21,878	28,657	35,706	37,486	41,966	
Net Interest Income	27,012	34,483	39,706	38,284	42,526	55,889	63,707	70,438	80,432	
Change (%)	16.3	27.7	15.1	-3.6	11.1	31.4	14.0	10.6	14.2	
Other operating income	1,334	1,848	1,410	2,213	2,436	3,934	3,351	3,686	3,980	
Total Income	28,346	36,331	41,116	40,496	44,963	59,823	67,057	74,124	84,412	
Change (%)	18.6	28.2	13.2	-1.5	11.0	33.1	12.1	10.5	13.9	
Other income	625	859	441	653	659	721	742	780	819	
Net Income	28,971	37,190	41,557	41,149	45,622	60,544	67,800	74,903	85,231	
Change (%)	18.3	28.4	11.7	-1.0	10.9	32.7	12.0	10.5	13.8	
Operating Expenses	13,858	14,741	13,996	18,453	22,140	25,165	28,133	31,680	35,852	
Operating Profits	15,113	22,449	27,561	22,697	23,482	35,379	39,667	43,223	49,379	
Change (%)	24.5	48.5	22.8	-17.6	3.5	50.7	12.1	9.0	14.2	
Provisions	547	2,376	4,401	4,862	3,071	5,783	14,815	11,937	9,415	
PBT	14,566	20,073	23,160	17,835	20,410	29,595	24,852	31,286	39,964	
Tax	5,080	5,270	5,911	4,548	5,409	7,621	6,461	8,134	10,391	
Tax Rate (%)	34.9	26.3	25.5	25.5	26.5	25.8	26.0	26.0	26.0	
PAT	9,486	14,803	17,250	13,287	15,002	21,974	18,390	23,152	29,573	
Change (%)	40.3	56.1	16.5	-23.0	12.9	46.5	-16.3	25.9	27.7	
Dividend (Excl Tax)	1,812	2,372	1,777	2,539	2,539	3,005	2,850	3,519	4,140	

BALANCE SHEET

Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	1,686	1,690	1,693	1,693	1,693	1,693	1,693	1,693	1,693
Reserves & Surplus	43,561	55,771	71,382	81,991	94,756	1,13,788	1,29,328	1,48,960	1,74,393
Networth (Post OCI)	45,247	57,461	73,074	83,683	96,449	1,15,481	1,31,021	1,50,653	1,76,086
Non Controlling Interest	459	583	472	161	203	289	314	339	364
Borrowings	1,52,972	2,25,735	2,27,163	2,41,185	2,84,830	3,36,535	3,61,530	4,11,382	4,72,112
Change (%)	21.3	47.6	0.6	6.2	18.1	18.2	7.4	13.8	14.8
Other liabilities	5,862	11,572	12,669	13,076	13,559	15,175	16,692	18,361	20,197
Change (%)	1.0	97.4	9.5	3.2	3.7	11.9	10.0	10.0	10.0
Total Liabilities	2,04,540	2,95,351	3,13,378	3,38,106	3,95,041	4,67,479	5,09,556	5,80,735	6,68,759
Loans	1,78,119	2,42,971	2,65,076	2,89,710	3,41,945	4,09,476	4,49,381	5,14,227	5,93,445
Change (%)	16.8	36.4	9.1	9.3	18.0	19.7	9.7	14.4	15.4
Investments	1,738	905	3,380	4,207	5,340	7,263	7,990	8,789	9,668
Change (%)	3,428.0	-47.9	273.6	24.5	26.9	36.0	10.0	10.0	10.0
Goodwill	356	356	356	356	356	356	356	356	356
Net Fixed Assets	3,319	7,705	8,980	10,295	10,748	10,677	11,744	12,919	14,211
Other assets	21,009	43,414	35,586	33,538	36,652	39,708	40,085	44,445	51,081
Total Assets	2,04,540	2,95,351	3,13,378	3,38,106	3,95,041	4,67,479	5,09,556	5,80,735	6,68,759

E: MOFSL Estimates

Financials and valuations

RATIOS

Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Spreads Analysis (%)									
Avg Yield on loans	24.5	25.1	24.4	21.1	20.4	22.5	23.2	22.4	22.1
Avg Cost of funds	9.6	9.7	9.8	8.6	8.3	9.2	10.2	9.7	9.5
Spreads	14.8	15.4	14.6	12.5	12.1	13.3	12.9	12.7	12.6
Net Interest Margins	16.3	16.4	15.6	13.8	13.5	14.9	14.8	13.6	14.5
Profitability Ratios (%)									
RoAE	22.8	28.8	26.4	17.0	16.7	20.7	14.9	16.4	18.1
RoAA	5.1	5.9	5.7	4.1	4.1	5.1	3.8	4.2	4.7
Cost to Income	47.8	39.6	33.7	44.8	48.5	41.6	41.5	42.3	42.1
Empl. Cost/Op. Exps.	52.0	56.3	60.2	61.0	66.4	63.5	64.7	66.1	67.2
Asset Quality									
GNPL (INR m)	826	1,677	3,951	6,623	3,211	5,467	7,190	7,713	8,902
GNPL ratio (%)	0.5	0.9	1.9	2.9	1.3	1.8	1.6	1.5	1.5
NNPL (INR m)	481	1,092	2,092	5,674	2,554	4,559	5,968	6,325	7,299
NNPL ratio (%)	0.3	0.6	0.8	2.0	0.7	1.1	1.3	1.2	1.2
PCR (%)	41.7	34.9	47.1	14.3	20.4	16.6	17.0	18.0	18.0
Valuations									
Book Value (INR)	54	68	86	99	114	136	155	178	208
Price-BV (x)	3.6	2.9	2.2	2.0	1.7	1.4	1.3	1.1	0.9
EPS (INR)	11.3	17.5	20.4	15.7	17.7	26.0	21.7	27.4	34.9
Change YoY (%)	40.3	55.7	16.3	-23.0	12.9	46.5	-16.3	25.9	27.7
Price-Earnings (x)	17.2	11.1	9.5	12.4	10.9	7.5	8.9	7.1	5.6
Dividend	2.1	2.8	2.1	3.0	3.0	3.6	3.4	4.2	4.9
Dividend Payout (%)	23.0	19.3	10.3	19.1	16.9	13.7	15.5	15.2	14.0
Dividend Yield (%)	1.1	1.4	1.1	1.5	1.5	1.8	1.7	2.1	2.5

E: MOFSL Estimates

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

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. 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 (erstwhile Motilal Oswal Securities Limited - MOSL) 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. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.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>

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

- 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
- 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
- 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.
- 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.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- 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 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

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 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. 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.