

CreditAccess Grameen

Estimate change	
TP change	
Rating change	

Bloomberg	CREDAG IN
Equity Shares (m)	160
M.Cap.(INRb)/(USDb)	236.2 / 2.7
52-Week Range (INR)	1490 / 750
1, 6, 12 Rel. Per (%)	2/28/48
12M Avg Val (INR M)	1272

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	36.0	39.4	44.3
Total Income	38.1	43.2	48.4
PPoP	26.4	29.4	32.7
PAT	5.3	8.3	14.1
EPS (INR)	33	51.7	88.4
EPS Gr. (%)	-63	55	71
BV (INR)	436	487	576

Ratios (%)

NIM	14.6	15.3	14.9
C/I ratio	30.7	31.9	32.4
Credit cost	7.5	6.8	4.5
RoA	1.9	2.8	4.2
RoE	7.9	11.2	16.6

Valuations

P/E (x)	44.3	28.5	16.7
P/BV (x)	3.4	3.0	2.6

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	66.4	66.4	66.5
DII	13.3	12.8	14.9
FII	12.3	12.1	10.8
Others	8.0	8.7	7.8

FII Includes depository receipts

CMP: INR1,477 TP: INR1,690 (+15%) Buy

Increase in credit cost guidance a negative; 2H recovery on track

NIM expansion and moderation in credit costs to drive RoA improvement

CreditAccess Grameen (CREDAG) guided ~70–100bp higher credit costs in FY26 and credit costs of 4.0-4.5% in FY27 (including 70–80bp higher provisions from the ECL revision). While the upward revision in credit cost guidance is a near-term negative, underlying business trends and expected recovery in 2H remain on track.

- CREDAG's 2QFY26 PAT stood at INR1.3b (vs. MOFSL at INR900m). NII was flat YoY at ~INR9.3b (in line). PPOP grew ~3% YoY to INR6.9b (in line). The cost-to-income ratio dipped ~1pp QoQ to ~32.5% (PQ: ~33.5%/PY: ~30.6%).
- Reported yields improved ~40bp QoQ to ~20.7%, and CoF declined ~10bp QoQ to 9.6%. NIM improved ~50bp QoQ to ~13.3%. We model NIM (calc.) of 14.9% each in FY27/FY28 (vs. ~15.3% in FY26E).
- The company delivered an improved performance in 2QFY26, despite a seasonally weak quarter. Disbursements rose ~33% YoY to ~INR53b. AUM declined 1% QoQ and grew ~3% YoY to ~INR259b (PY: ~INR251b). The borrower base declined ~7% QoQ to ~4.44m (PQ: ~4.6m). The company plans to scale its retail finance business going forward, and we expect CREDAG to deliver 14% GLP growth in FY26, with far stronger disbursement momentum in 2HFY26.
- NIM improved ~50bp QoQ to 13.3%, driven by improvement in yields and a minor decline in CoB. CREDAG expects another 50bp yield benefit as pricing changes flow through. Lower interest reversals, coupled with an improvement in operating leverage, will improve profitability. Management guided for opex is expected to moderate to 4.6–4.7% by end-FY26 and to 4.3% by end-FY27, aided by improved productivity and better utilization of the branch network.
- On the asset quality front, the company witnessed minor asset quality weakness in MP (partly due to rains), Maharashtra, and Bihar, whereas the other states exhibited largely stable asset quality trends. The company has not seen any election-related impact in Bihar as yet. Management reiterated that asset quality remains stable, with stress largely localized in certain states and manageable. With accelerated write-offs now largely complete, we believe the company will now embark on an improving profitability trajectory from 2HFY26.
- While our FY26 PAT estimates are broadly unchanged, we cut our FY27/ FY28 EPS estimates by 14%/9% to factor in higher credit costs. We estimate a CAGR of 18%/52% in AUM/PAT over FY25-28, leading to an RoA/RoE of ~4.7%/18.3% in FY28. CREDAG trades at 2.6x FY27E P/BV, and its premium valuations over its MFI peers would be sustained. **We reiterate our BUY rating with a revised TP of INR1,690 (based on 2.7x Sep'27E P/BV).**

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com)

Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | **Raghav Khemani** (Raghav.Khemani@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Asset quality improves; credit costs likely to moderate going forward

- GNPA declined ~1pp QoQ to 3.7%, while NNPA improved by ~50bp QoQ to ~1.3%. S3 PCR increased ~3pp QoQ to ~66.3%. Annualized credit costs declined to ~8.2% (PQ: 8.9% and PY: 6.7%).
- Total write-off stood at INR6.8b in 2QFY26 (including INR5.55b of accelerated write-offs). Additional credit costs of ~INR1.7b were taken against non-paying 180dpd customers. The management stated that the company has largely completed its accelerated write-off cycle, with limited residual cleanup expected in the subsequent quarters.
- Collection efficiency (including arrears) improved to 94.9% in 2QFY26 (PQ: 93.4%) and stood at 94.9% in Sep'25. Collection efficiency (excluding arrears) increased to 94.5% (PQ: 93.2%), whereas it stood at 95.3% in Sep'25.
- The company guided ~70–100bp higher credit costs in FY26 and credit costs of 4.0–4.5% in FY27 (including 70–80bp from ECL revision).

Highlights from the management commentary

- Management expects 2H to be better, with 3Q and 4Q, being typically strong quarters; with on-ground normalization, the company remains confident of achieving its FY26 GLP growth guidance.
- The company added 440K new borrowers in 1HFY26, of which 220K were added in 2Q. About 39% of new 2Q borrowers were new-to-credit (NTC) customers. The portfolio share of unique borrowers increased to 41%, highlighting deeper market penetration.

Valuation and view

- CREDAG has successfully navigated a period of industry-wide challenges, demonstrating remarkable resilience, and has reverted back to its normalized operational efficiency. New stress formation (including in Karnataka) has normalized, supported by robust internal processes, stable PAR bucket roll forward rates, and range-bound PAR 15+ accretion rate.
- With structural levers such as branch network expansion and strengthening collection efficiency across key geographies firmly in motion, it is well-positioned to deliver a strong improvement in loan growth and profitability from 2HFY26 onwards.
- CREDAG trades at 2.6x FY27 P/BV. With a strong capital position (Tier-1 of ~25%), it will embark on a strong loan growth trajectory with further normalization in its delinquency trends. **We reiterate our BUY rating with a revised TP of INR1,690 (based on 2.7x Sep'27E P/BV).**

Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	2QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	14,372	14,177	13,376	13,543	13,881	14,141	14,750	16,303	55,468	59,075	14,047	1
Interest Expenses	5,103	4,846	4,749	4,778	4,822	4,795	4,891	5,211	19,476	19,719	4,783	0
Net Interest Income	9,268	9,331	8,628	8,765	9,060	9,346	9,859	11,092	35,992	39,357	9,264	1
YoY Growth (%)	28.7	22.2	7.5	-0.5	-2.3	0.2	14.3	26.6	13.6	9.3	-0.7	
Other Income	754	362	443	535	755	949	1,036	1,124	2,094	3,863	766	24
Total Income	10,023	9,693	9,071	9,299	9,815	10,295	10,895	12,216	38,086	43,220	10,030	3
YoY Growth (%)	27.5	17.7	6.2	-4.8	-2.1	6.2	20.1	31.4	10.7	13.5	3.5	
Operating Expenses	2,929	2,972	2,841	2,959	3,285	3,347	3,477	3,706	11,702	13,799	3,332	0
Operating Profit	7,093	6,721	6,229	6,340	6,530	6,948	7,418	8,510	26,384	29,421	6,698	4
YoY Growth (%)	30	19	4	-7	-8	3	19	34	10	12	0	
Provisions & Loan Losses	1,746	4,202	7,519	5,829	5,719	5,257	3,943	3,492	19,295	18,409	5,490	-4
Profit before Tax	5,347	2,520	-1,289	511	811	1,692	3,475	5,018	7,089	11,012	1,208	40
Tax Provisions	1,371	659	-294	39	209	434	883	1,227	1,775	2,753	307	41
Net Profit	3,977	1,861	-995	472	602	1,258	2,593	3,791	5,314	8,259	901	40
YoY Growth (%)	14.1	-46.4	-128.2	-88.1	-84.9	-32.4	-360.5	703.0	-63.2	55.4	-51.6	
AUM Growth (%)	20.6	11.8	6.1	-2.9	-0.9	3.1	10.1	13.8	(3.3)	11.8	3.1	
NIM (%)	14.0	14.5	13.8	13.8	13.9	14.4	14.8	15.6	14.6	15.3	14.3	
Cost to Income Ratio (%)	29.2	30.7	31.3	31.8	33.5	32.5	31.9	30.3	30.7	31.9	33.2	
Tax Rate (%)	25.6	26.2	22.8	7.6	25.4	25.4	25.4	25.4	25.0	25.0	25.4	
Key Parameters (%)												
Yield on loans	21.0	21.1	20.2	20.4	20.3	20.7						
Cost of funds	9.8	9.8	9.8	9.8	9.7	9.6						
Spread	11.2	11.3	10.4	10.6	10.6	11.1						
NIM	13.0	13.5	12.5	12.7	12.8	13.3						
Credit cost	2.6	6.7	12.3	9.3	8.9	8.1						
Cost to Income Ratio (%)	29.2	30.7	31.3	31.8	33.5	32.5						
Tax Rate (%)	25.6	26.2	22.8	7.6	25.4	25.4						
Performance ratios (%)												
GLP/Branch (INR m)	133	124	120	126	123	117						
GLP/Loan Officer (INR m)	19.6	18.8	19.3	18.4	18.2	17.9						
Borrowers/Branch	2,522	2,429	2,334	2,275	2,158	2,010						
Borrowers/Loan Officer	372	369	374	333	318	306						
Balance Sheet Parameters		-4.5				-0.6						
Gross loan portfolio (INR B)	263.0	251.3	248.1	259.5	260.6	259.0						
Change YoY (%)	20.6	11.8	6.1	-2.9	-0.9	3.1						
Disbursements (INR B)	44.8	40.0	50.9	64.7	54.6	53.2						
Change YoY (%)	-6.2	-19.4	-4.8	-19.6	21.9	33.0						
Borrowings (INR B)	203.9	192.7	202.3	204.5	200.8	194.9						
Change YoY (%)	21.2	8.6	6.0	-6.8	-1.5	1.1						
Borrowings/Loans (%)	82.7	81.9	87.7	84.2	82.6	80.8						
Debt/Equity (x)	2.9	2.8	2.9	2.9	2.9	2.7						
Asset Quality (%)												
GS 3 (INR M)	3,710	6,002	9,780	12,291	12,080	9,261						
G3 %	1.5	2.4	4.0	4.8	4.7	3.7						
NS 3 (INR M)	1,144	1,832	3,061	4,326	4,445	3,121						
NS3 %	0.5	0.8	1.3	1.8	1.8	1.3						
PCR (%)	69.2	69.5	68.7	64.8	63.2	66.3						
ECL (%)	2.3	3.5	5.1	5.1	4.7	4.1						
Return Ratios - YTD (%)												
ROA (Rep)	5.4	2.7	-1.4	0.7	0.9	1.8						
ROE (Rep)	23.5	10.7	-5.7	2.7	3.4	7.1						

E: MOFSL Estimates



Key highlights from the management commentary

Guidance and outlook

- The company guided for 70–100bp higher credit costs in FY26, and credit costs of 4.0–4.5% in FY27 (including 70–80bp from ECL revision).
- Management expects credit cost normalization starting 3QFY26, with new PAR accretion trending downwards from Nov/Dec'25.
- 3Q and 4Q are typically strong quarters; with on-ground normalization, the company remains confident of achieving its FY26 growth guidance.
- RoA expected at ~4% in 2HFY26, improving to ~4.5% in FY27.
- GLP growth to recover strongly in FY27 as delinquencies stabilize and collection efficiencies improve

Asset quality and credit costs

- Collection Efficiency (ex- arrears): 94.5%
- Efficiency (ex-arrears): 94.5%
- GNPA: 3.65%; NNPA: 1.26% (at 60dpd)
- Write-offs stood at INR6.83b in 2QFY26, including INR5.55b of accelerated write-offs. Additional credit costs of INR1.72b were taken against non-paying 180dpd customers.
- Stage 2 & 3 PCR increase QoQ. The company recorded an INR350m impact on ECL provisions from a higher LGD assumption.
- ECL model uses a 36-month rolling computation basis; any improvement in portfolio performance will gradually reflect in lower ECL rates over time.
- Management reiterated that the company has largely completed its accelerated write-off cycle, with limited residual clean-up expected

Business and growth highlights

- CREDAG delivered an improving performance in 2QFY26, despite the seasonally weaker quarter and a still-evolving macro backdrop.
- Disbursements stood at INR52.3b, up 39% YoY.
- 440K new borrowers were added in 1HFY26, of which 220K were added in 2Q.
- 39% of new 2Q borrowers were new-to-credit (NTC) customers.
- The portfolio share of unique borrowers increased to 41%, highlighting deeper market penetration.
- Branch network stood at 2,209, with employee strength of 20,701 as of Sep'25; annualized attrition was 28.9%.
- Management reiterated confidence in achieving 12–14% GLP growth in FY26, with stronger disbursement momentum expected in 2H

Liabilities and cost of borrowings

- CoB declined by ~8bp QoQ to 9.7%.
- Raised USD100m via multi-currency social loans (JPY & USD), which were priced lower than domestic borrowing rates.
- NIM steady at 12.8%; cost-to-income stood at 33.5%.
- Liquidity remained comfortable at INR20b (~7.3% of assets).
- The benefits of repo rate cuts on term loans comes with a lag of at least 2 quarters. The company expects major benefits to come in by FY26 end or in 1QFY27.

Portfolio and segment mix

- Retail Finance (RF) optically appears higher due to a temporary decline in Group Loans (GL), driven by accelerated write-offs. As the GL portfolio stabilizes, the RF share will moderate.
- GLP of borrowers with total unsecured indebtedness <INR200k improved to 7.2% (vs. 19.1% in Sep'24), reflecting strong deleveraging trends.
- PAR normalization is visible across geographies; delinquencies are largely crystallized in borrowers with >3 lenders, though 80% of these continue to repay.
- Retail Finance is gaining traction, aided by stable asset quality and improved risk controls at the branch level.

Funding, margins, and profitability

- Average CoB continued to decline; weighted average CoB declined 20bp YoY.
- 65% of borrowings are on a floating-rate (MCLR-linked) basis; repricing benefits are yet to fully reflect.
- NIM improved ~50bp QoQ to 13.3%, supported by risk-based pricing and improving funding profile.
- The company expects a further 50bp yield benefit as the pricing changes flow through. NIMs and profitability will also benefit from lower interest income reversals and steady operating leverage gains.
- Management guided for RoA of 4.0–4.5% in FY27, supported by NIM improvement, moderating opex, and normalization in credit costs

Operating efficiency and opex outlook

- Operating expenses are expected to trend toward 4.6–4.7% levels by end-FY26 and towards 4.3% levels by FY27.
- Opex benefits (~20bp) and improved pricing discipline will contribute to profitability from FY27 onwards.
- Opex leverage will be driven by higher productivity and broader utilization of the existing branch network

Product and pricing updates

- Group Loan pricing was increased by 75bp in the latest pricing review; future revisions will be data-driven. The company continues to follow a risk-based pricing strategy to protect spreads amid evolving credit dynamics.
- Retail Finance business continues to scale and is now operational in ~800 branches, with plans to add 200 more in 2HFY26. Retail Finance also includes Individual Business Loans and 2W Loans. The management targets Retail Finance to contribute ~15% of total AUM over time.
- Recent vintages show improved performance on early delinquencies (MOB basis), which should aid collection efficiency in coming months

Geographical and portfolio quality

- Asset quality pressure is largely localized to MP (partly due to rains), Maharashtra, and Bihar; other states remain stable.
- No visible election-related impact in Bihar.
- The company does not currently use CGMFU coverage, though it is evaluating selective participation for new disbursements. Based on its experience, it will look to scale it up in the coming years

Key exhibits

Exhibit 1: Disbursements grew ~33% YoY

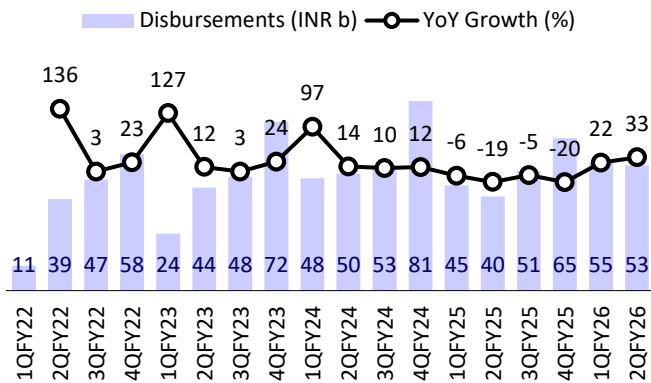


Exhibit 2: GLP grew ~3% YoY to INR259b

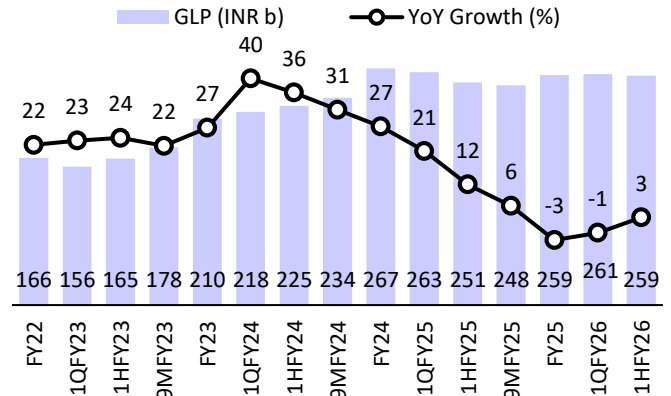


Exhibit 3: Share of Karnataka in AUM mix remained stable

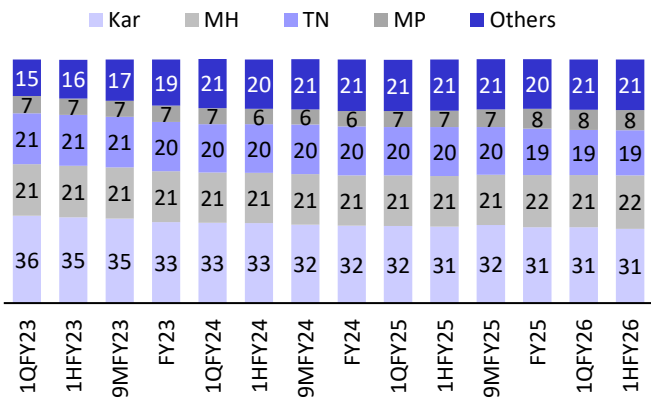


Exhibit 4: Proportion of bank borrowing was stable QoQ

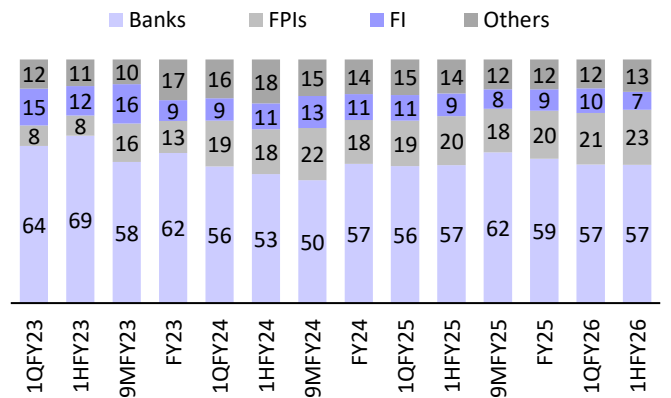


Exhibit 5: Reported NIM jumped 50bp QoQ (%)

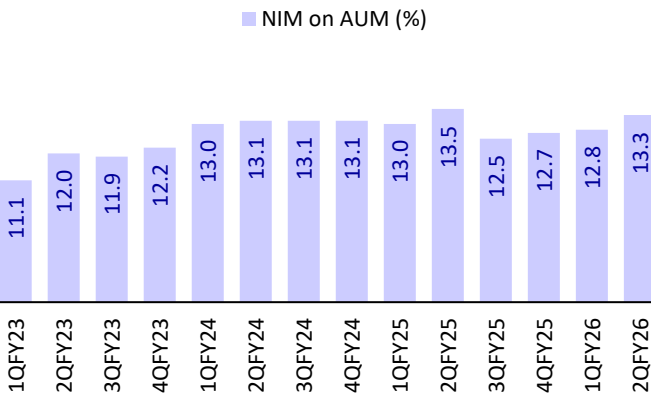


Exhibit 6: C/I ratio improved ~1pp QoQ to ~32.5%

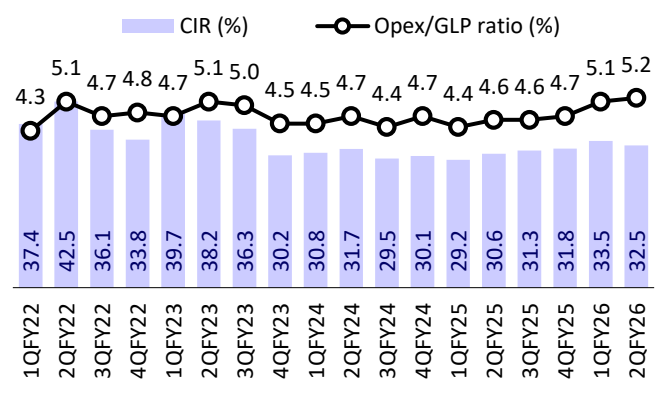
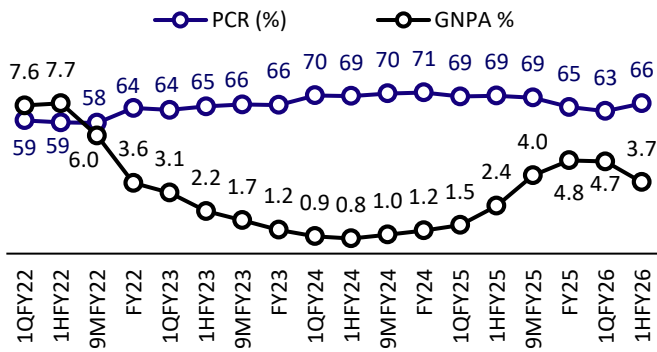
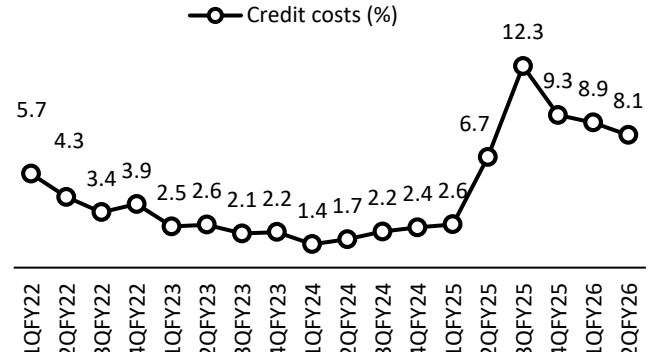


Exhibit 7: GNPA declined to ~3.7% as of Sep'25 (%)



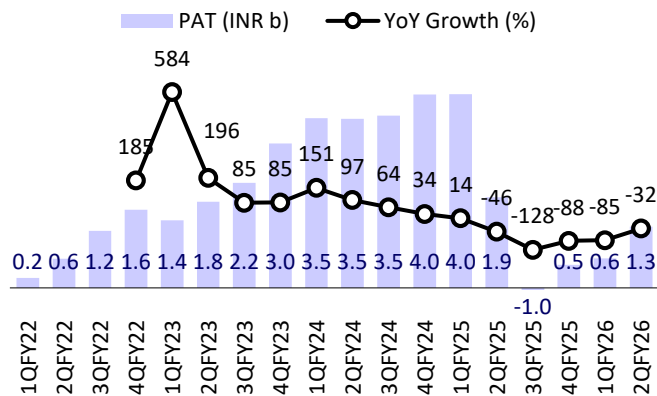
Sources: MOFSL, Company

Exhibit 8: Credit costs declined ~80bp QoQ to ~8.1%



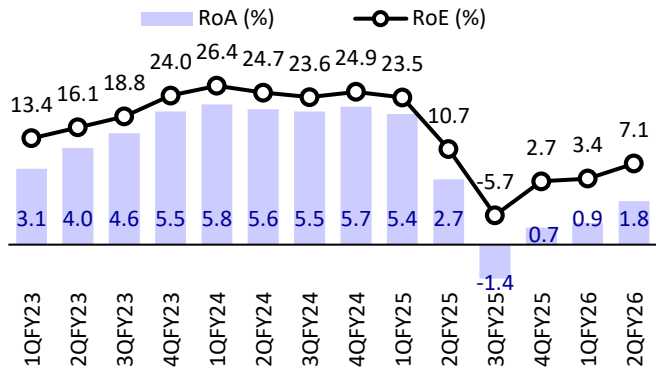
Sources: MOFSL, Company

Exhibit 9: Reported PAT rose to INR1.3b in 2QFY26...



Sources: MOFSL, Company

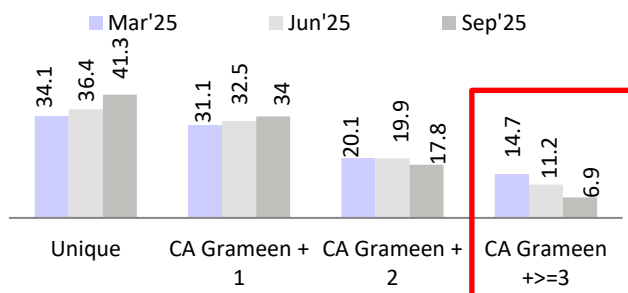
Exhibit 10: ...eventually improving RoA/RoE to 1.8%/7.0%



Sources: MOFSL, Company

Exhibit 11: ~7% of borrowers have loans from CREDAG +>=3 lenders as of Sep'25

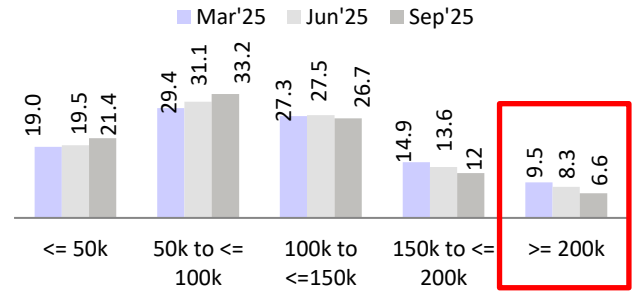
Lender Overlap % (Basis Portfolio GLP)



Sources: MOFSL, Company

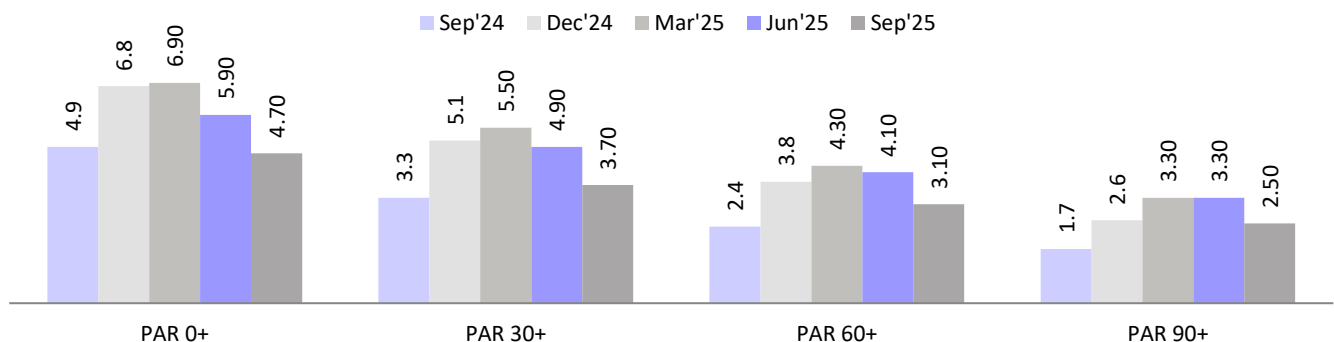
Exhibit 12: ~6.6% of borrowers have total MFI indebtedness of more than INR200k as of Sep'25

Borrowers % (based on total MFI Indebtness)



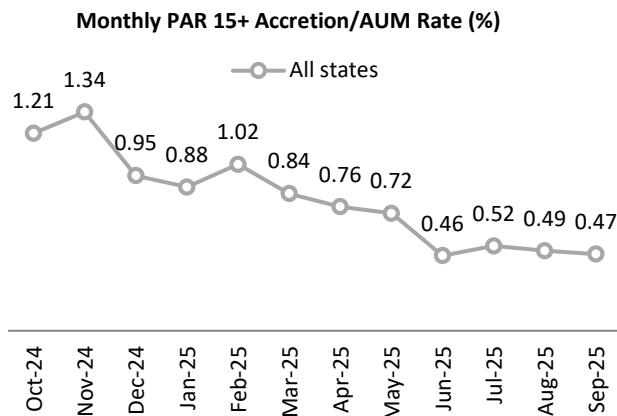
Sources: MOFSL, Company

Exhibit 13: Trends in PAR rates (%)



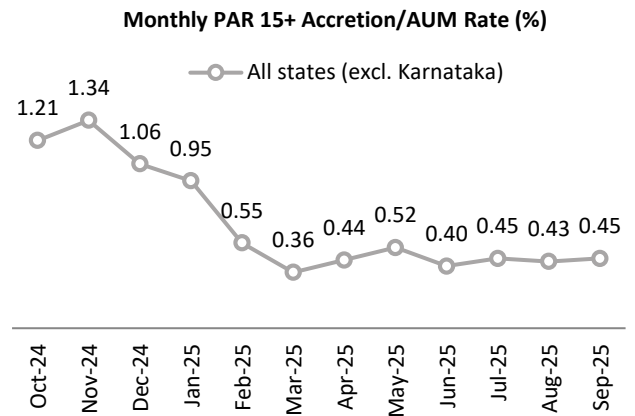
Source: MOFSL, Company

Exhibit 14: Monthly PAR 15+ accretion/AUM rate for all states



Sources: MOFSL, Company

Exhibit 15: Monthly PAR 15+ accretion/AUM rate for all states (ex-Karnataka)



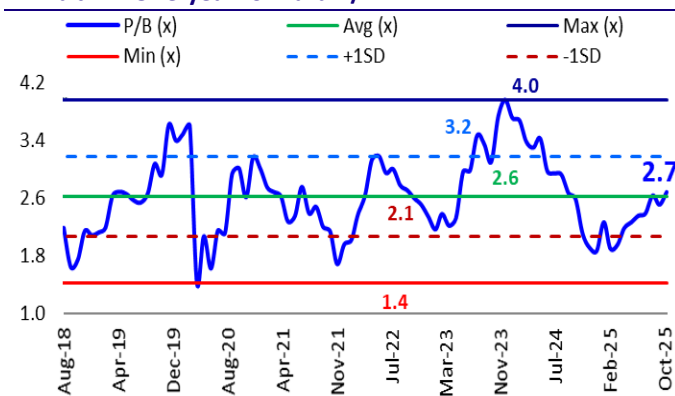
Sources: MOFSL, Company

Exhibit 16: We cut our FY27/FY28 EPS estimates by 14%/9% to factor in higher credit costs

INR B	Old Est.			New Est.			% change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	38.5	44.1	53.0	39.4	44.3	53.2	2.3	0.6	0.4
Other Income	3.1	3.5	4.0	3.9	4.1	4.2	25.1	15.7	7.0
Total Income	41.6	47.6	56.9	43.2	48.4	57.4	4.0	1.7	0.8
Operating Expenses	13.9	15.8	18.1	13.8	15.7	18.0	-0.7	-0.7	-0.7
Operating Profits	27.7	31.8	38.8	29.4	32.7	39.5	6.3	2.9	1.6
Provisions	16.7	9.8	11.7	18.4	13.9	14.7	10.5	41.5	25.8
PBT	11.0	22.0	27.2	11.0	18.8	24.8	-0.1	-14.3	-8.9
Tax	2.8	5.5	6.8	2.8	4.7	6.2	-0.1	-14.3	-8.9
PAT	8.3	16.5	20.4	8.3	14.1	18.6	-0.1	-14.3	-8.9
AUM	295	358	431	296	359	431			
Borrowings	225	270	318	226	268	314			
RoA	2.8	4.9	5.1	2.8	4.2	4.7			
RoE	11.2	19.1	19.5	11.2	16.6	18.3			

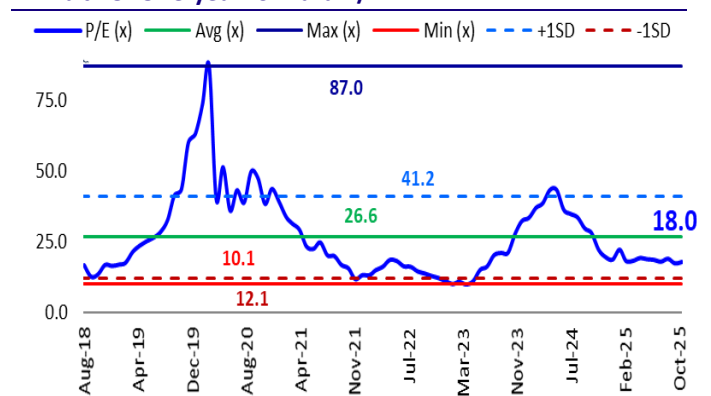
Sources: MOFSL, Company

Exhibit 17: One-year forward P/B



Source: MOFSL, Company

Exhibit 18: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	12,183	16,334	22,900	25,673	33,271	49,001	55,468	59,075	66,565	78,796
Interest Expended	4,168	5,783	9,287	9,841	12,129	17,324	19,476	19,719	22,227	25,600
Net Interest Income	8,016	10,551	13,613	15,832	21,143	31,677	35,992	39,357	44,338	53,196
Change (%)	58.4	31.6	29.0	16.3	33.5	49.8	13.6	9.3	12.7	20.0
Other Income	650	721	1,760	1,825	2,237	2,725	2,094	3,863	4,056	4,229
Net Income	8,666	11,271	15,373	17,657	23,379	34,402	38,086	43,220	48,394	57,425
Change (%)	67.3	30.1	36.4	14.9	32.4	47.1	10.7	13.5	12.0	18.7
Operating Expenses	2,940	4,283	5,856	6,885	8,315	10,493	11,702	13,799	15,661	17,972
Operating Income	5,726	6,989	9,517	10,772	15,064	23,910	26,384	29,421	32,733	39,453
Change (%)	81.9	22.1	36.2	13.2	39.8	58.7	10.3	11.5	11.3	20.5
Provisions and W/Offs	749	2,373	7,714	5,968	4,010	4,518	19,295	18,409	13,916	14,696
PBT	4,977	4,616	1,803	4,805	11,054	19,392	7,089	11,012	18,817	24,758
Tax	1,760	1,261	490	1,237	2,794	4,933	1,775	2,753	4,704	6,189
Tax Rate (%)	35.4	27.3	27.2	25.7	25.3	25.4	25.0	25.0	25.0	25.0
PAT	3,218	3,355	1,313	3,568	8,261	14,459	5,314	8,259	14,113	18,568
Change (%)	51.4	4.3	-60.9	171.7	131.5	75.0	-63.2	55.4	70.9	31.6
Proposed Dividend (Incl Tax)	0	0	0	0	0	1,594	0	0	0	0

Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	1,436	1,440	1,556	1,559	1,589	1,594	1,597	1,597	1,597	1,597
Reserves & Surplus	22,215	25,902	35,360	38,218	49,481	64,106	67,963	76,221	90,334	1,08,902
Net Worth	23,651	27,342	36,916	39,777	51,070	65,700	69,560	77,818	91,931	1,10,500
Borrowings	48,666	95,397	1,09,413	1,29,207	1,63,123	2,18,410	2,04,458	2,26,083	2,67,853	3,13,965
Change (%)	34.3	96.0	14.7	18.1	26.2	33.9	-6.4	10.6	18.5	17.2
Other liabilities	1,257	3,163	4,264	4,964	4,389	4,352	4,005	4,235	4,479	4,738
Total Liabilities	73,574	1,25,902	1,50,592	1,73,948	2,18,581	2,88,462	2,78,022	3,08,136	3,64,263	4,29,203
Cash and bank balances	6,156	7,176	24,844	17,614	14,364	13,139	14,428	14,473	14,994	15,687
Loans and Advances	66,028	1,10,989	1,17,205	1,47,653	1,90,433	2,51,050	2,42,745	2,71,408	3,25,459	3,88,090
Change (%)	34.9	68.1	5.6	26.0	29.0	31.8	-3.3	11.8	19.9	19.2
Fixed Assets	187	5,793	5,734	5,739	968	1,214	1,307	1,438	1,653	1,901
Investments	2	456	5	5	4,545	14,389	8,930	9,377	9,845	10,338
Intangible Assets		0	0	4,673	5,061	4,923	4,764	4,764	4,764	4,764
Other Assets	1,200	1,488	2,804	2,937	3,208	3,747	5,849	6,677	7,547	8,423
Total Assets	73,572	1,25,447	1,50,587	1,73,942	2,18,581	2,88,462	2,78,022	3,08,136	3,64,263	4,29,203

E: MOFSL Estimates

Financials and valuations

Ratios	(%)									
AUM and Disbursements (INR m)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	71,590	1,19,960	1,35,870	1,65,990	2,10,320	2,67,140	2,59,480	2,96,335	3,58,521	4,30,867
YoY growth (%)	43.9	67.6	13.3	22.2	26.7	27.0	-2.9	14.2	21.0	20.2
Disbursements	82,212	1,08,040	1,10,104	1,54,670	1,88,090	2,31,340	2,00,360	2,44,439	2,93,327	3,51,992
YoY growth (%)	35.2	31.4	1.9	40.5	21.6	23.0	-13.4	22.0	20.0	20.0

Ratios	(%)									
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)										
Yield on Portfolio	20.1	18.1	19.8	19.2	19.4	21.8	22.0	22.5	21.8	21.6
Cost of Borrowings	9.8	8.0	9.1	8.2	8.3	9.1	9.2	9.2	9.0	8.8
Interest Spread	10.3	10.1	10.7	11.0	11.1	12.7	12.8	13.3	12.8	12.8
Net Interest Margin	13.9	11.9	11.9	12.0	12.5	14.4	14.6	15.3	14.9	14.9

Profitability Ratios (%)										
RoE	16.9	13.2	4.1	9.3	18.2	24.8	7.9	11.2	16.6	18.3
RoA (on balance sheet)	5.2	3.4	0.9	2.2	4.2	5.7	1.9	2.8	4.2	4.7
Debt: Equity (x)	2.1	3.5	3.0	3.2	3.2	3.3	2.9	2.9	2.9	2.8
Leverage (x)	3.3	3.9	4.3	4.2	4.3	4.4	4.0	4.0	4.0	3.9

Efficiency Ratios (%)										
Int. Expended/Int.Earned	34.2	35.4	40.6	38.3	36.5	35.4	35.1	33.4	33.4	32.5
Op. Exps./Net Income	33.9	38.0	38.1	39.0	35.6	30.5	30.7	31.9	32.4	31.3
Empl. Cost/Op. Exps.	63.3	61.2	64.9	63.6	62.0	63.8	62.4	64.6	64.9	65.0
Other Income/Net Income	7.5	6.4	11.5	10.3	9.6	7.9	5.5	8.9	8.4	7.4

Asset quality										
GNPA	385	1,738	5,487	5,587	2,364	3,026	12,256	10,052	10,499	10,187
NNPA	109	458	1,686	1,974	808	877	4,287	3,016	2,625	2,343
GNPA %	0.6	1.5	4.5	3.7	1.2	1.2	4.8	3.5	3.1	2.5
NNPA %	0.2	0.4	1.4	1.3	0.4	0.3	1.7	1.1	0.8	0.6
PCR %	71.7	73.6	69.3	64.7	65.8	71.0	65.0	70.0	75.0	77.0

Valuation	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	165	190	237	255	321	412	436	487	576	692
BV Growth (%)	47.2	15.3	25.0	7.5	25.9	28.3	5.6	11.9	18.1	20.2
Price-BV (x)		7.8	6.2	5.8	4.6	3.6	3.4	3.0	2.6	2.1
EPS (INR)	22.4	23.3	8.4	22.9	52.0	90.7	33.3	51.7	88.4	116.3
EPS Growth (%)	35.5	3.9	-63.8	171.2	127.1	74.5	-63.3	55.4	70.9	31.6
Price-Earnings (x)		63.3	174.8	64.4	28.4	16.3	44.3	28.5	16.7	12.7
Dividend per share		0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Dividend Yield (%)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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 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://online.reports.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

- 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).

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/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.