

Bajaj Finance

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	BAF IN
Equity Shares (m)	619
M.Cap.(INRb)/(USD\$)	5650.7 / 66.3
52-Week Range (INR)	9710 / 6376
1, 6, 12 Rel. Per (%)	-2/30/26
12M Avg Val (INR M)	9281

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Net Income	450	552	683
PPP	300	371	461
PAT	168	210	264
EPS (INR)	270	339	425
EPS Gr. (%)	16	25	25
BV/Sh. (INR)	1,557	1,842	2,203

Ratios

NIM (%)	9.9	9.9	9.9
C/I ratio (%)	33.2	32.8	32.4
RoA (%)	4.0	4.0	4.1
RoE (%)	19.3	19.9	21.0
Payout (%)	20.7	16.0	15.1

Valuations

P/E (x)	33.7	26.9	21.4
P/BV (x)	5.8	4.9	4.1
Div. Yield (%)	0.6	0.6	0.7

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	54.7	54.7	54.7
DII	14.9	15.2	14.4
FII	21.6	20.8	20.7
Others	8.8	9.3	10.2

FII includes depository receipts

CMP: INR9,093 TP: INR10,000 (+10%) Neutral

Healthy quarter; strong visibility on earnings ahead

Higher credit costs from ECL refresh offset by tax provision reversals

- Bajaj Finance (BAF)'s PAT grew 19% YoY to ~INR45.5b in 4QFY25 (in line). Adjusted PAT, after excluding the one-offs in credit costs and tax provisions, grew ~17% YoY. BAF's FY25 PAT increased 16% YoY to INR167.6b.
- The company's 4QFY25 NII grew 23% YoY to ~INR98.1b (in line). Non-interest income stood at ~INR21.1b (up 24% YoY), driven by an improvement in fee income and income from the sale of services.
- BAF's 4QFY25 NIM contracted ~10bp QoQ to ~9.65%. Management guided that margins will remain stable in FY26, supported by an expected 10-15bp decline in the cost of borrowings (CoB). However, a steeper decline in CoB could lead to a minor NIM expansion as well. We estimate NIMs to remain largely stable at ~9.9% in each of FY26/FY27.
- BAF did its annual ECL model refresh, and in light of the elevated flow-forward rates and higher credit costs over the previous three quarters, it made an additional ECL provision of INR3.6b, primarily against Stage 1 assets.
- Management indicated that it was witnessing improving asset quality trends in early vintages across the portfolio. BAF guided credit costs of ~1.85-1.95% for FY26. We model credit costs (as a % of loans) of 1.9%/1.85% in FY26/FY27E.
- For FY26, BAF guided an AUM growth of ~24-25%, aided by new business launches in the last 2-3 years. **NIM to remain stable YoY with a 40-50bp decline in the cost-to-income ratio.** Management targets an RoA/RoE of ~4.4-4.6%/~19-20% in FY26.
- Our FY26/FY27 PAT estimates are broadly unchanged, and we believe that the credit costs have now peaked and will remain below the upper end of the guided range. We estimate a CAGR of ~25% each for AUM/PAT over FY25-FY27 and expect BAF to deliver an RoA/RoE of ~4.1%/21.0% in FY27.
- The stock trades at 4.1x FY27E. Despite a healthy PAT CAGR of ~25% over FY25-FY27E and an RoA/RoE of 4.1%/21% in FY27E, we see limited upside catalysts given the rich valuations and lack of near-term re-rating triggers. Consequently, we reiterate **our Neutral rating on the stock with a TP of INR10,000 (premised on 4.5x Mar'27E BVPS).**

AUM rises ~26% YoY; healthy new customer acquisitions

- BAF's total customer franchise rose to 101.8m (up 22% YOY/5% QoQ). New customer acquisitions stood at ~4.7m (vs. ~3.2m YoY and ~5.03m QoQ). New loans booked rose ~23% YoY to ~10.7m (vs. ~8.7m in 4QFY24).
- Total AUM grew 26% YoY and ~5% QoQ to INR4.17t. The sequential AUM growth was driven by Urban B2C (+5%), Rural B2C (+7%), SME (+7%), and Commercial (incl. LAS) (+10%). However, the Auto finance business continues to unwind and declined ~9% QoQ, given that the company has stopped doing Bajaj 2W/3W financing.

Improvement in asset quality; GNPA declines ~15bp QoQ

- BAF's asset quality improved, with GNPA declining ~15bp QoQ to ~0.96% and NS3 declining ~5bp QoQ to ~0.44%. PCR dipped ~350bp to ~53.7%.
- Credit costs stood at ~INR23.3b (vs. MOFSL of INR21b). Annualized credit costs stood at ~2.3% (PQ: ~2.1% and PY: ~1.6%). This included an additional ECL provision of INR3.6b because of the ECL model refresh. Excluding this, credit costs stood at INR19.7b (~1.97%).

Highlights from the management commentary

- Auto Finance majorly consists of the captive 2W/3W portfolio, which is currently being wound down. This segment is expected to run off and decline to ~INR45b by Mar'26. Run-down of this portfolio will be accretive to the credit costs.
- For nearly a year, the company has been holding surplus liquidity from its equity capital raise and the subsequent stake sale in Bajaj Housing. Over the next two years, it is required to reduce its shareholding in BHFL to 75%, which will further generate additional excess capital.

Valuation and view

- BAF delivered a healthy performance during the quarter, supported by robust AUM growth. Despite a sequential rise in credit costs due to the ECL model refresh, asset quality showed notable improvement. BAF will look to accelerate its growth in the unsecured segments in FY26, as the stress in its B2C segments gradually dissipates.
- The stock trades at 4.1x FY27E. Despite a healthy PAT CAGR of ~25% over FY25-FY27E and RoA/RoE of 4.1%/21% in FY27E, we see limited upside catalysts given the rich valuations and lack of near-term re-rating triggers. Consequently, we reiterate **our Neutral rating on the stock with a TP of INR10,000 (premised on 4.5x Mar'27E BVPS).**

Quarterly Performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25	4Q FY25E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	1,08,211	1,17,340	1,25,233	1,32,301	1,40,492	1,49,870	1,57,682	1,63,591	4,83,066	6,11,636	1,65,773	-1
Interest expenses	41,025	45,371	48,680	52,171	56,839	61,493	63,856	65,520	1,87,247	2,47,708	67,418	-3
Net Interest Income	67,186	71,970	76,553	80,130	83,653	88,377	93,826	98,072	2,95,819	3,63,928	98,355	0
YoY Growth (%)	27.4	30.0	29.3	28.1	24.5	22.8	22.6	22.4	28.7	23.0	22.7	
Other Operating Income	16,795	16,477	16,436	17,019	20,531	21,084	22,901	21,096	66,759	85,612	23,944	-12
Net Income	83,980	88,447	92,989	97,149	1,04,185	1,09,461	1,16,727	1,19,168	3,62,578	4,49,540	1,22,299	-3
YoY Growth (%)	33.3	26.3	25.1	25.0	24.1	23.8	25.5	22.7	25.7	24.0	25.9	
Operating Expenses	28,544	30,100	31,567	33,028	34,709	36,390	38,670	39,493	1,23,252	1,49,261	40,744	-3
Operating Profit	55,437	58,347	61,422	64,121	69,475	73,071	78,057	79,675	2,39,326	3,00,279	81,554	-2
YoY Growth (%)	37.0	30.0	26.6	25.3	25.3	25.2	27.1	24.3	27.9	25.5	27.2	
Provisions and Cont.	9,953	10,771	12,484	13,100	16,847	19,091	20,433	23,289	46,307	79,660	20,997	11
Profit before Tax	45,512	47,578	48,955	51,051	52,654	54,015	57,624	56,474	1,93,096	2,20,796	60,557	-7
Tax Provisions	11,143	12,070	12,566	12,806	13,534	13,877	14,572	11,018	48,584	53,002	15,357	-28
Net Profit	34,369	35,508	36,390	38,245	39,120	40,137	43,052	45,456	1,44,512	1,67,795	45,201	1
YoY Growth (%)	36.8	27.7	22.4	21.1	13.8	13.0	18.3	18.9	25.5	16.0	18.2	

Key Operating Parameters (%)

Fees to Net Income Ratio	20.0	18.6	17.7	17.5	19.7	19.3	19.6	17.7	18.4	19.0	
Credit Cost	1.57	1.56	1.69	1.66	1.99	2.12	2.14	2.08	1.6	2.2	
Cost to Income Ratio	34.0	34.0	33.9	34.0	33.3	33.2	33.1	33.1	34.0	33.2	
Tax Rate	24.5	25.4	25.7	25.1	25.7	25.7	25.3	19.5	25.2	24.0	

Balance Sheet Parameters

AUM (INR B)	2,701	2,903	3,110	3,306	3,542	3,739	3,980	4,167	3,306	3,542	
Change YoY (%)	42.3	32.9	34.7	33.6	38.4	28.8	28.0	26.0	33.6	38.4	
Loans (INR B)	2,653	2,857	3,064	3,263	3,497	3,692	3,930	4,129	3,263	3,497	
Change YoY (%)	44.1	34.3	35.9	34.7	39.2	29.2	28.3	26.6	34.7	39.2	
Borrowings (INR B)	2,352	2,544	2,639	2,895	3,048	3,192	3,349	3,612	2,895	3,048	
Change YoY (%)	47.8	38.8	31.1	34.4	35.7	25.5	26.9	24.8	34.4	35.7	
Loans/Borrowings (%)	112.8	112.3	116.1	112.7	114.7	115.7	117.3	114.2	112.7	114.7	

Asset Quality Parameters (%)

GS 3 (INR B)	23.5	26.5	29.6	28.2	30.5	39.5	44.6	39.7	27.4	39.7	
Gross Stage 3 (% on Assets)	0.87	0.91	0.95	0.85	0.86	1.06	1.12	0.96	0.83	0.96	
NS 3 (INR B)	8.3	9.0	11.4	12.1	13.4	17.0	19.1	18.4	11.8	18.4	
Net Stage 3 (% on Assets)	0.31	0.31	0.37	0.37	0.38	0.46	0.48	0.44	0.36	0.44	
PCR (%)	77.4	66.0	61.7	57.0	85.5	57.1	57.2	53.7	56.8	53.7	

Return Ratios (%)

ROAA (Rep)	5.42	5.16	4.92	4.84	4.63	4.48	4.5	4.6	4.4	4.0	
ROAE (Rep)	24.47	24.1	21.95	20.48	19.86	19.08	19.08	19.1	22.0	19.3	

E: MOFSL Estimates



Highlights from the management commentary

Management guidance for FY26

- Customer franchise: Confident of adding 14-16 MM customers in FY26.
- AUM: 24-25% growth aided by the new lines of businesses launched in the last 2-3 years.
- Net Interest Margin (NIM): BAF has moderated pricing in select unsecured businesses. The cost of funds is estimated to go down by 10-15bp in FY26. Guided for NIM to remain stable in FY26.
- Fee and other income: BAF has stopped its co-branded credit card business. Management guided its fees and charges to grow 13-15% in FY26.
- Opex to Net total income (NTI): Opex to NTI is estimated to improve by 40-50 bps in FY26
- Credit cost: For FY26, loan loss to average AUF in the corridor of 1.85-1.95%.
- Profitability: The Company is optimistic about profit growth in FY26.
- RoA/RoE: RoA in the range of 4.4-4.6% and RoE of 19-20% in FY26
- GNPA and NNPA: GNPA and NNPA are estimated to remain lower than long-term guidance.

Long-term guidance

- AUM growth in the corridor of 25%-27% (unchanged)
- PAT growth of 23-24% (unchanged)
- GNPA between 1.2-1.4% and NNPA between 0.4%-0.5% (unchanged)
- RoA between 4.3-4.7% (v/s 4.6-4.8% earlier) and RoE between 19-21% (v/s 21-23% earlier)
- The majority of the portfolio in the 2W/3W segment is from the captive business and is winding down. The portfolio will run down by Mar/Jun'26 and the residual portfolio in Auto Finance will be ~INR45b by Mar'26.

One-timers in 4QFY25 P&L statement

- In 4QFY25, BAF did an annual refresh of its ECL model, incorporating the last 12 months' portfolio performance and forward-looking macro outlook. Given the higher flow-forward rates and elevated credit costs observed in the last three quarters, BAF took an additional ECL provision of INR3.6b, mostly on Stage 1 assets.
- Based on the favorable court and tribunal orders on the taxation side in recent years, BAF has reversed ~INR2.5b in tax expenses from previous years and reduced the FY25 tax provision by INR1b, resulting in a tax reduction of INR3.5b in 4QFY25.
- Adjusted for the one-timers, PBT grew 18% YoY (v/s Reported PBT growth of 11% YoY) and PAT grew 17% YoY (v/s Reported PAT growth of 19% YoY)

Corporate actions

- Subdivision of shares to FV to INR1/share - Stock split of 1:1
- Bonus issue of 4 bonus shares for each share of FV of INR1/share
- On 26 Mar'25, Bajaj Finserv, exercised the option attached to warrants and paid the remaining 75% of the consideration, amounting to INR8.9b. Pursuant to the

same, the Preferential Issue Allotment Committee of the Company allotted 1.55m equity shares with a face value of INR2 each

Dividend

- Final Dividend of INR44/share. Dividend payout of ~19% of standalone profit (excl. exceptional gains) and is in line with the company's dividend distribution policy.
- Special interim dividend of INR12/share, from the exceptional gain resulting from the sale of investment in BHFL on account of IPO listing in Sep'24

Distribution

- In 4Q, BAF added 137 Gold loan branches and added 30 MFI branches. Gold loan branches stood at 964 and MFI branches stood at 333 as of 31 March 2025.

Liabilities and CoB

- In 4Q, cost of funds stood at ~7.99%, an increase of ~3bp QoQ. BAF expects the cost of funds to gradually go down to 7.75%-7.85% by the end of FY26.
- About 75% of the borrowings are fixed-rate (and longer tenor money). Bank borrowings will get repriced much more quickly. On incremental borrowings, there is a softening of NCD rates by 30-40bp and CPs have also declined by 70-80bp
- Bias is more towards a higher than 10-15bp decline in the CoF. The cost of borrowing has come down in the last 30 days. Assuming that the liquidity environment will continue to be positive
- BAF has baked in three Repo Rate cuts (~75bp) and the CoB decline can be higher if there are more than 3 rate cuts.

NIM

- CoF benefits of 10-15bp in FY26 (conservative to the extent of 5-7bp); it expects that the overall NIM will remain stable in FY26. If the CoB declines more than 10-15bp, then there could be some NIM expansion as well.
- 4Q NIM is lower than the full-year FY25 NIM. For NIM to be stable in FY26, there has to be some catch-up on the NIM in the subsequent quarters.

Opex

- Opex to Net total income improved to 33.1% as against 34.0% in Q4 FY24.
- Employee attrition was slightly higher than last year.

Asset quality

- The company made an additional provision of INR3.6b on account of ECL model redevelopment in 4Q, primarily on Stage 1 assets. Adjusted for this, loan losses and provisions for 4QFY25 stood at INR19.7b. Excluding the additional ECL provision on account of model redevelopment, credit costs were 1.97%
- The company has started seeing improvement in early vintages across all portfolios.

Financial performance

- Consol. RoA/RoE in 4QFY25 of 4.6%/19.1%

Appointments of three Deputy CEO positions who will report to Anup Saha

- The leadership team will comprise the MD/CEO, three Deputy CEOs, and three COOs.
- **Manish Jain:** President of B2B and FD business promoted to Deputy CEO. Henceforth, he will also have expanded leadership responsibility for all B2B businesses, Payments, Fixed Deposits, and Insurance.
- **Sidhant Dadwal:** President of B2C and SME business promoted to Deputy CEO. Henceforth, he will also have expanded leadership responsibility for all B2C businesses, SME and Gold Loan.
- **Harjeet Toor:** President Bharat Lending, MFI, and Strategic Partnerships promoted to Deputy CEO. Henceforth, he will also have expanded leadership responsibility for Bharat Lending, Vehicle Loans, MFI and Strategic Partnerships.

Management assessment of FY25

- BAF delivered on its FY25 guidance on customer franchise, AUM growth, Opex to NTI, ROA, ROE, GNPA, and NNPA.
- The credit cost was a miss. BAF took significant credit actions through FY25 and is optimistic about its impact on P&L in FY26.
- BAF reported a margin compression of 49bp (vs guidance of 30-40bp) in FY25, due to a delay in interest rate cut as compared to its earlier projection.

AUM growth

- BAF is still small and it has a credit market share of 2.14% (by value) and 7.0-7.5% (by volumes). Seeing strong growth in its new businesses and expects robust growth in the gold loans business.
- Wants to operate in the corridor of 25-27% AUM CAGR; As long as it continues to acquire new customers and works on its cross-sell franchise, this growth is achievable.

ECL model refresh

- Stage 1 looks at 12 months of performance. Elevated credit costs in the last three quarters from 1QFY25 to 3QFY25, led to higher PCR on Stage 1.
- Within Stages 2 and 3, for evaluating the PD/LGD, BAF considers the last five years of experience.
- Stage 3 is holding up very well; Given that it looks at longer period averages for Stage 3, there has not been much change in the LGD for Stage 3 and there has not been much change in the PCR of Stage 3

Asset quality

- BAF's 4QFY25 write-offs stood at ~INR21b
- If things were to improve significantly, then the ECL model could show some releases at end-FY26
- 3MOB, 6MOB, and 9MOB are all tracking better in the unsecured businesses
- Tightened underwriting to levels even tighter than the pre-COVID levels; Leverage levels of the customers who are being acquired are significantly lower

- Credit cost guidance of 1.85-1.95%.
- BAF is still not fully out of the woods in Urban Personal Loans. Early vintages are doing fine but there is still a part of that portfolio that has to mature.
- 2H turns out to be much better than 1H and so the credit costs will continue to gradually decline.
- Captive auto finance book will decline to INR45b till Mar'26 and it will be accretive from a credit cost standpoint.

Revision in long-term RoE guidance

- For almost a year now, the company has been sitting on surplus liquidity from the equity capital raise and subsequently the stake sale in Bajaj Housing. Over the next two years, it still has to reduce its shareholding in BHFL to 75% which will generate more excess capital.

Rural personal loans

- The rural personal loans business did not require any additional provision in the ECL model refresh.

Rural B2C

- Early vintage 3MOB and 6MOB have been improving in the Rural B2C business.
- Confident in growing its Rural B2C business and it has significantly strengthened its debt management in the Rural business.

BHFL

- PBC stood at 63.28% against the regulatory requirement of 60%.

BFinSec

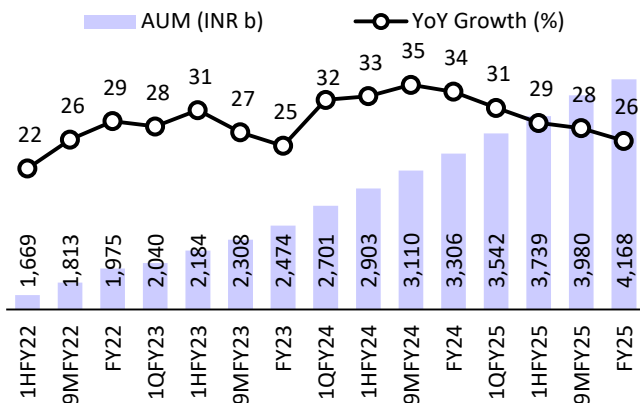
- MTF AUM grew by 18% YoY
- Customer Franchise stood at 979K, up 40% YoY

Others

- From the next quarter onwards, Anup will be doing the investor call and Rajeev Jain will continue to be around. However, they will trade places and roles in the investor call.

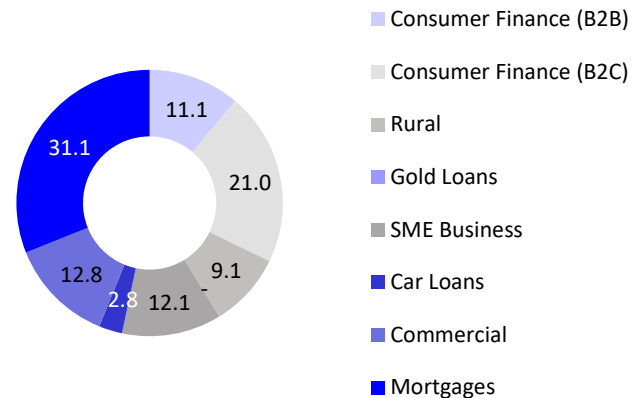
Story in charts

Exhibit 1: AUM growth healthy at 26% YoY



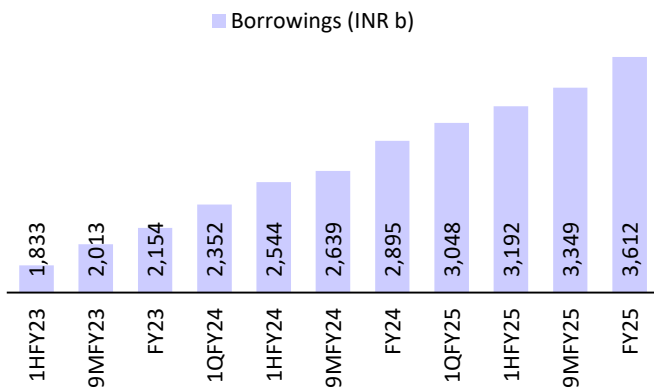
Source: MOFSL, Company

Exhibit 2: AUM mix (%)



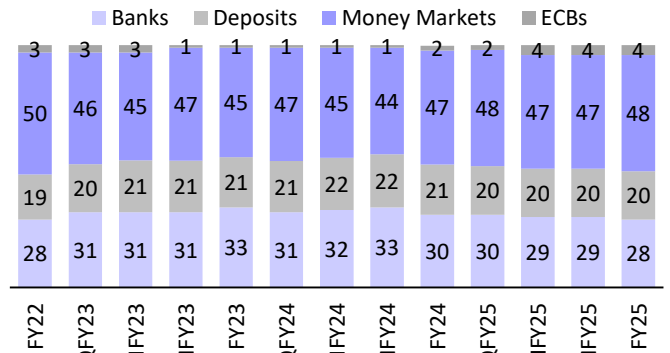
Source: MOFSL, Company; Note: Data as of 4QFY25

Exhibit 3: Borrowings grew 25% YoY



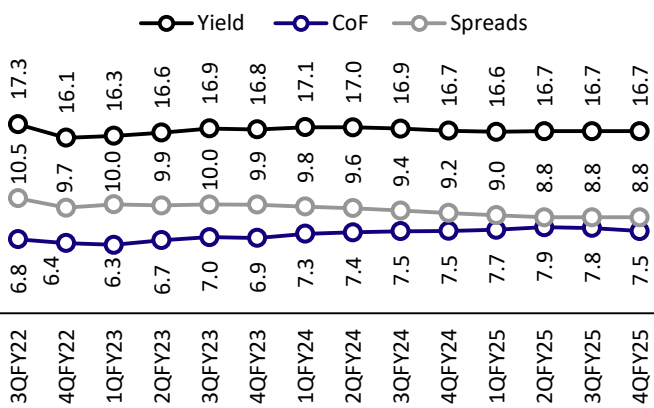
Source: MOFSL, Company

Exhibit 4: Bank borrowings declined QoQ (%)



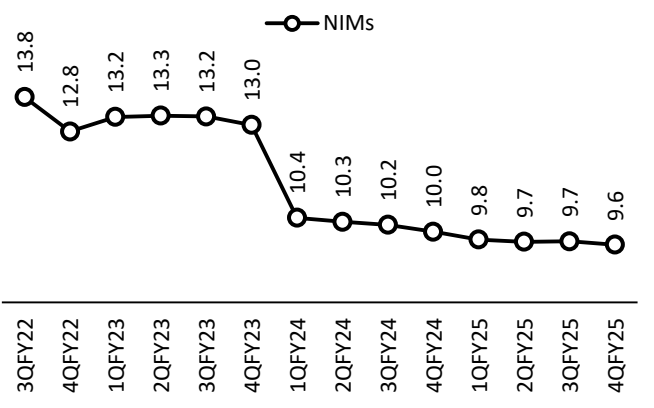
Source: MOFSL, Company

Exhibit 5: Calculated spreads stable QoQ (%)



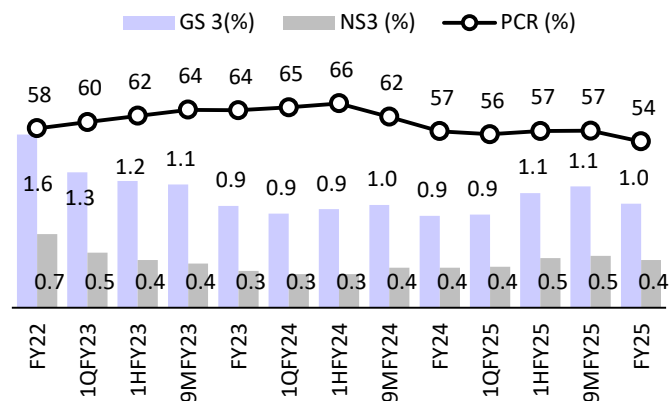
Source: MOFSL, Company

Exhibit 6: NIM contracted ~10bp QoQ (%)



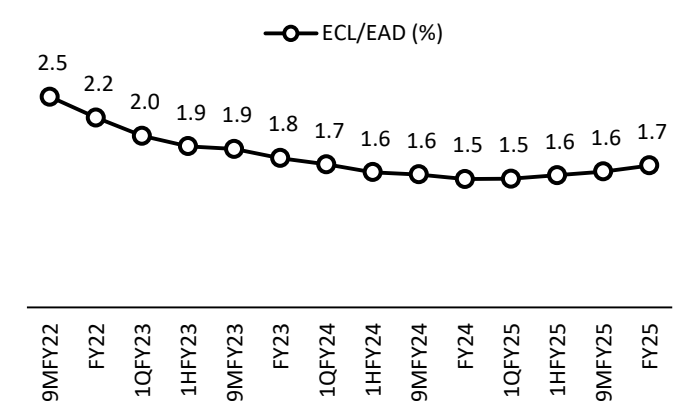
Source: MOFSL, Company

Exhibit 7: GS3 declined ~16bp QoQ (%)



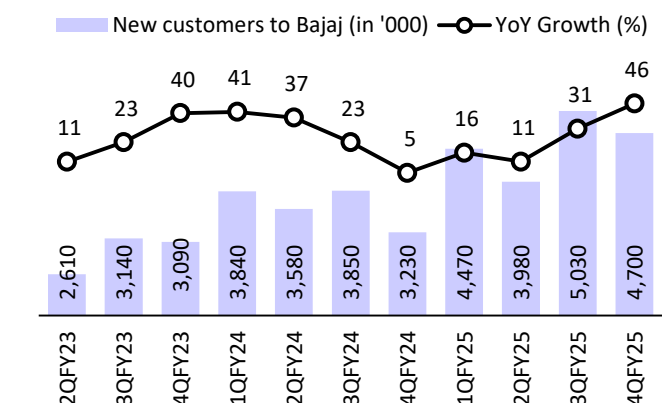
Source: MOFSL, Company

Exhibit 8: Total ECL provisions stood at ~170bp of EAD



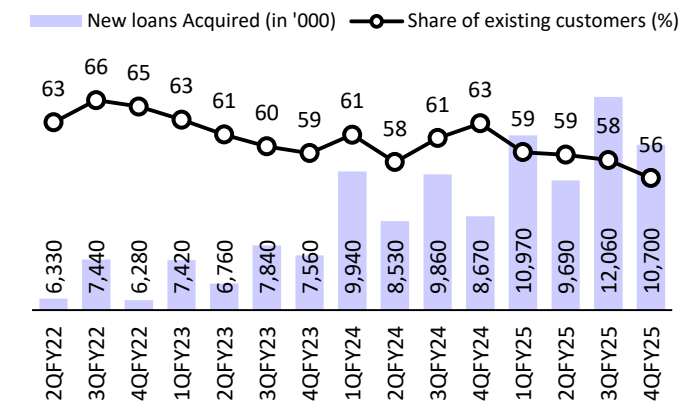
Source: MOFSL, Company

Exhibit 9: New customer additions grew ~46% YoY



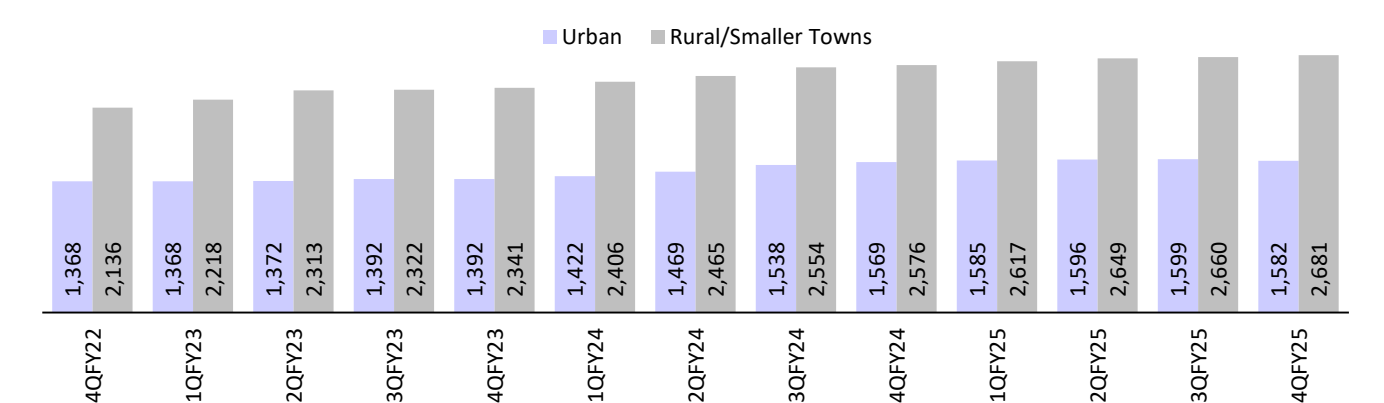
Source: MOFSL, Company

Exhibit 10: New loans booked were up ~23% YoY at 10.7m



Source: MOFSL, Company

Exhibit 11: Trend in branch expansion

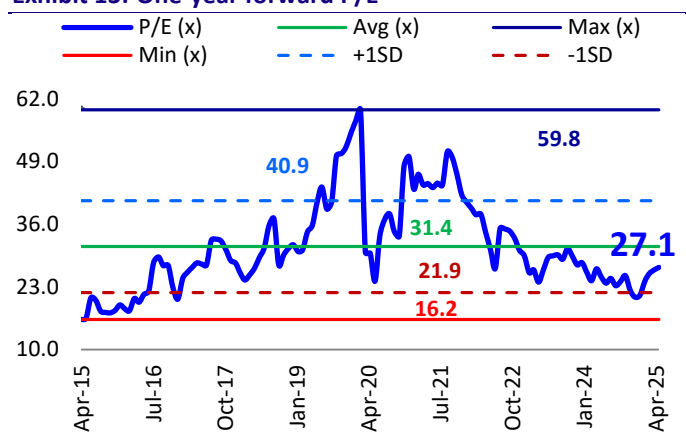


Source: MOFSL, Company

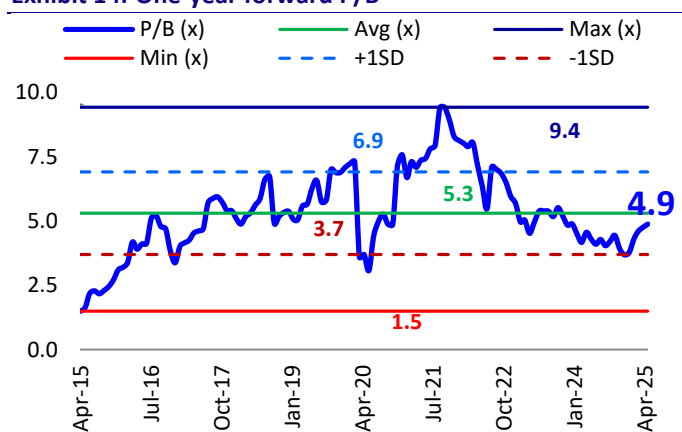
Exhibit 12: We broadly maintain our FY26/FY27 EPS estimates

INR B	Old Est.		New Est.		% Change	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	463.2	586.5	455.6	573.2	-1.6	-2.3
Other operating Income	91.9	101.4	96.1	108.7	4.6	7.2
Other Income	0.5	0.6	0.5	0.6	7.4	7.4
Total Income	555.6	688.5	552.2	682.5	-0.6	-0.9
Operating Expenses	184.7	225.6	181.0	221.2	-2.0	-2.0
Operating Profits	370.9	462.8	371.2	461.3	0.1	-0.3
Provisions	90.8	108.4	88.9	107.3	-2.1	-1.0
PBT	280.1	354.4	282.3	354.0	0.8	-0.1
Tax	71.4	90.4	72.0	90.3	0.8	-0.1
PAT	208.7	264.0	210.3	263.8	0.8	-0.1
Loans	5,265	6,660	5,118	6,475	-2.8	-2.8
Borrowings	4,606	5,811	4,520	5,704	-1.9	-1.8
RoA	4.0	4.0	4.0	4.1		
RoE	19.5	20.6	19.9	21.0		

Source: MOFSL, Company

Exhibit 13: One-year forward P/E


Source: MOFSL, Company

Exhibit 14: One-year forward P/B


Source: MOFSL, Company

Financials and valuations

Income Statement							INR m	
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	2,29,704	2,33,034	2,72,698	3,55,502	4,83,066	6,11,636	7,56,444	9,44,852
Interest Expended	94,732	94,140	97,482	1,25,599	1,87,247	2,47,708	3,00,887	3,71,639
Net Interest Income	1,34,972	1,38,894	1,75,215	2,29,903	2,95,819	3,63,928	4,55,557	5,73,213
Change (%)	38.8	2.9	26.2	31.2	28.7	23.0	25.2	25.8
Other Operating Income	34,034	33,647	43,627	58,472	66,629	85,200	96,148	1,08,668
Other Income	118	150	80	83	130	413	516	645
Net Income	1,69,124	1,72,691	2,18,922	2,88,458	3,62,578	4,49,540	5,52,221	6,82,525
Change (%)	42.4	2.1	26.8	31.8	25.7	24.0	22.8	23.6
Operating Expenses	56,608	53,082	75,850	1,01,300	1,23,252	1,49,261	1,81,029	2,21,191
Operating Profits	1,12,516	1,19,608	1,43,072	1,87,158	2,39,326	3,00,279	3,71,192	4,61,334
Change (%)	46.5	6.3	19.6	30.8	27.9	25.5	23.6	24.3
Provisions and W/Offs	39,295	59,686	48,034	31,897	46,307	79,660	88,854	1,07,298
PBT	73,221	59,923	95,038	1,55,279	1,93,019	2,20,618	2,82,338	3,54,036
Tax	20,584	15,724	24,756	40,202	48,584	53,002	71,996	90,279
Tax Rate (%)	28.1	26.2	26.0	25.9	25.2	24.0	25.5	25.5
PAT	52,638	44,198	70,282	1,15,077	1,44,435	1,67,617	2,10,342	2,63,757
Change (%)	31.8	-16.0	59.0	63.7	25.5	16.0	25.5	25.4
Proposed Dividend	7,254	6,026	6,036	18,626	22,351	34,768	33,550	39,695

Balance Sheet							INR m	
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Capital	1,200	1,203	1,207	1,209	1,236	1,242	1,242	1,242
Reserves & Surplus (Ex OCI)	3,22,951	3,69,179	4,36,643	5,43,349	7,65,198	9,65,687	11,42,479	13,66,541
Net Worth	3,24,150	3,70,382	4,37,850	5,44,558	7,66,434	9,66,929	11,43,721	13,67,783
OCI	-874	-1,198	-723	-839	519	0	0	0
Net Worth (Including OCI)	3,23,276	3,69,184	4,37,127	5,43,720	7,66,954	9,66,929	11,43,721	13,67,783
Change (%)	64.1	14.2	18.4	24.4	41.1	26.1	18.3	19.6
Borrowings	12,98,064	13,16,335	16,52,549	21,67,399	29,34,052	36,12,487	45,19,586	57,04,327
Change (%)	27.8	1.4	25.5	31.2	35.4	23.1	25.1	26.2
Other liabilities	22,573	29,185	35,378	41,168	56,411	81,853	94,131	1,08,251
Total Liabilities	16,43,914	17,14,704	21,25,054	27,52,287	37,57,416	46,61,268	57,57,438	71,80,360
Investments	1,75,439	1,83,969	1,22,455	2,27,518	3,08,807	3,44,408	3,61,629	3,79,710
Change (%)	104.0	4.9	-33.4	85.8	35.7	11.5	5.0	5.0
Loans	14,27,989	14,66,869	19,14,233	24,22,689	32,62,933	40,78,441	51,18,444	64,74,832
Change (%)	25.6	2.7	30.5	26.6	34.7	25.0	25.5	26.5
Other assets	40,485	63,866	88,366	1,02,079	1,85,677	2,38,419	2,77,365	3,25,818
Total Assets	16,43,914	17,14,704	21,25,054	27,52,287	37,57,416	46,61,268	57,57,438	71,80,360

E: MOFSL Estimates

Financials and valuations

Ratios	(%)							
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)								
Yield on Advances	17.9	16.1	16.1	16.4	17.0	16.7	16.5	16.3
Cost of borrowings	8.2	7.2	6.6	6.6	7.3	7.6	7.4	7.3
Interest Spread	9.7	8.9	9.6	9.8	9.7	9.1	9.1	9.0
Net Interest Margin	10.5	9.6	10.4	10.6	10.4	9.9	9.9	9.9
Profitability Ratios (%)								
Cost/Income	33.5	30.7	34.6	35.1	34.0	33.2	32.8	32.4
Empl. Cost/Op. Exps.	45.0	47.0	47.3	49.9	51.9	50.3	49.8	49.7
RoE	20.2	12.7	17.4	23.4	22.0	19.3	19.9	21.0
RoA	3.6	2.6	3.7	4.7	4.4	4.0	4.0	4.1
Asset Quality (%)								
GNPA (INR m)	23,626	27,304	31,331	23,125	27,373	39,650	56,137	83,126
NNPA (INR m)	9,373	11,354	13,144	8,361	11,816	18,350	25,543	36,160
GNPA %	1.6	1.8	1.6	0.9	0.8	1.0	1.1	1.3
NNPA %	0.7	0.8	0.7	0.3	0.4	0.4	0.5	0.6
PCR %	60.3	58.4	58.0	63.8	56.8	53.7	54.5	56.5
Total Provisions/loans %	2.9	3.0	2.6	2.0	1.8	1.9	2.037	2.2
Capitalisation (%)								
CAR	25.0	28.3	27.2	25.0	22.8	22.1	21.7	0.0
Tier I	21.3	25.1	24.8	23.2	21.6	21.2	21.0	0.0
Tier II	3.7	3.2	2.5	1.8	1.2	0.9	0.7	0.0
Average Leverage on Assets (x)	5.5	4.8	4.8	5.0	5.0	4.9	4.9	5.2
Valuation								
Book Value (INR)	540	616	726	901	1,240	1,557	1,842	2,203
Price-BV (x)	16.9	14.8	12.5	10.1	7.3	5.8	4.9	4.1
Adjusted BV (INR)	529	602	711	891	1,227	1,537	1,813	2,162
Price-ABV (x)	17.2	15.1	12.8	10.2	7.4	5.9	5.0	4.2
EPS (INR)	88	73	116	190	234	270	339	425
EPS Growth (%)	26.7	-16.3	58.6	63.4	22.8	15.5	25.5	25.4
Price-Earnings (x)	103.8	123.9	78.2	47.8	39.0	33.7	26.9	21.4
OPS (INR)	188	199	237	310	387	484	598	743
OPS Growth (%)	40.9	6.0	19.3	30.6	25.1	24.9	23.6	24.3
Price-OP (x)	48.5	45.8	38.4	29.4	23.5	18.8	15.2	12.3
Dividend per Share (INR)	10.0	10.0	20.0	30.0	36.0	56.0	54.0	63.9
Dividend Yield (%)	0.1	0.1	0.2	0.3	0.4	0.6	0.6	0.7
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://online.reports.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

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do 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 director/officer/employee in the subject company
- 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 in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from 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, nor 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 dp@motilaloswal.com.