

October 26, 2021

## Q2FY22 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	9,092		9,096	
NII (Rs.)	2,52,349	3,12,013	2,32,302	2,93,969
% Chng.	8.6	6.1		
PPoP (Rs.)	1,75,550	2,17,594	1,69,521	2,14,21
% Chng.	3.6	1.6		
EPS (Rs.)	173.3	227.2	172.9	221.0
% Chng.	0.2	2.8		

### Key Financials - Consolidated

Y/e Mar (Rs bn)	FY21	FY22E	FY23E	FY24E
Net Int.Inc. (Rs m)	1,72,541	2,07,719	2,52,349	3,12,013
Growth (%)	2.1	20.4	21.5	23.6
Op. Profit (Rs m)	1,19,608	1,38,320	1,75,550	2,17,594
PAT (Rs m)	44,198	71,779	1,04,267	1,36,709
EPS (Rs.)	73.6	119.3	173.3	227.2
Gr. (%)	(17.8)	62.2	45.3	31.1
DPS (Rs.)	10.0	4.8	5.0	5.2
Yield (%)	0.1	0.1	0.1	0.1
Margin (%)	10.3	11.3	11.7	11.9
RoAE (%)	12.8	17.9	21.6	22.8
RoAA (%)	2.6	3.9	4.8	5.2
PE (x)	106.8	65.8	45.3	34.6
P/BV (x)	12.8	10.9	8.8	7.1
P/ABV (x)	13.2	11.2	9.1	7.3

### Key Data

BJFN.BO | BAF IN

52-W High / Low	Rs.8,100 / Rs.3,237
Sensex / Nifty	61,350 / 18,268
Market Cap	Rs.4,741bn/ \$ 63,255m
Shares Outstanding	604m
3M Avg. Daily Value	Rs.18542.23m

### Shareholding Pattern (%)

Promoter's	56.03
Foreign	23.64
Domestic Institution	9.91
Public & Others	10.42
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	0.8	65.9	138.5
Relative	(1.3)	30.8	56.1

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## Strong earnings drivers in place

### Quick Pointers:

- Auto GNPA decline 21% QoQ; write-offs at mere Rs3.5bn

**While BAF's Q2FY22 earnings (PAT at Rs14.8bn vs PLe: Rs15.4bn) missed our estimates on account of elevated collections costs and employee hiring, yet stood healthy on several fronts. (1) Marked improvement in auto finance NPAs (21% absolute decline QoQ; GNPA % at 16% vs 19% (Q1FY22)) (2) the write-offs at Rs3.55bn stood lower than Rs9bn (Q1FY22) and Rs 20bn (Q4FY21), Rs23bn (Q3FY21) (3) Higher PCR at 55% vs 51% (Q1FY22) despite improvement in headline GNPA (4) strong core income with NII up 19% YoY.**

**BAF stands poised to clock robust return profile (5%+RoA/23%RoE) over FY23-24 predominantly led by: (1) receding credit costs pressures (2.3%/<2% over FY22-24) with anticipated rebound in auto financing, rural B2C and mortgage over Q4FY22-Q1FY23 (2) operating efficiencies to flow with infra/collection/employee costs already baked into current nos. As we tweak growth estimates and lower provisions, marginally higher opex offsets the same and therefore our FY22 estimates stand intact. As operating leverage improves, we would witness cost-income decline leading to slight estimates tweaking for FY23-24. As BAF stands geared to foray into new credit cycle (26% AUM CAGR over FY22-24) backed by strong BS (liquidity buffers: 9%-10%/CAR:28%), robust collections framework and digital transformation, we reiterate BUY recommendation on the stock. Premium valuations is here to stay as BAF is now perceived as a profitable fintech lender, so our PBV stands at 9.4x Sep'23E, TP largely unchanged at Rs 9092 (earlier Rs 9,096).**

- Marked improvement in asset quality:** BAF's asset quality exhibited marked improvement during Q2FY22. (1) Decline in auto finance NPAs (21% absolute decline QoQ; GNPA % at 16% vs 19% (Q1FY22)) (2) the write-offs at Rs3.55bn stood lower than Rs9bn (Q1FY22) and Rs 20bn (Q4FY21), Rs23bn (Q3FY21) (3) Higher PCR at 55% vs 51% (Q1FY22) despite improvement in headline (GNPA at 2.45% stood down by 51 bps QoQ) (4) Decline in Stage 2 assets at Rs 59.6bn in Q2FY22 vs Rs 74.2bn in Q1FY22 (5) anticipated rebound in asset quality of auto financing, rural B2C and mortgage over Q4FY22-Q1FY23. With worst of provisions pressures behind as cited by Management, we estimate credit costs at (2.3%/<2%) and closer to 2% GNPA's over FY22-24.
- Healthy core performance; AUMs poised for 26% CAGR:** For Q2FY22, BAF had reported healthy customer franchise growth (5%QoQ/20% YoY) at 52.8mn and AUMs at Rs1669bn with growth of 5%QoQ/22% on YoY. Barring auto financing, growth stood steady across portfolios. Geographic expansion into newer states of improving to high GDP (North, east), launch of customer engagement and merchant apps with continued focus on existing customer potential (68% of loans emerged from existing customer during Q2FY22) backed by omni-channel framework position BAF to foray into robust growth cycle ahead. traction, business, 80-85% in B2C and SME businesses and 40-50%. Against this backdrop, we expect 26% AUM CAGR over FY22-24E.

PAT at Rs14.8bn increases by robust 48%QoQ/54%YoY missing our estimates [ vs. PLe of Rs45.2bn] owing to elevated operating costs for the quarter.

Operating expenses at Rs 20.3bn stood higher than our expectation [PLe: Rs 13.6bn] and increased sizeably 48%QoQ/75%YoY \*on account of higher collection efforts and elevated salary expenses. \*

NII growth was stronger than expected at Rs53.3bn [ vs. PLe of Rs45.2bn] led by strong uptick in interest income that grew as high as 15% QoQ

PPoP at Rs33.0bn stood higher [ vs. PLe of Rs11.0bn] growing 6%QoQ/9.9%YoY

Provisions for the quarter at Rs13bn stood slightly higher [PLe: Rs 11bn] but were seen down 26%QoQ/24%YoY.

GNPA at 2.45% stood down by 51 bps QoQ but up 142 bps YoY but stood marginally higher than our estimates of 2.35%. Yet asset quality holds strong owing to (a) The much talked about Auto financing business reported QoQ improvement in GNPA to 16% from 19%. SME GNPA down to 1.69% vs 2.15% prev Q (b) the write-offs at Rs3.55bn stood lower than Rs9bn(Q1FY22) and Rs 20bn (Q4FY21), Rs23bn (Q3FY21). (c) PCR up QoQ to 55% from 51% (Q1FY22)

On business front, BAF has already reported healthy customer franchise growth (5%QoQ/20% YoY) at 52.8mn and AUMs at Rs Rs 1669 bn with growth of 5%QoQ/22% on YoY

**Exhibit 1: Q2FY22 – healthy core; elevated opex dents PAT yet growth healthy**

Y/e March (Rs mn)	Q2FY22	Q2FY21	YoY gr.	Q1FY22	QoQ gr.
Interest Income	77,314	65,166	18.6%	67,419	14.7%
Interest Expenses	23,976	23,581	1.7%	22,536	6.4%
<b>Net Interest Income</b>	<b>53,338</b>	<b>41,584</b>	<b>28.3%</b>	<b>44,884</b>	<b>18.8%</b>
Other Income	7	67	-89.6%	11	-36.4%
Total Income	<b>53,345</b>	<b>41,652</b>	<b>28.1%</b>	<b>44,895</b>	<b>18.8%</b>
Total Operating Expenses	20,297	11,593	75.1%	13,733	47.8%
<b>Operating Profit (PPP)</b>	<b>33,048</b>	<b>30,059</b>	<b>9.9%</b>	<b>31,162</b>	<b>6.1%</b>
Provisions & Write Offs	13,003	17,004	-23.5%	17,503	-25.7%
<b>PBT</b>	<b>20,045</b>	<b>13,055</b>	<b>53.5%</b>	<b>13,659</b>	<b>46.8%</b>
Tax Expense	5,234	3,406	53.7%	3,634	44.0%
<b>Reported Profit</b>	<b>14,810</b>	<b>9,649</b>	<b>53.5%</b>	<b>10,024</b>	<b>47.7%</b>
<b>Asset Quality</b>					
Gross NPAs (Rs mn)	40,891	14,120	189.6%	47,081	-13.1%
Net NPAs (Rs mn)	18,359	5,072	261.9%	23,222	-20.9%
Gross NPA (%)	2.45%	1.03%	1.4%	2.96%	-0.5%
Net NPA (%)	1.10%	0.37%	0.7%	1.46%	-0.4%
NIM %	13.09%	12.09%	1.0%	11.51%	1.6%
ROE %	15.47%	11.43%	4.0%	10.72%	4.8%
ROA %	1.75%	1.34%	0.4%	1.60%	0.2%
<b>AUM (Rs mn)</b>					
Consumer Lending	6,03,565	5,11,665	18.0%	5,48,696	10.0%
SME Lending	6,54,005	5,73,437	14.1%	6,11,220	7.0%
Commercial Lending	2,12,676	1,64,809	29.0%	1,96,922	8.0%
Rural Lending	1,63,667	1,20,990	35.3%	1,54,403	6.0%
<b>Total</b>	<b>16,69,000</b>	<b>13,70,900</b>	<b>21.7%</b>	<b>15,90,570</b>	<b>4.9%</b>
<b>AUM mix (%)</b>					
Consumer Lending	36%	37%	-1%	34%	1.7%
SME Lending	39%	42%	-2.6%	38%	0.8%
Commercial Lending	13%	12%	0.7%	12%	0.4%
Rural Lending	10%	9%	1.0%	10%	0.1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>0.0%</b>	<b>100%</b>	<b>0.0%</b>

Source: Company, PL

**Key Conference Call Highlights**

- Business Update:** Business transformation go-live is slightly behind the schedule and it will go-live by 15th December 2021. Management is confident about H2FY22 in terms of growth and financial metrics.
- Growth scenario:** The core AUM registered a highest YoY growth during Q2FY22. The business mix was largely steady. Barring auto segment all segments witnessed a healthy AUM growth. Mortgage business facing challenges in terms of yields. 2W/3W segments expected to normalise by Q3FY22. LAP may take some time and home loan segment expected to normalise by Q1FY23. Interest reversals run rate to be normalised to Rs ~3 bn.

- **Opex:** Higher opex on account of higher debt management and salary expenses during Q2FY22 as a result Opex to NIM stood at 38%. BAF added ~2000 employees during the quarter. The debt management cost is expected to go down in upcoming quarters and opex to NIM expected to decline to 33%.
- **Provisions:** The management overlay provisions increased from Rs 4.83bn in Q1FY22 to Rs 8.32bn. If third wave doesn't come loan loss and provisions should normalize to pre COVID levels in Q3FY22. In terms of credit cost management believes the worst is behind.
- **Cost of Funds:** The COF declined to 6.7% in Q2FY22 as compared with 7.1% in Q1FY22. The Company raised Rs ~ 67bn of fixed rate NCDs in 2 year and above bucket. The run rate number of COF will be 7%. The liquidity buffer stood high at Rs 168bn as of Q2FY22 and expected to normalize to pre-COVID levels by Q4FY22.
- **Asset Quality:** In absolute terms the decline in GNPA and NNPA largely on account of auto and mortgage business segment. Stage 2 assets reduced to Rs 59.6bn in Q2FY22 as compared with Rs 74.2bn in Q1FY22. Once Stage 2 and Stage 3 stood at Rs 75bn then it can be considered as at pre covid levels from Rs 100bn (currently). If third wave does not come significant improvement in asset quality is expected (GNPA at 1.7% - 1.8% and NNPA at 0.7% - 0.8% by end FY22). The overall credit cost for FY22 to be around Rs. 43bn.
- **Segment wise stage 1 assets:** B2C stage 1 expected to reach 98% by Q3FY22, rural B2C stage 1 to normalise by Q4FY22. LAP stage 1 to normalise beyond Q4FY22 and home loans should normalise by Q1FY23. OTR: OTR was mainly offered in mortgage business segment of about Rs 2.5bn
- **BHFL:** Launched new vertical during Q2FY22 - affordable housing segment.
- **Securities Business:** BSL acquired 109000 new customers during Q2FY22 and its retail plus HNI customer count stood at 204000. Focus on granular book; acquired 9000 new customers and change in distribution model with intent to focus on sticky model
- **Distribution:** Added 216 new locations in Q2FY22. BAF is growing more in North and East and depending on contribution to national GDP. The expansion will also help in reducing geographic concentration risks. BAF is on track to add 7-8 mn new customers per year.
- **Omni channel:** BAF digitally acquired 372000 new EMI card customers using a digital ecosystem. Total SKUs were 30,135 and merchants were 25,031. Strong momentum in POS in credit cards and personal loans business segment.
- **Merchant App:** The starting point is Remi business which has transferring into payment business. The merchant app is on track to go live by Feb 2023 which will enable P2P and P2M onboarding, transactions and settlements.
- **Customer engagement on apps:** Consumer app ecosystem should lead to better customer engagement as there is no franchise problem. The concern is engagement with customers.

**Exhibit 2: Core business trends pick up**

AUM (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
<b>Consumer B2B -Auto Finance Business</b>	<b>1,09,080</b>	<b>1,18,670</b>	<b>1,31,760</b>	<b>1,30,850</b>	<b>1,28,020</b>	<b>1,26,870</b>	<b>1,27,070</b>	<b>1,21,120</b>	<b>1,13,470</b>	<b>1,07,380</b>
YoY gr.	62%	61%	51%	35%	17%	7%	-4%	-7%	-11%	-15%
QoQ gr.	12%	9%	11%	-1%	-2%	-1%	0%	-5%	-6%	-5%
AUM % mix	8%	9%	9%	9%	9%	9%	9%	8%	7%	6%
<b>Consumer B2B - Sales Finance Businesses</b>	<b>1,40,860</b>	<b>1,40,860</b>	<b>1,36,760</b>	<b>1,39,600</b>	<b>92,310</b>	<b>79,180</b>	<b>1,01,860</b>	<b>1,15,260</b>	<b>1,11,750</b>	<b>1,25,550</b>
YoY gr.	24%	22%	5%	14%	-34%	-44%	-26%	-17%	21%	59%
QoQ gr.	15%	0%	-3%	2%	-34%	-14%	29%	13%	-3%	12%
AUM % mix	11%	11%	10%	10%	7%	6%	7%	8%	7%	8%
<b>Consumer B2C Businesses</b>	<b>2,48,890</b>	<b>2,48,890</b>	<b>2,70,060</b>	<b>2,93,810</b>	<b>2,92,190</b>	<b>2,82,620</b>	<b>2,90,420</b>	<b>3,04,500</b>	<b>3,13,990</b>	<b>3,36,790</b>
YoY gr.	47%	34%	32%	28%	17%	14%	8%	4%	7%	19%
QoQ gr.	8%	0%	9%	9%	-1%	-3%	3%	5%	3%	7%
AUM % mix	19%	19%	19%	20%	21%	21%	20%	20%	20%	20%
<b>Rural B2B Business</b>	<b>23,830</b>	<b>22,400</b>	<b>27,080</b>	<b>26,690</b>	<b>20,890</b>	<b>18,080</b>	<b>24,380</b>	<b>28,830</b>	<b>29,140</b>	<b>32,580</b>
YoY gr.	48%	35%	21%	25%	-12%	-19%	-10%	8%	39%	80%
QoQ gr.	11%	-6%	21%	-1%	-22%	-13%	35%	18%	1%	12%
AUM % mix	2%	2%	2%	2%	2%	1%	2%	2%	2%	2%
<b>Rural B2C Business</b>	<b>79,610</b>	<b>89,290</b>	<b>99,570</b>	<b>1,06,590</b>	<b>1,02,810</b>	<b>1,02,910</b>	<b>1,09,540</b>	<b>1,18,220</b>	<b>1,25,370</b>	<b>1,33,760</b>
YoY gr.	65%	62%	58%	50%	29%	15%	10%	11%	22%	30%
QoQ gr.	12%	12%	12%	7%	-4%	0%	6%	8%	6%	7%
AUM % mix	6%	7%	7%	7%	7%	8%	8%	8%	8%	8%
<b>SME Business</b>	<b>1,63,340</b>	<b>1,79,080</b>	<b>1,87,030</b>	<b>1,94,290</b>	<b>1,82,770</b>	<b>1,82,530</b>	<b>1,88,820</b>	<b>2,02,170</b>	<b>2,03,350</b>	<b>2,18,710</b>
YoY gr.	36%	34%	32%	23%	12%	2%	1%	4%	11%	20%
QoQ gr.	4%	10%	4%	4%	-6%	0%	3%	7%	1%	8%
AUM % mix	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
<b>Securities Lending Business</b>	<b>90,850</b>	<b>71,860</b>	<b>65,130</b>	<b>48,220</b>	<b>39,570</b>	<b>53,270</b>	<b>50,740</b>	<b>60,540</b>	<b>62,900</b>	<b>72,930</b>
YoY gr.	30%	11%	5%	-24%	-56%	-26%	-22%	26%	59%	37%
QoQ gr.	43%	-21%	-9%	-26%	-18%	35%	-5%	19%	4%	16%
AUM % mix	7%	5%	5%	3%	3%	4%	4%	4%	4%	4%
<b>Commercial Lending Business</b>	<b>58,780</b>	<b>62,290</b>	<b>65,030</b>	<b>64,110</b>	<b>60,750</b>	<b>65,550</b>	<b>75,100</b>	<b>82,930</b>	<b>90,110</b>	<b>98,010</b>
YoY gr.	18%	18%	15%	13%	3%	5%	15%	29%	48%	50%
QoQ gr.	4%	6%	4%	-1%	-5%	8%	15%	10%	9%	9%
AUM % mix	5%	5%	5%	4%	4%	5%	5%	5%	6%	6%
<b>Mortgages</b>	<b>3,73,740</b>	<b>4,04,920</b>	<b>4,41,910</b>	<b>4,61,660</b>	<b>4,61,240</b>	<b>4,59,890</b>	<b>4,67,580</b>	<b>4,95,920</b>	<b>5,11,070</b>	<b>5,41,960</b>
YoY gr.	45%	43%	44%	36%	23%	14%	6%	7%	11%	18%
QoQ gr.	10%	8%	9%	4%	0%	0%	2%	6%	3%	6%
AUM % mix	29%	30%	31%	31%	33%	34%	33%	32%	32%	32%
<b>IPO Financing</b>									<b>29,420</b>	<b>1,700</b>
<b>Overall AUMs</b>	<b>12,88,980</b>	<b>13,38,260</b>	<b>14,24,330</b>	<b>14,65,820</b>	<b>13,80,550</b>	<b>13,70,900</b>	<b>14,35,510</b>	<b>15,29,490</b>	<b>15,90,570</b>	<b>16,69,370</b>
YoY gr.	41%	37%	32%	26%	7%	2%	1%	4%	15%	22%
QoQ gr.	11%	4%	6%	3%	-6%	-1%	5%	7%	4%	5%

Source: Company, PL

**Exhibit 3: New Customers count improved sequentially**

Key Data Metrics	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
<b>Total Customer Franchise</b>	<b>36.94</b>	<b>38.70</b>	<b>40.38</b>	<b>42.6</b>	<b>42.60</b>	<b>44.11</b>	<b>46.31</b>	<b>48.57</b>	<b>50.45</b>	<b>52.80</b>
YoY gr.	31%	29%	24%	24%	15%	14%	15%	14%	18%	20%
QoQ gr.	7%	5%	4%	5%	0%	4%	5%	5%	4%	5%
<b>Total Cross sell Franchise</b>	<b>21.85</b>	<b>22.78</b>	<b>23.48</b>	<b>24.13</b>	<b>24.13</b>	<b>23.87</b>	<b>25.25</b>	<b>26.89</b>	<b>27.43</b>	<b>29.37</b>
YoY gr.	32%	28%	19%	17%	10%	5%	8%	11%	14%	23%
QoQ gr.	6%	4%	3%	3%	0%	-1%	6%	6%	2%	7%
<b>New to BAF Customers (Nos)</b>	<b>24,55,827</b>	<b>19,21,238</b>	<b>24,61,473</b>	<b>19,00,989</b>	<b>5,32,441</b>	<b>12,18,724</b>	<b>21,92,461</b>	<b>22,60,681</b>	<b>18,80,000</b>	<b>23,50,000</b>
YoY gr.	19%	9%	-2%	-1%	-78%	-37%	-11%	19%	253%	93%
QoQ gr.	28%	-22%	28%	-23%	-72%	129%	80%	3%	-17%	25%
<b>Credit Card - CIF</b>	<b>12,85,000</b>	<b>14,96,000</b>	<b>16,62,000</b>	<b>18,39,000</b>	<b>17,98,000</b>	<b>18,70,000</b>	<b>19,00,000</b>	<b>20,50,000</b>	<b>21,30,000</b>	<b>21,90,000</b>
YoY gr.	153%	126%	97%	75%	40%	25%	14%	11%	18%	17%
QoQ gr.	22%	16%	11%	11%	-2%	4%	2%	8%	4%	3%
<b>EMI Card - CIF in Mn</b>	<b>19.8</b>	<b>20</b>	<b>20.5</b>	<b>21.98</b>	<b>21.5</b>	<b>20.6</b>	<b>23.5</b>	<b>23.77</b>	<b>24.1</b>	<b>25.7</b>
YoY gr.	39%	30%	24%	18%	9%	3%	15%	8%	12%	25%
QoQ gr.	6%	1%	2%	7%	-2%	-4%	14%	1%	1%	7%
<b>Wallets</b>	<b>10</b>	<b>11.8</b>	<b>13.5</b>	<b>15.2</b>	<b>15.7</b>	<b>16.8</b>	<b>18.3</b>	<b>19.8</b>	<b>20.9</b>	<b>21.3</b>
YoY gr.	355%	258%	108%	83%	57%	42%	36%	30%	33%	27%
QoQ gr.	20%	18%	14%	13%	3%	7%	9%	8%	6%	2%

Source: Company, PL

**Exhibit 4: Strong distribution network**

Distribution network	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
<b>Overall BAF presence</b>	<b>1,895</b>	<b>1,997</b>	<b>2,179</b>	<b>2,392</b>	<b>2,408</b>	<b>2,641</b>	<b>2,814</b>	<b>2,988</b>	<b>3,113</b>	<b>3,329</b>
YoY gr.	28%	24%	26%	31%	27%	32%	29%	25%	29%	26%
QoQ gr.	4%	5%	9%	10%	1%	10%	7%	6%	4%	7%
<b>Urban</b>	<b>944</b>	<b>956</b>	<b>986</b>	<b>1,035</b>	<b>1,049</b>	<b>1,134</b>	<b>1,210</b>	<b>1,298</b>	<b>1,368</b>	<b>1,368</b>
YoY gr.	19%	11%	14%	12%	11%	19%	23%	25%	30%	21%
QoQ gr.	2%	1%	3%	5%	1%	8%	7%	7%	5%	0%
% total	50%	48%	45%	43%	44%	43%	43%	43%	44%	41%
<b>Rural</b>	<b>951</b>	<b>1,041</b>	<b>1,193</b>	<b>1,357</b>	<b>1,359</b>	<b>1,507</b>	<b>1,604</b>	<b>1,690</b>	<b>1,745</b>	<b>1,961</b>
YoY gr.	37%	39%	37%	50%	43%	45%	34%	25%	28%	30%
QoQ gr.	5%	9%	15%	14%	0%	11%	6%	5%	3%	12%
% total	50%	52%	55%	57%	56%	57%	57%	57%	56%	59%

Source: Company, PL

**Exhibit 5: Healthy liability management with largely stable mix**

Liability profile	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
<b>Overall Borrowings (rs mn)</b>	<b>9,44,620</b>	<b>9,75,970</b>	<b>11,20,500</b>	<b>12,98,060</b>	<b>12,11,200</b>	<b>12,49,000</b>	<b>12,41,620</b>	<b>13,16,450</b>	<b>13,32,980</b>	<b>14,50,200</b>
YoY gr.	40.1%	32.2%	38.6%	50.3%	28.2%	28.0%	10.8%	1.4%	10.1%	16.1%
QoQ gr.	9.4%	3.3%	14.8%	15.8%	-6.7%	3.1%	-0.6%	6.0%	1.3%	8.8%
<b>Borrowings mix (%)</b>										
Banks	33.4%	35.0%	32.0%	30.0%	31.0%	28.0%	26.0%	22.0%	30.0%	29.0%
NCDs	35.0%	35.0%	37.0%	38.0%	35.0%	35.0%	35.0%	34.0%	36.0%	37.0%
Tier 2 Debt	4.4%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%
FD	16.0%	18.0%	21.0%	21.0%	21.0%	22.0%	24.0%	26.0%	21.0%	20.0%
CP	10.2%	8.0%	6.0%	7.0%	9.0%	11.0%	11.0%	11.0%	10.0%	11.0%
CBLO	<b>Q1FY20</b>	<b>Q2FY20</b>	<b>Q3FY20</b>	<b>Q4FY20</b>	<b>Q1FY21</b>	<b>Q2FY21</b>	<b>Q3FY21</b>	<b>Q4FY21</b>	<b>Q1FY22</b>	<b>Q2FY22</b>

Source: Company, PL

**Exhibit 6: Opex to Nil inched up sequentially due to higher debt management and salary expenses**

BAF CONSOLIDATED Key Metrics/Ratio Analysis	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
<b>Total Opex to Net Interest Income</b>	<b>35.0%</b>	<b>34.6%</b>	<b>33.8%</b>	<b>31.0%</b>	<b>27.9%</b>	<b>27.8%</b>	<b>32.3%</b>	<b>35.3%</b>	<b>30.6%</b>	<b>38.1%</b>
YoY increase in bps	-200	-80	-110	-340	-710	-680	-150	430	270	1030
QoQ increase in bps	60	-40	-80	-280	-310	-10	450	300	-470	750
<b>Loan loss to AUM*</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>1.4%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.0%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>0.8%</b>
YoY increase in bps	10	11	16	101	77	83	39	-30	-6	-46
QoQ increase in bps	8	0	15	78	-16	6	-29	9	8	-34
<b>Return on Average Assets</b>	<b>4.0%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>3.6%</b>	<b>4.4%</b>	<b>2.8%</b>	<b>3.6%</b>
YoY increase in bps	0	80	80	-160	-120	-200	-120	160	0	80
QoQ increase in bps	-40	80	0	-200	0	0	80	80	-160	80
<b>Return on Average Equity</b>	<b>23.6%</b>	<b>28.0%</b>	<b>23.6%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>13.2%</b>	<b>13.2%</b>	<b>10.8%</b>	<b>15.2%</b>
YoY increase in bps	320	640	0	-1320	-1200	-1640	-1040	160	-80	360
QoQ increase in bps	-120	440	-440	-1200	0	0	160	0	-240	440

Source: Company, PL

**Exhibit 7: Absolute GNPA declined by 13% on QoQ basis**

BAF CONSOLIDATED ASSET QUALITY PROFILE	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
<b>GNPA (Rs mn)</b>										
<b>Auto Finance Business</b>	<b>6,020</b>	<b>7,040</b>	<b>7,980</b>	<b>9,120</b>	<b>8,220</b>	<b>6,310</b>	<b>16,170</b>	<b>12,270</b>	<b>24,260</b>	<b>19,190</b>
YoY gr.	11%	54%	58%	72%	37%	-10%	103%	35%	195%	204%
QoQ gr.	14%	17%	13%	14%	-10%	-23%	156%	-24%	98%	-21%
<b>Sale Finance Business</b>	<b>1,960</b>	<b>1,910</b>	<b>1,560</b>	<b>1,910</b>	<b>1,090</b>	<b>310</b>	<b>2,650</b>	<b>1,450</b>	<b>1,330</b>	<b>910</b>
YoY gr.		30%	17%	21%	-44%	-84%	70%	-24%	22%	194%
QoQ gr.	24%	-3%	-18%	22%	-43%	-72%	755%	-45%	-8%	-32%
<b>Consumer B2C Business</b>	<b>4,200</b>	<b>4,150</b>	<b>4,070</b>	<b>5,220</b>	<b>3,810</b>	<b>2,410</b>	<b>9,820</b>	<b>5,000</b>	<b>8,960</b>	<b>7,090</b>
YoY gr.	40%	30%	29%	58%	-9%	-42%	141%	-4%	135%	194%
QoQ gr.	27%	-1%	-2%	28%	-27%	-37%	307%	-49%	79%	-21%
<b>Rural B2B Business</b>	<b>250</b>	<b>280</b>	<b>170</b>	<b>150</b>	<b>80</b>	<b>30</b>	<b>520</b>	<b>330</b>	<b>400</b>	<b>360</b>
YoY gr.			13%	-32%	-68%	-89%	206%	120%	400%	1100%
QoQ gr.	14%	12%	-39%	-12%	-47%	-63%	1633%	-37%	21%	-10%
<b>Rural B2C Business</b>	<b>1,340</b>	<b>1,300</b>	<b>1,370</b>	<b>1,680</b>	<b>1,380</b>	<b>950</b>	<b>4,160</b>	<b>2,010</b>	<b>3,720</b>	<b>4,290</b>
YoY gr.	47%	38%	51%	50%	3%	-27%	204%	20%	170%	352%
QoQ gr.	20%	-3%	5%	23%	-18%	-31%	338%	-52%	85%	15%
<b>SME Business</b>	<b>2,760</b>	<b>2,740</b>	<b>2,710</b>	<b>3,370</b>	<b>2,790</b>	<b>2,070</b>	<b>4,520</b>	<b>2,040</b>	<b>4,520</b>	<b>3,790</b>
YoY gr.	19%	7%	8%	42%	1%	-24%	67%	-39%	62%	83%
QoQ gr.	16%	-1%	-1%	24%	-17%	-26%	118%	-55%	122%	-16%
<b>Securities Lending Business</b>										<b>20</b>
YoY gr.										-
QoQ gr.										-
<b>Commercial Lending Business</b>	<b>360</b>	<b>360</b>	<b>390</b>	<b>20</b>	<b>20</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>440</b>
YoY gr.			8%	-94%	-94%	-97%	-100%	-100%	-100%	-
QoQ gr.	0%	0%	8%	-95%	0%	-50%	-100%	-	-	-
<b>Mortgages</b>	<b>4,050</b>	<b>4,350</b>	<b>5,290</b>	<b>2,170</b>	<b>1,990</b>	<b>2,300</b>	<b>4,100</b>	<b>4,210</b>	<b>4,180</b>	<b>4,940</b>
YoY gr.	252%	121%	40%	-43%	-51%	-47%	-22%	94%	110%	115%
QoQ gr.	7%	7%	22%	-59%	-8%	16%	78%	3%	-1%	18%
<b>Overall GNPA</b>	<b>20,940</b>	<b>22,130</b>	<b>23,540</b>	<b>23,640</b>	<b>19,380</b>	<b>14,390</b>	<b>41,940</b>	<b>27,310</b>	<b>47,370</b>	<b>41,030</b>
YoY gr.	64%	50%	39%	31%	-7%	-35%	78%	16%	144%	185%
QoQ gr.	16%	6%	6%	0%	-18%	-26%	191%	-35%	73%	-13%

Source: Company, PL



**Exhibit 8: BHFL performance metrics – PAT doubled on YoY basis**

BHFL Key Metrics/Ratio Analysis	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
<b>NII (Rs mn)</b>	<b>1,980</b>	<b>2,640</b>	<b>2,850</b>	<b>2,830</b>	<b>2,430</b>	<b>2,480</b>	<b>3,920</b>	<b>3,690</b>
YoY gr.	157%	159%	118%	75%	23%	-6%	38%	30%
QoQ gr.	22%	33%	8%	-1%	-14%	2%	58%	-6%
<b>PAT (Rs mn)</b>	<b>700</b>	<b>1,300</b>	<b>1,310</b>	<b>910</b>	<b>920</b>	<b>830</b>	<b>1,990</b>	<b>1,790</b>
YoY gr.	3400%	1344%	254%	47%	31%	-36%	52%	97%
QoQ gr.	13%	86%	1%	-31%	1%	-10%	140%	-10%
<b>Total Opex to Net Interest Income</b>	<b>41%</b>	<b>33%</b>	<b>34%</b>	<b>25%</b>	<b>31%</b>	<b>28%</b>	<b>26%</b>	<b>27%</b>
YoY increase in bps	-4950	-5000	-2330	-1660	-1090	-510	-730	120
QoQ increase in bps	-60	-810	40	-830	510	-230	-180	20
<b>Loan loss to AUM</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.4%</b>	<b>0.1%</b>
YoY increase in bps	-40	1	1	33	16	17	30	-24
QoQ increase in bps	0	6	0	27	-17	7	13	-27
<b>RoE</b>	<b>1.6%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.6%</b>
YoY increase in bps	160	50	20	-40	-40	-30	-20	-60
QoQ increase in bps	0	-100	-10	70	0	-90	0	30
<b>RoA</b>	<b>7.6%</b>	<b>3.4%</b>	<b>3.3%</b>	<b>7.6%</b>	<b>6.4%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>3.0%</b>
YoY increase in bps	720	290	190	-40	-120	-190	-160	-460
QoQ increase in bps	-40	-420	-10	430	-120	-490	20	130

Source: Company, PL

**Exhibit 9: Stage 3 assets for BHFL marginally increased in Q2FY22**

BHFL ASSET QUALITY	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
<b>Gross Stage 1 &amp; 2 assets</b>	<b>2,06,010</b>	<b>2,34,810</b>	<b>2,65,320</b>	<b>2,81,990</b>	<b>2,87,390</b>	<b>2,96,010</b>	<b>3,13,560</b>
YoY gr.	184%	119%	89%	62%	40%	26%	18%
QoQ gr.	18%	14%	13%	6%	2%	3%	6%
<b>Gross Stage 1 &amp; 2 assets % AUM</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
YoY increase in bps	-0.06%	-0.04%	-0.04%	-0.03%	-0.02%	-0.03%	-0.23%
QoQ increase in bps	-0.01%	0.00%	-0.01%	-0.01%	0.00%	-0.01%	-0.21%
<b>Gross Stage 3 assets</b>	<b>131.0</b>	<b>133.0</b>	<b>199.0</b>	<b>237.0</b>	<b>241.0</b>	<b>269.0</b>	<b>1102.0</b>
YoY gr.	5140%	478%	342%	149%	84%	102%	454%
QoQ gr.	38%	2%	50%	19%	2%	12%	310%
<b>Gross Stage 3 assets % AUM</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.3%</b>
YoY increase in bps	0.06%	0.04%	0.04%	0.03%	0.02%	0.03%	0.22%
QoQ increase in bps	0.01%	0.00%	0.01%	0.01%	0.00%	0.01%	0.20%
<b>Coverage Ratio % Stage 3 assets</b>	<b>32.3%</b>	<b>45.4%</b>	<b>32.0%</b>	<b>38.0%</b>	<b>38.0%</b>	<b>38.0%</b>	<b>38.0%</b>
YoY increase in bps	-0.70%	22.30%	8.90%	2.60%	5.70%	-7.40%	6.00%
QoQ increase in bps	-3.10%	13.10%	-13.40%	6.00%	0.00%	0.00%	0.00%
<b>ECL/Total Assets</b>	<b>0.18%</b>	<b>0.18%</b>	<b>0.18%</b>	<b>0.19%</b>	<b>0.58%</b>	<b>0.78%</b>	<b>1.06%</b>
YoY increase in bps	0.04%	0.04%	0.03%	0.02%	0.40%	0.60%	0.88%
QoQ increase in bps	0.01%	0.00%	0.00%	0.01%	0.39%	0.20%	0.28%

Source: Company, PL

**Exhibit 10: BAF Consolidated ECL Summary: PCR stands stable sequentially**

	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Stage 1 & 2 (represents standard assets)	98.60%	98.66%	97.14%	98.21%	97.04%	97.55%
Stage 3 (classified as NPA)	1.40%	1.03%	0.55%	1.79%	2.96%	2.45%
Stage 3 (not classified as NPA)	-	0.31%	2.32%			
Assets and impairment allowance						
Gross Stage 1 & 2 assets	1364610	1380350	1422870	1498780	1551880	1635340
ECL Provision Stage 1 & 2	37,290	50,990	27,080	27,130	27,070	25,370
Net Stage 1 & 2 assets	1327320	1329360	1395790	1471650	1524810	1609970
ECL Provision % Stage 1 & 2 assets	2.73%	3.69%	1.90%	1.81%	1.74%	1.55%
Gross Stage 3 assets	19,380	18,730	41,940	27,310	47,370	41,030
ECL Provision Stage 3	12,570	11,020	24,330	15,950	24,300	22,770
Net Stage 3 assets	6810	7710	17610	11,360	23,070	18,260
Coverage Ratio % Stage 3 assets	65%	59%	58%	58%	51%	55%
Overall coverage ratio	3.60%	4.43%	3.51%	2.82%	3.21%	2.87%

Source: Company, PL

**Exhibit 11: Estimates largely maintained as lower provisions get offset by marginally higher opex**

(Rs mn)	Old			Revised			Change in Estimates		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Net Interest Income	1,89,310	2,32,302	2,93,969	2,07,719	2,52,349	3,12,013	9.7%	8.6%	6.1%
Operating Profit	1,33,586	1,69,521	2,14,216	1,38,320	1,75,550	2,17,594	3.5%	3.6%	1.6%
PAT	71,797	1,04,039	1,32,935	71,779	1,04,267	1,36,709	0.0%	0.2%	2.8%
EPS (Rs)	119.3	172.9	221.0	119	173	227	0.0%	0.2%	2.8%
<b>Price Target (Rs)</b>		<b>9,096</b>			<b>9,092</b>			<b>-0.04%</b>	
<b>Reco</b>		<b>BUY</b>			<b>BUY</b>				

Source: PL

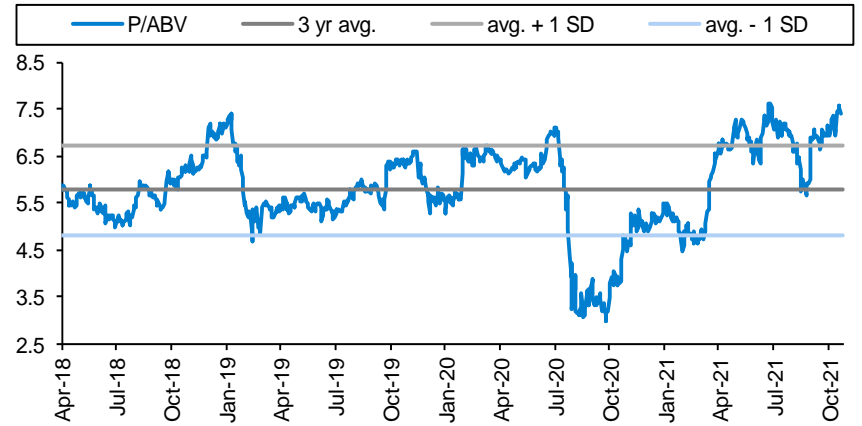
**Exhibit 12: Target price maintained at Rs9,092**
**PT calculation and upside**

Fair price - EVA	7,104
Fair price - P/ABV	11,081
<b>Average of the two</b>	<b>9,092</b>
<b>Target P/ABV</b>	<b>9.4</b>
<b>Target P/E</b>	<b>40.0</b>
Current price, Rs	7856
<b>Upside (%)</b>	<b>16%</b>
Dividend yield (%)	1%
<b>Total return (%)</b>	<b>17%</b>

Source: PL



Exhibit 13: Premium valuations to stay; BAF now a profitable fintech lender



Source: Company, Bloomberg, PL

**Income Statement (Rs. m)**

Y/e Mar	FY21	FY22E	FY23E	FY24E
Int. Inc. / Opt. Inc.	2,66,681	3,09,245	3,83,275	4,72,487
Interest Expenses	94,140	1,01,526	1,30,926	1,60,474
<b>Net interest income</b>	<b>1,72,541</b>	<b>2,07,719</b>	<b>2,52,349</b>	<b>3,12,013</b>
Growth(%)	2.1	20.4	21.5	23.6
Non-interest income	150	400	2,799	3,953
Growth(%)	26.4	167.2	600.6	41.2
Net operating income	1,72,691	2,08,119	2,55,148	3,15,966
<b>Expenditures</b>				
Employees	24,987	33,522	40,107	48,080
Other Expenses	24,843	32,205	34,152	43,490
Depreciation	3,253	4,071	5,339	6,802
Operating Expenses	53,082	69,798	79,598	98,372
<b>PPP</b>	<b>1,19,608</b>	<b>1,38,320</b>	<b>1,75,550</b>	<b>2,17,594</b>
Growth(%)	6.3	15.6	26.9	24.0
Provisions	59,686	42,397	36,304	35,023
<b>Profit Before Tax</b>	<b>59,923</b>	<b>95,923</b>	<b>1,39,246</b>	<b>1,82,571</b>
Tax	15,724	24,144	34,979	45,862
Effective Tax rate(%)	26.2	25.2	25.1	25.1
<b>PAT</b>	<b>44,198</b>	<b>71,779</b>	<b>1,04,267</b>	<b>1,36,709</b>
Growth(%)	(16.0)	62.4	45.3	31.1

**Balance Sheet (Rs. m)**

Y/e Mar	FY21	FY22E	FY23E	FY24E
<b>Source of funds</b>				
Equity	1,203	1,203	1,203	1,203
Reserves and Surplus	3,67,981	4,32,185	5,32,977	6,66,066
Networth	3,69,184	4,33,388	5,34,180	6,67,269
Growth (%)	14.2	17.4	23.3	24.9
Loan funds	13,16,454	14,70,201	17,42,678	20,86,419
Growth (%)	1.4	11.7	18.5	19.7
Deferred Tax Liability	-	-	-	-
Other Current Liabilities	-	-	-	-
Other Liabilities	29,631	59,641	90,781	1,67,123
<b>Total Liabilities</b>	<b>17,15,269</b>	<b>19,63,231</b>	<b>23,67,639</b>	<b>29,20,811</b>
<b>Application of funds</b>				
Net fixed assets	13,668	14,764	16,237	18,022
Advances	14,66,869	18,05,178	22,06,409	27,52,320
Growth (%)	3.8	23.1	22.2	24.7
Investments	1,83,969	88,259	85,658	88,417
Current Assets	21,762	25,143	28,042	31,296
<b>Net current assets</b>	<b>21,762</b>	<b>25,143</b>	<b>28,042</b>	<b>31,296</b>
Other Assets	29,002	29,887	31,292	30,756
<b>Total Assets</b>	<b>17,15,269</b>	<b>19,63,231</b>	<b>23,67,639</b>	<b>29,20,811</b>
Growth (%)	4.3	14.5	20.6	23.4
<b>Business Mix</b>				
AUM	15,29,470	18,05,178	22,06,409	27,52,320
Growth (%)	3.9	18.0	22.2	24.7
On Balance Sheet	-	-	-	-
% of AUM	-	-	-	-
Off Balance Sheet	-	-	-	-
% of AUM	-	-	-	-

**Profitability & Capital (%)**

Y/e Mar	FY21	FY22E	FY23E	FY24E
NIM	10.3	11.3	11.7	11.9
ROAA	2.6	3.9	4.8	5.2
ROAE	12.8	17.9	21.6	22.8

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Int. Inc. / Operating Inc.	57,225	60,343	59,542	66,873
Income from securitization	9,337	8,163	7,877	10,440
Interest Expenses	23,627	21,956	22,536	23,976
<b>Net Interest Income</b>	<b>42,934</b>	<b>46,551</b>	<b>44,884</b>	<b>53,338</b>
Growth (%)	(5.2)	(0.5)	8.1	28.3
Non-Interest Income	24	43	11	7
<b>Net Operating Income</b>	<b>42,958</b>	<b>46,594</b>	<b>44,895</b>	<b>53,345</b>
Growth (%)	(5.3)	(0.5)	8.1	28.1
Operating expenditure	13,100	15,161	12,843	19,352
<b>PPP</b>	<b>29,062</b>	<b>30,534</b>	<b>31,162</b>	<b>33,048</b>
Growth (%)	5.3	5.4	5.7	32.2
Provision	13,517	12,308	17,503	13,003
Exchange Gain / (Loss)	-	-	-	-
Profit before tax	15,545	18,226	13,659	20,045
Tax	4,085	4,760	3,634	5,234
Prov. for deferred tax liability	-	-	-	-
Effective Tax Rate	26.3	26.1	26.6	26.1
<b>PAT</b>	<b>11,460</b>	<b>13,466</b>	<b>10,024</b>	<b>14,810</b>
Growth	(29)	42	4	53
AUM	14,35,500	15,29,470	15,90,570	16,69,000
YoY growth (%)	(1.1)	3.9	15.2	21.7
Borrowing	12,41,620	13,16,450	13,32,980	13,72,969
YoY growth (%)	1.7	1.4	10.1	9.9

**Key Ratios**

Y/e Mar	FY21	FY22E	FY23E	FY24E
CMP (Rs)	7,856	7,856	7,856	7,856
EPS (Rs)	73.6	119.3	173.3	227.2
Book value (Rs)	613.7	720.4	887.9	1,109.2
Adj. BV(Rs)	595.4	702.3	863.4	1,078.5
P/E(x)	106.8	65.8	45.3	34.6
P/BV(x)	12.8	10.9	8.8	7.1
P/ABV(x)	13.2	11.2	9.1	7.3
DPS (Rs)	10.0	4.8	5.0	5.2
Dividend Payout Ratio(%)	0.0	0.0	-	-
Dividend Yield(%)	0.1	0.1	0.1	0.1

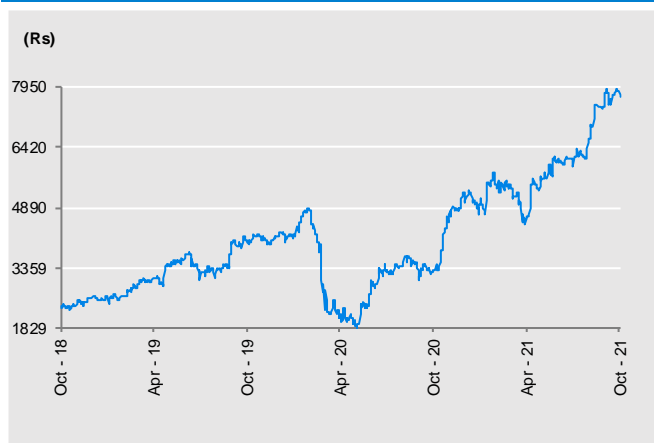
**Asset Quality**

Y/e Mar	FY21	FY22E	FY23E	FY24E
Gross NPAs(Rs m)	26,257	36,104	41,922	53,395
Net NPA(Rs m)	11,002	16,247	22,064	27,523
Gross NPAs to Gross Adv.(%)	1.8	2.0	1.9	1.9
Net NPAs to net Adv.(%)	0.8	0.9	1.0	1.0
NPA coverage(%)	58.1	55.0	47.4	48.5

**Du-Pont as a % of AUM**

Y/e Mar	FY21	FY22E	FY23E	FY24E
NII	10.3	11.3	11.7	11.9
NII INCL. Securitization	10.3	11.3	11.7	11.9
Total income	10.3	11.3	11.8	12.0
Operating Expenses	3.2	3.8	3.7	3.7
PPOP	7.1	7.5	8.1	8.3
Total Provisions	3.6	2.3	1.7	1.3
RoAA	2.6	3.9	4.8	5.2
Avg. Assets/Avg. net worth	4.9	4.6	4.5	4.4
RoAE	12.8	17.9	21.6	22.8

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Oct-21	BUY	9,096	7,724
2	22-Jul-21	BUY	6,840	5,942
3	06-Jul-21	Accumulate	5,845	6,073
4	28-Apr-21	Accumulate	5,315	4,865
5	06-Apr-21	Accumulate	5,340	4,964
6	20-Jan-21	Accumulate	5,340	4,982
7	11-Jan-21	Accumulate	5,491	5,081
8	05-Jan-21	Accumulate	5,491	5,217

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bajaj Finance	BUY	9,096	7,724
2	Cholamandalam Investment and Finance Company	BUY	739	594
3	HDFC	BUY	3,214	2,741
4	L&T Finance Holdings	Reduce	80	85
5	LIC Housing Finance	Reduce	387	409
6	Mahindra & Mahindra Financial Services	Reduce	168	185
7	Manappuram Finance	Hold	199	184
8	Muthoot Finance	BUY	1,780	1,521
9	SBI Cards and Payment Services	Accumulate	1,205	1,097
10	Shriram Transport Finance	Accumulate	1,453	1,384

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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