

Bajaj Housing Finance

Estimate changes	↔
TP change	↓
Rating change	↔

CMP: INR90 **TP: INR100 (+11%)** **Neutral**

In-line quarter; focuses on scaling up non-prime portfolio

AUM grows 23% YoY; Reported NIM stable QoQ

- BHFL's 3QFY26 PAT grew 21% YoY to ~INR6.6b (in line). NII grew 20% YoY to ~INR9.6b (in line). Other income grew 49% YoY to ~INR1.9b (24% beat). NTI grew ~24% YoY to INR11.5b (in line).
- Opex rose ~26% YoY to INR2.3b (in line). This included a one-time impact of provisions of INR130m made on account of the new labor codes. PPop grew 23% YoY to INR9.2b (in line).
- AUM grew 23% YoY to ~INR1.3t, while 3QFY26 disbursements grew ~32% YoY to ~INR165b. Total on-book loans grew ~23% YoY/4% QoQ to ~INR1.17t.
- Management highlighted that pricing pressure in the prime and super-prime segments remains high, which may continue going forward. In the near-prime and affordable segments, while pricing pressure is relatively lower, the number of players looking to enter and expand in these segments remains high.
- BHFL shared that its medium-term loan growth guidance remains unchanged, even though near-term growth has moderated due to higher balance transfers following rate cuts. As attrition stabilizes, the company expects growth to revert to its medium-term guidance. We model AUM growth of 23%/24% in FY26/FY27.
- We continue to believe in management's ability to improve profitability, supported by a healthy AUM CAGR of 23% over FY25-28E, broadly steady NIMs, and benign credit costs. We expect BHFL to deliver strong AUM growth, but rising competition from PSU banks and higher BT-OUTs may push BHFL to cut its lending rates, which could exert pressure on NTI. We expect BHFL to post a CAGR of 23%/22% in AUM/PAT over FY25-28E and RoA/RoE of ~2.3%/14.2% in FY28E. **Maintain Neutral with a TP of INR100 (based on 2.8x Dec'27E BVPS).**

Bloomberg	BAJAJHFL IN
Equity Shares (m)	8332
M.Cap.(INRb)/(USDb)	747.4 / 8.2
52-Week Range (INR)	137 / 87
1, 6, 12 Rel. Per (%)	-2/-23/-29
12M Avg Val (INR M)	1122

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	38.3	46.3	56.3
PPP	35.4	43.5	53.6
PAT	26.1	32.2	39.5
EPS (INR)	3.1	3.9	4.7
EPS Gr. (%)	21	23	23
BV/Sh. (INR)	27	31	36

Ratios (%)

NIM	3.4	3.3	3.3
C/I ratio	20.2	19.1	18.0
RoA	2.3	2.3	2.3
RoE	12.3	13.3	14.2

Valuation

P/E (x)	28.6	23.2	18.9
P/BV (x)	3.3	2.9	2.5
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	86.7	88.7	88.8
DII	1.4	0.6	0.8
FII	1.0	0.9	1.1
Others	10.9	9.8	9.3

FII Includes depository receipts

Sambhav Housing catering to near-prime & affordable segment will expand customer Segment & support yields

- BHFL shared that its Sambhav division currently disburses INR3.25-3.5b per month and is targeting monthly disbursements of INR6b+ within the next 12-15 months.
- Management shared that its Sambhav Business operates across two segments, near-prime and affordable housing. Near-prime loans typically have ticket sizes of INR4-6m with yields of 9-11%, while affordable housing loans have ticket sizes of INR1.5-3.5m with yields of 11-13% and are focused on deeper pockets of the top-36 markets as well as tier-4 and rural locations.
- The company shared that ~35-40% of Sambhav's total disbursements currently come from the affordable segment and the rest from near-prime. Over the next 6-12 months, the affordable mix is expected to remain broadly stable, while over the longer term, a larger share of disbursement growth will come from affordable housing.

Reported NIMs stable at ~4% QoQ; minor decline in spreads

- Reported yields declined ~20bp QoQ to ~9.1% and CoB declined ~10bp QoQ to ~7.3%, leading to ~10bp QoQ decline in spreads to ~1.8%. Reported NIM was stable QoQ at ~4.0%.
- Spreads expanded to 1.9% in 2QFY26 from 1.8% in 1QFY26 and 4QFY25 due to faster transmission of lower cost of funds. In 3QFY26, spreads normalized as portfolio yield transmission caught up, while part of the benefit from lower funding costs had already been captured.

Asset quality stable; credit costs remain benign

- Net credit costs rose sequentially to INR564m (inline). This translated into annualized credit cost of ~20bp (PQ: ~18bp and PY: ~15bp). Asset quality was largely stable with GS3/NS3 at 0.3%/0.1%. PCR rose ~3pp QoQ to ~58.8%. (PQ: ~55.6%).
- Reported RoA/RoE in 3QFY26 stood at ~2.3%/12.3% (2QFY26: RoA/RoE: 2.3%/12.2%). Leverage stood at 5.5x and CRAR stood at ~23.15% as of Dec'25.
- BHFL's strategic framework will continue to be anchored in prime housing as the low-risk stability base, while non-prime and affordable segments will be used to enhance returns without increasing the overall portfolio risk.

Highlights from the management commentary

- Management said that after the RBI's Nov'25 circular removed the earlier illustration on tranche-based provisioning, the company has conservatively started providing capital on the entire undisbursed portion of under-construction home loans and construction finance, instead of only up to the next tranche. This has led to a sharper decline in Tier-1 in the quarter.
- BHFL shared that portfolio attrition was ~20%, driven mainly by BT-OUTs, which account for 60-70% of run-off, natural attrition is about 4-5% and the remainder comes from customer prepayments.

Valuation and view

- BHFL delivered a healthy performance in 3QFY26 with healthy AUM and disbursement growth across products, despite heightened competition. The company was successful in maintaining its margins, despite a declining interest rate environment, while maintaining pristine asset quality.
- BHFL is a strong franchise, well-positioned to handle rising competition and a declining interest rate environment while maintaining healthy growth and profitability. However, the current valuation of 2.9x FY27E already reflects its medium-term growth potential and profitability. Hence, we maintain Neutral rating on the stock with a TP of INR100 (based on 2.8x Dec'27E BVPS).
- Key risks: a) slowdown in the overall growth and demand environment, b) inability to drive NIM expansion amid competitive pricing, c) deterioration in the asset quality while scaling up the non-prime segments.

Quarterly performance
INR m

Particulars	FY25				FY26E				FY25	FY26E	3QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	20,635	22,269	23,220	23,737	24,926	26,144	26,973	28,084	89,862	1,06,127	27,347	-1
Interest expense	13,988	15,137	15,159	15,509	16,060	16,580	17,335	17,859	59,793	67,834	17,342	0
Net interest income	6,648	7,133	8,060	8,228	8,866	9,565	9,638	10,225	30,069	38,294	10,005	-4
Growth YoY (%)	9.7	13.0	24.9	30.9	33.4	34.1	19.6	24.3	19.7	27.4	24.1	
Other operating income	1,452	1,833	1,270	1,343	1,259	1,406	1,887	1,458	5,898	6,010	1,518	24
Net total income	8,100	8,966	9,331	9,571	10,125	10,970	11,525	11,683	35,967	44,303	11,523	0
Growth YoY (%)	15.3	17.9	25.1	33.4	25.0	22.4	23.5	22.1	23.0	23.2	23.5	
Operating expenses	1,701	1,840	1,846	2,078	2,145	2,147	2,316	2,331	7,464	8,939	2,238	3
Operating profits	6,399	7,126	7,485	7,493	7,980	8,823	9,209	9,352	28,503	35,365	9,285	-1
Growth YoY (%)	20.1	20.1	30.8	43.1	24.7	23.8	23.0	24.8	28.3	24.1	24.0	
Provisions	100	50	355	296	411	497	564	531	801	2,002	553	2
Profit before tax	6,299	7,076	7,130	7,198	7,569	8,327	8,645	8,821	27,702	33,363	8,732	-1
Tax expenses	1,473	1,620	1,650	1,331	1,736	1,897	1,997	1,643	6,073	7,273	1,965	2
Net profit	4,826	5,456	5,480	5,867	5,833	6,430	6,649	7,178	21,629	26,090	6,767	-2
Growth YoY (%)	4.5	20.9	25.4	53.8	20.9	17.8	21.3	22.4	24.9	20.6	23.5	

Key Parameters (%)

Reported Yields	9.8	9.9	9.8	9.70	9.50	9.3	9.1	0.00
Reported Cost of funds	7.9	7.9	7.9	7.90	7.70	7.4	7.3	0.00
Spread	1.9	1.9	1.9	1.80	1.80	1.9	1.8	0.00
Reported NIMs	3.9	4.1	4.0	4.0	4.0	4.0	4.0	0.0
Credit cost on loans	0.0	0.0	0.15	0.12	0.16	0.18	0.20	0.17
Cost to Income Ratio (%)	21.0	20.5	19.8	21.7	21.2	19.6	20.1	19.9
Tax Rate (%)	23.4	22.9	23.1	18.5	22.9	22.8	23.1	18.6

Balance Sheet Parameters

AUM (INR B)	971	1,026	1,083	1,147	1,204	1,267	1,334	1,410
Change YoY (%)	31.0	26.3	26.1	25.5	24.1	23.6	23.2	23.0
Loans (INR B)	853	899	956	995	1,059	1,131	1,173	1,272
% of AUM	87.9	87.6	88.2	86.8	88.0	89.2	87.9	0.0
Disbursements (INR B)	120	120	126	143	147	159	165	182
Change YoY (%)	15.6	-1.2	17.2	25.1	22.1	32.5	31.6	27.9
Borrowings (INR B)	733	745	792	820	885	941	983	1,038
Change YoY (%)	25.3	19.3	24.3	18.6	20.7	26.4	24.1	26.6

Asset Quality (%)

GS 3 (INR M)	2,360	2,580	2,810	2,870	3,150	2,980	3,190	0
G3 %	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0
NS 3 (INR M)	960	1,090	1,250	1,140	1,380	1,320	1,870	0
NS3 %	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
PCR (%)	59.3	57.8	55.5	60.3	56.2	55.6	58.8	0.0
ECL (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0

Return Ratios - YTD (%)

ROA (Rep)	2.3	2.5	2.4	2.4	2.3	2.3	2.3	0.0
ROE (Rep)	14.3	13.0	11.5	12.1	11.6	12.2	12.3	0.0

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- Opex/NTI is expected to decline to 14-15% over the next 3-4 years despite continued investments in Sambhav housing.
- Sambhav (near prime+ affordable) disbursements are expected to double over the next 12-15 months, with heavy investments in the business continuing for 2-3 years.
- Medium-term growth guidance remains intact, with near-term moderation in growth due to elevated BT-out driven by rate cuts.
- NTI is expected to decline by ~10bp in FY26 (vs. earlier expectation of 20bp decline)
- As attrition stabilizes, the company expects to return to its medium-term growth trajectory.

Financial highlights

- AUM grew 23% YoY, driven by healthy disbursement momentum despite elevated portfolio attrition.
- Quarterly AUM addition was INR66b in 3QFY26 vs. INR57b in 3QFY25.
- Disbursements grew 32% YoY to INR165b, reflecting sustained business traction.
- Growth was broad-based with home loans up 18%, LAP up 32%, LRD up 39% and developer finance up 18%.
- The company operates 221 branches across 178 locations.
- CRAR stood at a healthy 23.15% and the company continues to carry an AAA credit rating.
- Net total income grew 24% YoY, supported by higher assignment income and higher fee and commission income.
- ROA stood at 2.3% vs. 2.4% last year, while ROE improved to 12.3% from 11.5% in 3QFY25.
- Operating expenses grew 20% YoY, while NTI grew 24%, resulting in operating leverage.

Margins and Cost of funds

- Cost of funds declined by 50bp YoY and 5bp QoQ due to policy rate cuts and transmission on existing borrowings.
- Portfolio yields declined by 17bp following the 25 bps policy rate cut.
- Gross spreads declined by 12bp in the quarter as asset repricing caught up with earlier liability repricing.
- Spreads had expanded to 1.9% in 2QFY26 from 1.8% in 1QFY26 & 4QFY25 due to faster CoF transmission earlier. In 3QFY26, spreads normalized as portfolio yield transmission played out while some benefit from lower CoF was already reflected.
- The company currently operates at NTI of around 3.95-4%. NTI impact is now expected to be limited to 8-10bp versus earlier guidance of 20bp, helped by higher assignments. However, if the attrition rate increases, it can change going forward.

- About 60% of AUM and 52% of assets are floating-rate. 10-12% of the book is repo-linked (EBLR), while MCLR-linked loans have already seen a 60bp pass-through.
- No further rate pass-through is expected in the next 60 days with an assumption that no further cuts are expected in the upcoming MPC meeting.
- Incremental borrowing costs are lower than book CoF, which will result in decline in CoF going forward.
- Management expects a 25-30 bp reduction in CoF in FY27.
- Liquidity tightness is expected to normalize from April.

Asset quality

- Asset quality remained stable with GNPA at 27bp vs. 26bp in the previous quarter, while NNPA improved to 11bp.
- Provision coverage ratio remained strong at 58.8% and above 50% across all product lines.
- Home loan GNPA rose by 2bp sequentially to 34bp. LAP GNPA improved by 7bp to 52bp, while developer finance GNPA remained flat. Overall net NPA improved by 1bp on a sequential basis.
- Annualized credit cost was 19bp in 3QFY26 compared with 15bp in 3QFY25. In 3QFY25, a one-time overlay release of INR100m had reduced reported credit cost to 15 bps; adjusted credit cost would have been ~20 bps, making 3QFY26 broadly comparable.

Sambhav Housing: Near-prime & affordable segment

- Sambhav currently disburses INR3.25-3.5b per month and is targeting INR6b+ per month within the next 12-15 months.
- The platform operates across 73 urban and 72 tier-4 / rural locations.
- Sambhav AUM (near-prime + affordable) currently stands at ~INR50b+.
- Sambhav loans have two segments: near prime and affordable housing.
- Near prime: Near-prime loans have ticket sizes of INR4-6m with yields of 9-11%.
- Affordable housing loans: Affordable loans have ticket sizes of INR1.5-3.5m with yields of 11-13%, focused on deeper geographies of the top-36 markets and tier-4 / rural locations.
- The company is diversifying sourcing via under-construction developer counters (B2B), BT-in channels and dedicated LAP teams.
- About 35-40% of disbursements of total Sambhav disbursements are towards affordable segment, with the balance coming from near-prime segment.
- BT-in accounts for 27-30% of disbursements in these segments, with the rest coming from purchase and P+C.
- BT-in is sourced primarily through direct channels, with some contribution from intermediaries.
- The company uses four sourcing teams: internal data team, data & digital processing team (mainly for BT-ins), market intermediary team, and builder counter teams for fresh purchases, along with a dedicated LAP team.
- For the next 6-12 months, the affordable mix will remain broadly stable, while longer-term growth in disbursements will increasingly come from affordable housing.

- For the next 2-3 years, the company will remain focused on competitive markets where peers are present, before expanding further.

Prime, near-prime & affordable strategy

- Prime and super-prime home loans continue to be a key growth focus under the leadership of Jasminder.
- The company has strengthened structures in prime housing over the last 18 months and remains confident of continued volume growth.
- Near-prime and affordable housing, led by Mr Bansal, is expected to double its run-rate over the next 12-15 months.
- Management is not chasing market share in affordable housing through aggressive pricing and is focused on the upper end of the affordable segment for the next 12-18 months.
- The company remains largely formal in affordable and near-prime rather than operating in informal borrower segments.
- The strategic framework remains anchored in keeping prime housing as the low-risk stability anchor, while non-prime and affordable are used to optimize returns without compromising overall risk.

Attrition and BT-out

- Portfolio attrition runs at ~20% annually, including BT-outs, prepayments and natural churn.
- 60-70% of attrition is due to BT-outs, 4-5% is natural attrition, and the balance is customer prepayments.
- Around 40% of applications move out within a 90-day period.
- Repayment rates across the industry, including the company, remain elevated at 18-20%, and this has been factored into FY26 guidance.
- 55-60% of loans sanctioned get logged into the system, and about 75% of those get disbursed.

Assignments

- INR34.7b of loans were assigned during the quarter, representing ~2.6% of the balance sheet.
- INR900m of income came from derecognition of assigned loans, with non-interest income broadly stable YoY for 9MFY26.
- In 3QFY26, the company assigned non-home loans in line with its policy to meet PBC requirements.
- If non-home loans grow faster than home loans, the company will increase assignments in the non-home loans segment.

Tier 1 capital

- Management said that after RBI issued a consolidated prudential circular in November, an earlier illustration that allowed capital provisioning only up to the next disbursement tranche for under-construction home loans and construction finance was removed.
- In the absence of explicit guidance, the company has taken a conservative approach by providing capital on the entire undisbursed portion of these loans rather than just the next tranche.

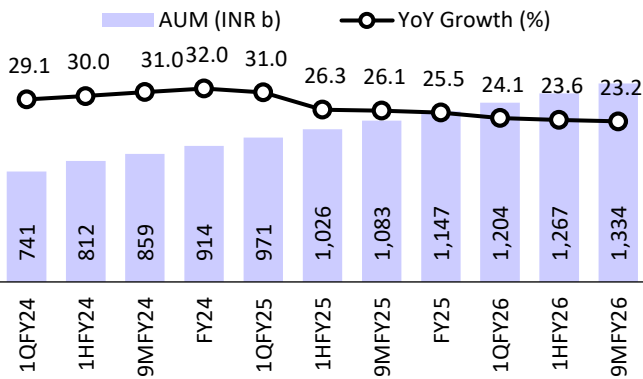
- This led to a sharper drop in Tier-1 capital in the current quarter.
- Management clarified that this impact is mainly on under-construction home loans, where the undisbursed portion is meaningful today.
- Over time, as older sanctions keep getting disbursed, the build-up of undisbursed balances will reduce even if fresh volumes grow.
- However, until there is regulatory clarity from RBI, the company will continue to conservatively provide capital on the entire undisbursed amount for both existing and new loans, since the earlier illustration that allowed provisioning only up to the next tranche has been removed.

Management structure

- The sales team comprises ~600 employees, with ~900 front-end staff.
- Credit and operations have ~150 people, while collections operate in a horizontal structure.
- The three business verticals are: Prime housing led by Jasinder, Near-prime & affordable housing led by Mr Bansal and Commercial lending (construction finance, LRD, developer loans) led by Vipin.

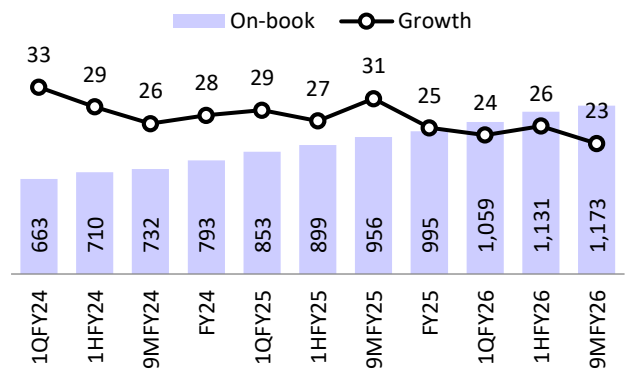
Key exhibits

Exhibit 1: AUM grew 23% YoY....



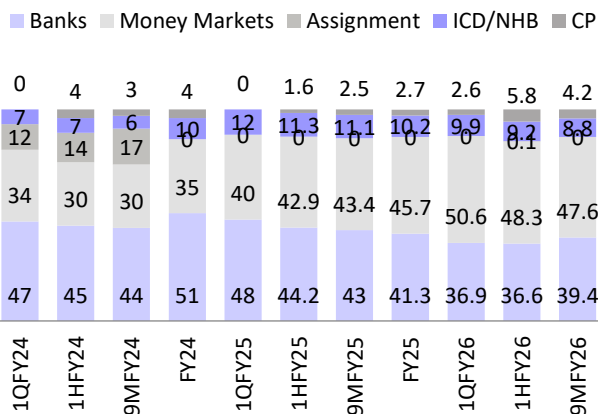
Source: MOFSL, Company

Exhibit 2: ...while on-book loans also grew 23% YoY



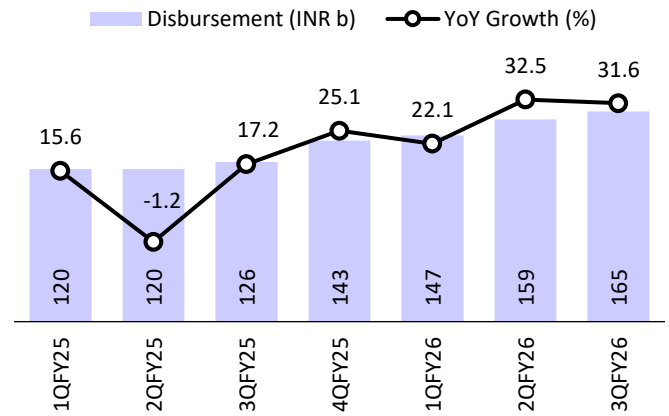
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



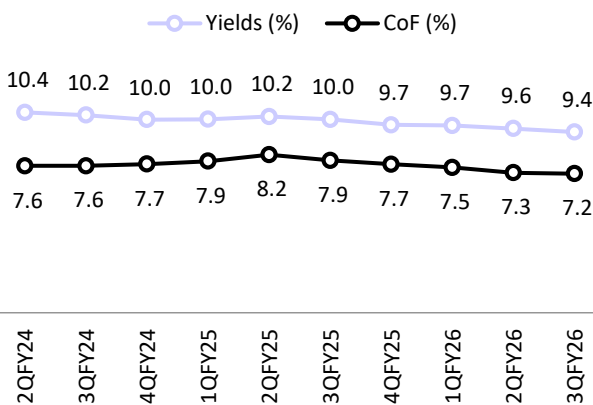
Source: MOFSL, Company

Exhibit 4: Disbursements in 3QFY26 grew ~32% YoY



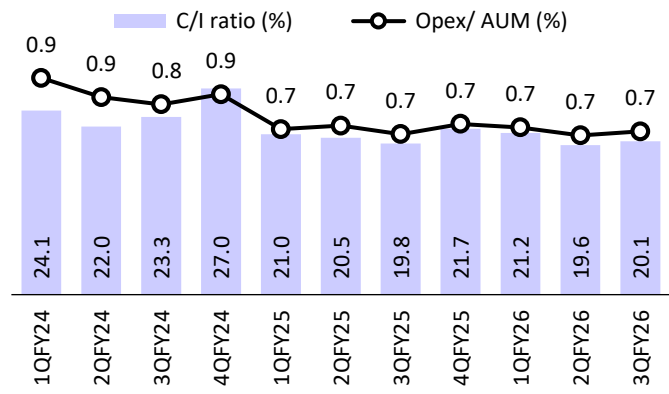
Source: MOFSL, Company

Exhibit 5: Reported spreads declined ~10bp QoQ (%)



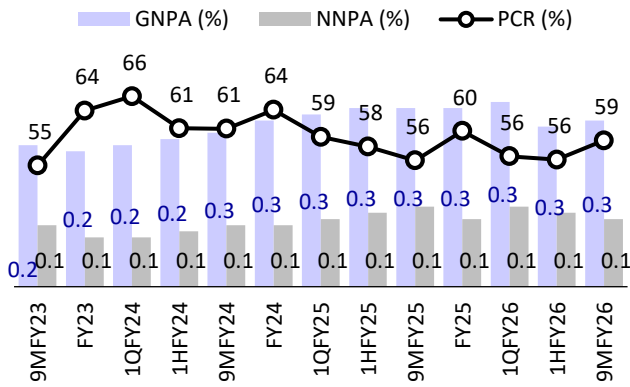
Source: MOFSL, Company, Calculated

Exhibit 6: C/I ratio rose ~50bp QoQ (%)



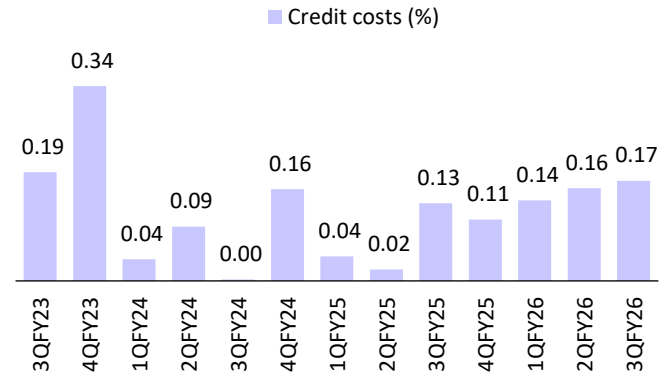
Source: MOFSL, Company, Calculated

Exhibit 7: GNPA/NNPA remained stable QoQ



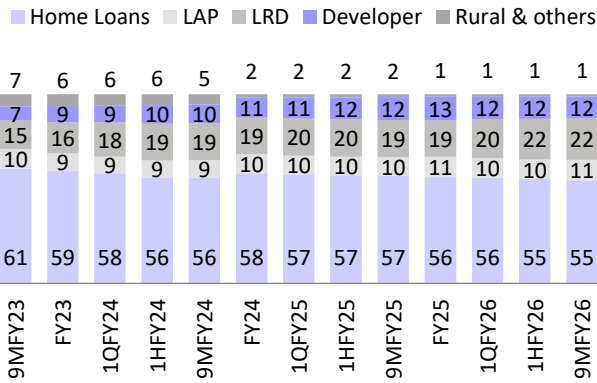
Source: MOFSL, Company

Exhibit 8: Credit cost broadly stable QoQ



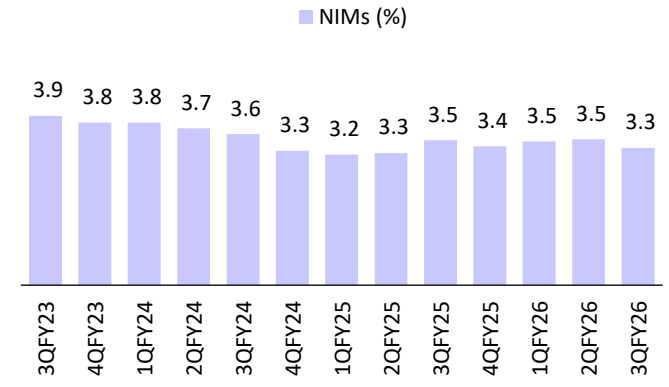
Source: MOFSL, Company

Exhibit 9: AUM mix (%)



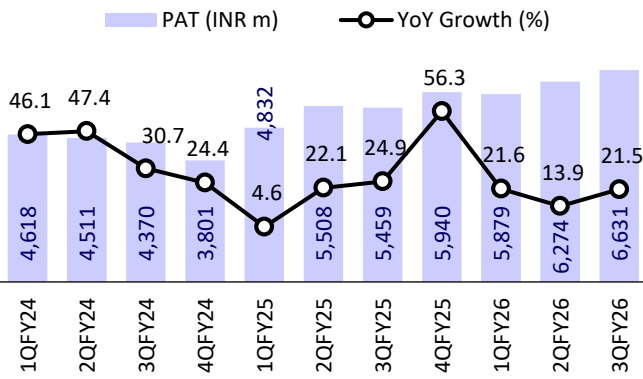
Source: MOFSL, Company

Exhibit 10: NIMs remained steady sequentially



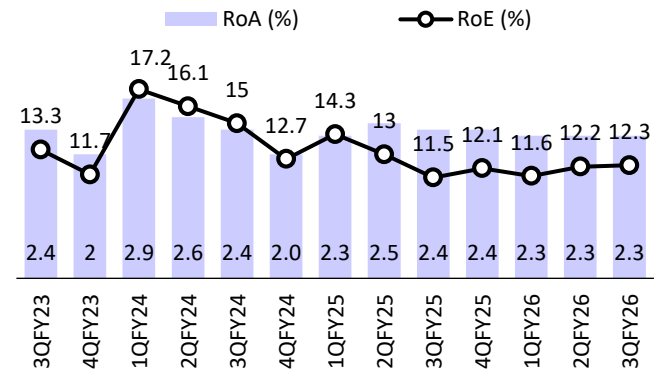
Source: MOFSL, Company

Exhibit 11: PAT grew ~21% YoY



Source: MOFSL, Company

Exhibit 12: ROA/ROE stood at 2.3%/12.3%



Source: MOFSL, Company

Exhibit 13: We keep our estimates broadly unchanged

INR b	Old Estimates			New Estimates			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII	107.2	130.6	158.8	106.1	128.9	157.0	-1.0	-1.3	-1.1
Other Income	5.8	7.0	8.2	6.0	7.5	9.0	4.3	8.1	9.3
Total Income	113.0	137.5	167.0	112.1	136.4	166.0	-0.8	-0.8	-0.6
Operating Expenses	8.9	10.2	11.7	8.9	10.3	11.8	0.5	0.4	0.4
Operating Profits	36.0	44.0	53.8	35.4	43.5	53.6	-1.6	-1.1	-0.4
Provisions	2.0	2.5	3.0	2.0	2.4	3.1	-1.4	-1.1	0.7
PBT	33.9	41.5	50.7	33.4	41.1	50.5	-1.7	-1.1	-0.5
Tax	7.4	9.0	11.0	7.3	8.9	11.0	-1.7	-1.1	-0.5
PAT	26.5	32.5	39.7	26.1	32.2	39.5	-1.7	-1.1	-0.5
AUM	1,410	1,745	2,125	1,410	1,744	2,128	0.0	-0.1	0.1
Borrowings	1,044	1,304	1,598	1,038	1,294	1,596	-0.6	-0.8	-0.1
NIM (%)	3.5	3.4	3.4	3.4	3.3	3.3			
ROA (%)	2.3	2.3	2.3	2.3	2.3	2.3			
RoE (%)	12.5	13.4	14.3	12.3	13.3	14.2			

Source: MOFSL estimates

Financials and Valuation

Income Statement

	INR m								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	23,031	28,774	34,818	52,692	72,024	89,862	1,06,127	1,28,930	1,57,045
Interest Expenses	16,160	19,659	21,553	32,113	46,926	59,793	67,834	82,665	1,00,737
Net Interest Income	6,871	9,116	13,264	20,579	25,098	30,069	38,294	46,265	56,308
Change (%)	119.4	32.7	45.5	55.1	22.0	19.8	27.4	20.8	21.7
Other Income	3,432	2,779	2,854	3,962	4,154	5,898	6,010	7,545	9,005
Total Income	10,302	11,894	16,118	24,541	29,251	35,967	44,303	53,810	65,313
Change (%)	121.7	15.5	35.5	52.3	19.2	23.0	23.2	21.5	21.4
Total Operating Expenses	3,384	3,290	4,709	6,306	7,029	7,464	8,939	10,290	11,753
Change (%)	13.8	-2.8	43.1	33.9	11.5	6.2	19.8	15.1	14.2
Employee Expenses	2,485	2,458	3,488	4,351	4,656	4,836	5,755	6,561	7,414
Depreciation	231	218	258	334	396	412	473	544	626
Other Operating Expenses	668	615	963	1,620	1,977	2,216	2,710	3,185	3,714
Operating Profit	6,918	8,604	11,409	18,236	22,222	28,503	35,365	43,520	53,559
Change (%)	313.3	24.4	32.6	59.8	21.9	28.3	24.1	23.1	23.1
Total Provisions	1,243	2,472	1,811	1,235	609	801	2,002	2,447	3,060
% Loan loss provisions to Avg loans ratio	0.5	0.8	0.5	0.2	0.1	0.1	0.2	0.2	0.2
PBT	5,675	6,132	9,599	17,001	21,613	27,702	33,363	41,073	50,499
Tax Provisions	1,461	1,600	2,500	4,423	4,301	6,073	7,273	8,913	10,958
Tax Rate (%)	25.8	26.1	26.0	26.0	19.9	21.9	21.8	21.7	21.7
PAT	4,213	4,532	7,098	12,578	17,312	21,629	26,090	32,160	39,541
Change (%)	307	8	57	77	38	25	21	23	23

Balance Sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	48,833	48,833	48,833	67,122	67,122	83,282	83,282	83,282	83,282
Reserves & Surplus	7,018	11,489	18,580	37,910	55,213	1,16,187	1,42,276	1,74,436	2,13,977
Net Worth	55,851	60,322	67,414	1,05,032	1,22,335	1,99,468	2,25,558	2,57,718	2,97,259
Borrowings	2,56,004	3,16,006	4,14,923	5,37,454	6,91,293	8,20,719	10,37,735	12,94,131	15,96,461
Change (%)	68.0	23.4	31.3	29.5	28.6	18.7	26.4	24.7	23.4
Other liabilities	1,869	2,256	2,934	4,056	4,643	7,900	9,123	10,452	11,978
Total Liabilities	3,13,724	3,78,584	4,85,271	6,46,541	8,18,271	10,28,088	12,72,416	15,62,301	19,05,698
Investments	25,080	32,660	12,483	20,009	19,386	25,333	26,600	27,930	29,326
Loans	2,79,754	3,34,189	4,64,821	6,21,139	7,93,008	9,95,129	12,33,930	15,20,897	18,61,979
Change (%)	61.4	19.5	39.1	33.6	27.7	25.5	24.0	23.3	22.4
Other assets	8,890	11,734	7,967	5,393	5,878	7,626	11,886	13,474	14,392
Total Assets	3,13,724	3,78,584	4,85,271	6,46,541	8,18,271	10,28,088	12,72,416	15,62,301	19,05,698

E: MOFSL Estimates

Financials and Valuation

AUM Mix	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	3,27,050	3,88,710	5,33,220	6,92,280	9,13,700	11,46,840	14,10,342	17,44,181	21,27,915
Change (%)	86	19	37	30	32	26	23	24	22
On Books AUM	2,79,754	3,34,189	4,64,821	6,21,139	7,93,008	9,95,129	12,33,930	15,20,897	18,61,979
% of AUM	86	86	87	90	87	87	87	87	88
Off Books AUM	47,296	54,521	68,399	71,141	1,20,693	1,51,711	1,76,412	2,23,284	2,65,936
% of AUM	14	14	13	10	13	13	13	13	12
Disbursements	0	0	2,61,752	3,43,336	4,46,562	4,98,800	6,53,428	7,71,045	8,98,267
Growth YoY (%)		0	0	31	30	12	31	18	17

Ratios (%)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Avg. Yield on Loans	10.1	9.2	8.7	9.6	10.0	9.8	9.3	9.2	9.1
Avg Cost of Funds	7.9	6.9	5.9	6.7	7.6	7.9	7.3	7.1	7.0
Spread of loans	2.2	2.4	2.8	2.9	2.4	1.9	2.0	2.1	2.1
NIM (on loans)	3.0	3.0	3.3	3.8	3.5	3.3	3.4	3.3	3.3

Profitability Ratios (%)

RoE	9.1	7.8	11.1	14.6	15.2	13.4	12.3	13.3	14.2
RoA	1.7	1.3	1.6	2.2	2.4	2.3	2.3	2.3	2.3
Cost/Income	32.8	27.7	29.2	25.7	24.0	20.8	20.2	19.1	18.00
Opex to avg. assets	1.3	1.0	1.1	1.1	1.0	0.8	0.8	0.7	0.7

Asset quality	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA (INR m)	233	1,191	1,464	1,373	2,156	2,870	3,899	5,007	6,239
GNPA (%)	0.08	0.35	0.31	0.22	0.27	0.29	0.31	0.33	0.33
NNPA (INR m)	143	739	669	500	782	1,140	1,677	2,203	2,745
NNPA (%)	0.05	0.22	0.14	0.08	0.10	0.11	0.14	0.14	0.15
PCR (%)	38.66	37.95	54.30	63.61	63.75	60.28	57.00	56.00	56.00
Credit costs	0.49	0.69	0.39	0.20	0.08	0.08	0.16	0.16	0.16

Valuation	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
No. of Shares (m)	4,883	4,883	4,883	6,712	6,712	8,328	8,328	8,328	8,328
EPS	0.9	0.9	1.5	1.9	2.6	2.6	3.1	3.9	4.7
EPS Growth (%)	196.2	7.6	56.6	28.9	37.6	0.7	20.6	23.3	23.0
Price-Earnings (x)	104	97	62	48	35	35	29	23	19
Book Value (INR)	11	12	14	16	18	24	27	31	36
BVPS Growth (%)		-27	47	14	23	91	-58	9	8
Price-BV (x)	7.8	7.3	6.5	5.7	4.9	3.7	3.3	2.9	2.5
DPS (INR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	-	-	-	-	-	-	-	-	-

E: MOSL Estimates

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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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@motalalosal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motalalosal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motalalosal.com
Mr. Ajay Menon	022 40548083	am@motalalosal.com
Mr. Neeraj Agarwal	022 40548085	na@motalalosal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motalalosal.com

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