

Bloomberg	ABCAP IN
Equity Shares (m)	2617
M.Cap.(INRb)/(USDb)	906.3 / 9.5
52-Week Range (INR)	369 / 186
1, 6, 12 Rel. Per (%)	10/10/76
12M Avg Val (INR M)	1857

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
PBT Break-up			
NBFC	41.7	54.4	68.6
Housing	8.3	13.2	19.0
AMC	12.8	14.9	16.8
Life Insurance	2.6	2.9	3.2
Health Insurance	0.3	1.5	1.5
Other businesses	0.8	1.0	1.0
Consolidation adjustments	-4.7	-4.6	-4.5
Consol PBT	61.8	83.3	105.8
Consol PAT Post MI and others	38.0	48.3	63.1
Growth (%)	14.0	27.3	30.5
RoE (%)	11.7	13.5	15.7
Con PE	24.2	18.8	14.4
Cons. PBV	2.7	2.4	2.1

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	68.5	68.6	68.8
DII	13.8	14.7	9.8
FII	7.7	5.8	8.8
Others	10.0	10.9	12.6

FII Includes depository receipts

CMP: INR346

TP: INR430 (+24%)

Buy

Strong execution across business segments

Lending (HFC+NBFC) book grew ~32% YoY; NBFC GS2+G3 down ~40bp QoQ

- Aditya Birla Capital's (ABCAP) 4QFY26 consolidated revenue grew 12% YoY to ~INR159b and consolidated PAT (excl. one-off items) grew ~30% YoY to ~INR11.2b. FY26 PAT grew ~21% YoY to INR38b
- Overall lending book (NBFC and Housing) grew 32% YoY/9% QoQ to ~INR2.08t. Total AUM (AMC, Life insurance and health insurance) grew ~16% YoY to INR5.91t. Mutual fund quarterly average AUM grew 14% YoY to INR4.36t.
- Life Insurance individual FYP grew by ~15% YoY to INR47.2b in FY26 and Health Insurance GWP grew ~39% YoY to INR68.5b in FY26. Udyog plus, a B2B platform for MSMEs, scaled up to AUM of INR58b.

NBFC: AUM up ~27% YoY; NIM declines ~4bp QoQ

- NBFC loan book grew ~27% YoY and 8% QoQ to ~INR1.6t. 4QFY26 disbursements grew ~28% YoY and ~16% QoQ to ~INR250b.
- NIM declined ~4bp QoQ to 6.08%. PBT grew ~26% YoY to INR11b. FY26 PBT grew 20% YoY to INR40b. 4QFY26 RoA stood at ~2.3%.
- The company reported a sequential improvement in asset quality, with GS2 + GS3 assets declining ~40bp QoQ to ~2.4%.
- Management shared that its asset quality remains strong, with continued improvement across product segments, including unsecured business loans and the personal and consumer (P&C) segment. Credit costs stood at ~1.04% (PQ: 1.23%) in 4QFY26. Management highlighted that credit costs are at their lowest levels in the past few years and expects them to remain broadly stable at ~1.1-1.2% in FY27. We estimate credit costs of 1.2%/1.25% in FY27/FY28E.
- Management indicated that the retail and MSME segments will continue to be the primary growth drivers, with sustained emphasis on deepening customer relationships and expanding digital sourcing platforms. With an improving credit environment, the share of unsecured and P&C segments in the loan mix is expected to increase by ~2pp over the next few quarters, which should support NIM expansion of ~25bp.

HFC: Robust growth in HFC AUM; asset quality improves further

- HFC AUM grew 53% YoY/12% QoQ to ~INR475b. 4Q disbursements grew 37% YoY/29% QoQ to ~INR80b. NIM declined ~8bp QoQ to ~4.05%
- PBT grew more than 2x YoY to INR2.55b. 4Q RoA stood at 2.07%. Asset quality improved with GS2+ GS3 declining ~20bp QoQ to ~0.75%. S3 PCR rose ~15bp QoQ to ~59%.
- Management indicated plans to open ~100 branches in FY27, with a focus on Tier 2 and Tier 3 markets to enhance penetration. The company targets AUM of INR1t over the next 24-30 months, indicating strong growth visibility. We model loan book CAGR of ~38% over FY26-FY28E.

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com) | Pranav Nawale (Pranav.Nawale@MotilalOswal.com)

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

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

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

Asset Management: QAAUM rose ~14% YoY; Equity QAAUM grew 17% YoY

- Mutual fund Quarterly Average AUM (QAAUM) rose 14% YoY to ~4.36t with equity mix at 45.3%. Individual monthly average AUM grew by 8% YoY to INR1.99t as of Mar'26.
- Equity QAAUM grew ~17% YoY to INR1.97t.

Life Insurance: Individual FYP grew ~15% YoY; 13M persistency at 86%

- Individual FYP grew 15% YoY to ~INR47.2b, while renewal premium grew 17% YoY to INR12.2b in FY26.
- Value of new business (VNB) grew by 29% YoY to INR10.5b in FY26 and Net VNB margin rose 260bp YoY to ~20.6% as of Mar'26. 13M persistency stood at 86% in FY26.
- Management guided for a ~20-22% CAGR in individual FYP over the next three years, with a continued focus on expanding VNB margin to over 18%.

Health Insurance: GWP grew 39% YoY; market share stood at 13.7%

- GWP in the Health insurance segment grew 39% YoY to ~INR68.5b in FY26 and combined ratio stood at 103% in FY26.
- SAHI market share stood at ~13.7% in 4QFY26.

Highlights from the management commentary

- Management shared that there has been no material impact from geopolitical tensions in West Asia on the portfolio so far; however, the company remains cautious and continues to monitor macro developments closely.
- In the housing business, the company expects credit costs to remain stable, and with the benefit of further operating efficiencies, it has guided for RoA to be in the range of 2.0-2.1% in FY27. RoE is likely to remain at ~11.5-12.0% in the near term due to the recent capital infusion; however, it is expected to exceed 15% over the next 12-24 months.

Valuation and view

- ABCAP's operational metrics continued to strengthen during the quarter, with healthy loan growth across both HFC and NBFC segments. Asset quality improved further across all products, including the unsecured portfolio. While NIM exhibited some pressure during the quarter, management expects a recovery over the next couple of quarters, supported by a higher share of unsecured loans in the loan mix.
- We expect a consolidated PAT CAGR of ~30% over FY26-28. The thrust on cross-selling, investments in digital, and leveraging 'One ABC' should drive healthy profitability, resulting in RoE of ~16% by FY28E. **Reiterate BUY with an SoTP (Mar'28E)-based TP of INR430.**

ABCL: SOTP – Mar'28

	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
NBFC	100	562	5.9	216	50	1.8x PBV
HFC	86	195	2.0	75	17	2.0x PBV
AMC	45	153	1.6	59	14	27x Earnings
LI	51	150	1.6	58	14	1.3x EV
Health Ins	46	49	0.5	19	4	1.0x GWP
Others		6	0.1	2	0	
Target Value		1,114	11.7	430	100	

Quarterly Performance
(INR M)

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
ABFSL - NBFC arm										
Net Income	17,089	17,114	17,339	17,854	18,585	19,942	21,277	21,678	69,396	81,482
Opex	5,080	5,310	5,410	5,560	5,340	6,590	6,690	6,900	21,360	25,520
Cost to Income Ratio (%)	29.7	31.0	31.2	31.1	28.7	33.0	31.4	31.8	30.8	31.3
Operating Profits	12,009	11,804	11,929	12,294	13,245	13,352	14,587	14,778	48,036	55,962
Provisions	3,680	3,360	3,880	3,520	3,990	3,790	4,230	3,720	14,440	15,730
Profit Before Tax	8,329	8,444	8,049	8,774	9,255	9,562	10,357	11,058	33,596	40,232
Change YoY (%)	20.6	14.7	5.0	10.6	11.1	13.2	28.7	26.0	12.5	19.8
Consolidated Earnings										
Cons PBT Before JV Interest	12,437	16,057	11,840	16,807	14,061	13,824	15,163	18,112	49,078	60,343
Growth YoY %	23.1	51.3	9.8	22.4	13.1	-13.9	28.1	7.8	6.4	23.0
Lending	9,177	9,482	9,147	9,985	10,796	11,502	12,650	13,607	37,791	48,555
NBFC	8,329	8,444	8,049	8,774	9,255	9,562	10,357	11,058	39,268	41,680
HFC	848	1,038	1,098	1,211	1,541	1,940	2,294	2,549	4,194	8,323
AMC	3,045	3,351	2,999	3,050	3,723	3,156	3,583	2,194	12,387	12,791
Life Insurance	215	443	432	495	386	669	477	1,038	1,580	2,570
Health Insurance	-540	-653	-835	2,089	-372	-676	-793	2,145	60	305
Others*	540	3,434	97	1,188	-473	-828	-754	-872	-2,739	-3,879
Taxes	2,930	3,560	3,040	4,750	3,280	3,290	3,560	3,950	14,280	14,080
Tax rate %	23.6	22.2	25.7	28.3	23.3	23.8	23.5	21.8	29.1	23.3
Profit After Tax	7,650	8,540	7,150	8,860	8,500	8,820	9,654	11,647	32,200	38,621
MI and Others	200	200	160	210	160	270	210	360	770	1,000
PAT post MI and other adjustments	7,450	8,340	6,990	8,650	8,340	8,550	9,444	11,287	31,430	37,621
Growth YoY %	15	18	-5	7	12	3	35	30	8	20
Gain on Sale of stake in Subs/associate (net of tax)	140	1,660	90	0	0	0	0	0	1,890	-20
Reported PAT	7,590	10,000	7,080	8,650	8,340	8,550	9,444	11,287	33,320	37,601
Growth YoY %	16.9	41.8	-3.7	6.5	9.9	-14.5	33.4	30.5	-0.1	12.8
Details on lending business										
Loans (INR B)	1277	1379	1462	1574	1658	1779	1904	2074		
Change YoY (%)	27.2	26.6	26.9	26.9	29.9	28.9	30.3	31.7		
NBFC	1073	1147	1194	1264	1312	1396	1482	1599		
Change YoY (%)	24.9	22.7	21.1	19.6	22.3	21.7	24.1	26.6		
HFC	204	232	267	311	346	383	422	475		
Change YoY (%)	40.6	50.5	61.5	68.6	69.6	64.7	58.0	52.8		
Net Interest Margins										
NBFC	6.56	6.29	5.99	6.07	5.97	6.06	6.13	6.08		
HFC	4.24	4.22	4.06	4.07	4.16	4.02	4.13	4.05		
GNPA %										
NBFC	2.51	2.50	2.27	2.30	2.20	1.68	1.51	1.33		
HFC	1.60	1.30	0.99	0.66	0.62	0.61	0.54	0.44		
Details on Other business										
AMC Business										
QAAUM (INR B)	3,676	4,004	4,009	4,056	4,433	4,608	4,814	4,740		
Change YoY (%)	19.2	23.8	23.5	17.3	20.6	15.1	20.1	16.9		
Life Ins - 13th Mt persistency	88.0	88.0	87.0	88.0	87.0	86.0	84.0	86.0		

* Others includes Health Ins, PE, AB Money and inter group adjustment; Numbers may vary from actual reporting due to difference in reporting



Highlights from the management commentary

Opening remarks

- The company successfully completed an equity fund raise of INR27.5b in the housing finance subsidiary with participation from global investor, strengthening the capital base and supporting future growth.
- Asset quality trends remained strong across businesses, reflecting disciplined underwriting and a clear focus on return of capital despite a volatile macro environment.
- In the NBFC segment, GS2+GS3 declined by 38bp QoQ to 2.42%, while the housing finance business saw a 19bp QoQ improvement to 0.76%, indicating broad-based improvement in portfolio quality.
- There has been no material impact from geopolitical tensions in West Asia on the portfolio so far; however, management remains cautious and continues to monitor macro developments closely.

NBFC Business performance

- The NBFC business delivered strong momentum with AUM reaching INR1.59t, growing ~27% YoY and ~8% QoQ, making it one of the fastest-growing diversified NBFCs.
- Over the last three years, the company has nearly doubled both AUM and profitability, highlighting strong execution.
- AUM crossed INR1.5t during Feb'26, with retail and MSME segments surpassing INR1t, reinforcing the shift toward granular lending.
- Disbursements stood at ~INR250b in 4QFY26 (+16% QoQ), with ~85% of incremental growth driven by retail and MSME segments.
- Full-year disbursements grew ~25% YoY, with retail and MSME contributing ~68% of the overall AUM mix.
- Turnaround time (TAT) across retail and MSME segments reduced by ~30%, driven by digital infrastructure, automated underwriting engines and scorecard enhancements.
- The Udyog platform scaled significantly, doubling to INR58b, reflecting increasing traction in MSME ecosystems.

Guidance (NBFC)

- Management expects ~200 bps improvement in unsecured mix (P&C segment and Unsecured business loans) over the next two quarters, which could drive ~25bp margin expansion.
- Retail and MSME segments will remain the core growth drivers, with continued focus on deepening customer relationships and scaling digital sourcing platforms.
- The company expects credit costs to remain stable at ~1.1-1.2% even with higher unsecured mix.
- Margin expansion and operating leverage are expected to drive RoA toward ~2.5% by FY27.
- Growth in unsecured lending and calibrated expansion in P&C will be key drivers going forward.

Segmental performance (NBFC)

Personal & Consumer (P&C)

- P&C business witnessed strong recovery, with disbursements growing ~60% YoY for FY26 and AUM increasing ~38% YoY
- Portfolio mix improved to ~13.4% (+106 bps), although still below historical levels of ~19%.
- Cohort quality improved materially, supported by AI-led analytics, behavioral models and bot-driven collections, resulting in ~50% lower flow rates vs last year.
- GS2+GS3 in this segment declined ~50bp QoQ and ~260bp YoY, indicating strong credit normalization.

Secured MSME

- The company continues to maintain leadership in the secured MSME segment, with ~27% YoY growth.
- Asset quality remains robust, supported by strong borrower cash flows and secured lending structures.

Unsecured business loans

- Disbursements grew ~28% YoY in 4Q, supported by calibrated sourcing and continuous risk-cohort refinement.
- New product launches contributed ~20% of full-year disbursements, with strong traction in professional loans.
- ~40% of GS3 in unsecured loans is covered under government guarantee schemes; excluding this, GS3 stands at ~0.9%, indicating controlled risk.

Asset quality & credit costs (NBFC)

- Overall GS2+GS3 stood at ~2.4%, the lowest level in the last five years.
- ~72–73% of the loan book is secured, largely backed by appreciating collateral, providing structural stability.
- Credit costs declined to ~1.04% (down ~19 bps QoQ), among the lowest in the diversified NBFC space.
- Full-year credit cost stood at ~1.18%, also among the lowest in peers and at a multi-year low.
- The unsecured book remains well provided for, ensuring balance sheet resilience.

Margins (NBFC)

- Margins remained broadly stable during the quarter, with minor pressure due to MTM losses (~3-4 bps impact) and competitive intensity.
- No structural spread compression was observed across business segments.
- Current mix: P&C at ~13.4% and unsecured loans at ~11%, with combined higher-yield segments at ~23.4%.
- Management expects ~200 bps improvement in mix over the next two quarters, which could drive ~25 bps margin expansion.
- PAT for the quarter stood at INR8.2b (+8% QoQ), while full-year PAT was INR30b, with marginal RoA improvement QoQ.
- Cost efficiency remains strong with cost-to-income at ~1.93% for FY26 (~2% for the quarter), among the best in the industry.

- Incremental opex is driven by continued investments in retail/MSME scaling and digital capabilities.

AI, digital & operational efficiency (NBFC)

- AI is embedded across the entire loan lifecycle from origination (fraud detection, real-time analytics) to underwriting (AI/ML decisioning, credit copilots) and collections (bot-led engagement, pre-delinquency interventions).
- GenAI applications in customer service, grievance handling, documentation and training are improving productivity and scalability.
- AI-led interventions have enhanced self-cure rates, reduced delinquencies and improved overall collection efficiency.
- Streamlined underwriting processes and fewer approval layers have improved customer experience, reflected in higher NPS scores.

Housing Finance (HFC) performance

- FY26 was a strong year with disbursements at ~INR253b (+44% YoY) and AUM at INR470b (+50% YoY).
- Affordable housing contribution stood at ~17.4% of retail disbursements, supporting financial inclusion strategy.
- Asset quality improved significantly, with GS2+GS3 declining to ~0.76% (down ~63 bps YoY).
- Profitability strengthened with PAT of INR6.5b, while RoA and RoE improved to ~1.88% and ~14.27% respectively.
- The company achieved ~2.07% RoA ahead of earlier guidance, driven by operating leverage and execution strength.
- Digital transformation (initiated in FY23) has resulted in ~96% process digitization, with TAT improving from ~21 days to ~12 days.

Guidance (HFC)

- The company plans to open ~100 branches in FY27, focusing on Tier 2 and Tier 3 markets to deepen penetration.
- Targets AUM of INR1t over the next 24-30 months; indicates strong growth visibility.
- NIMs declined slightly in 4Q (4.13% to 4.07%) due to seasonality and competitive intensity.
- Other income declined due to lower direct assignment volumes, while MTM impact from bond yields also weighed on NII.
- NIM/NII expected to remain range-bound, supported by capital infusion.
- Cost-to-assets improved significantly (~2.94% to ~2.4%) and is expected to decline further to ~2.1-2.13% despite branch expansion.
- With stable credit costs (~28 bps) and improving efficiency, RoA is expected at ~2.1-2.15% in FY27.
- RoE is expected at ~11.5-12% in near term due to capital infusion, but likely to exceed 15% over the next 12-24 months.

AMC business

- Total AUM (including alternates) stood at INR4.24t (+17% YoY), with MFQAUM at INR4.36t (+14% YoY).

- Equity mutual fund AUM grew ~17% YoY to INR1.97t, supported by improved performance and flows.
- Revenues grew ~11% QoQ to INR12.8b, driven by strong SIP inflows and investor additions.
- Monthly SIP inflows remained steady (INR4b), with total folios reaching ~11m.
- Alternate assets (PMS/AIF) continued to scale, with strong pipeline and upcoming fund inflows.
- Digital and AI-led customer engagement initiatives (apps, chatbots, voice interfaces) are enhancing user experience.
- The company has also set up an IFSC platform at GIFT City to expand global opportunities.

Life Insurance business

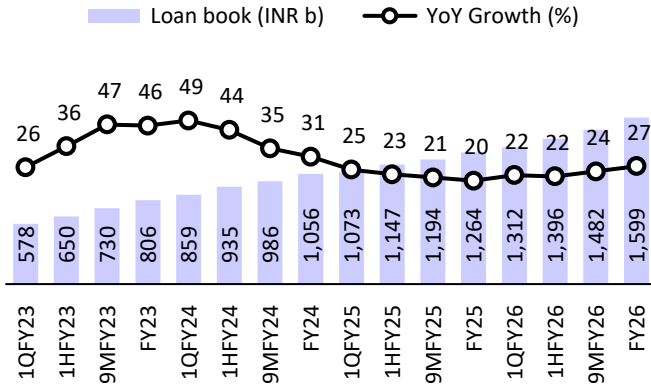
- The company outperformed industry growth with ~15% growth in individual business vs ~10% industry growth.
- Bancassurance channel remained a key driver (~23% growth), with improving share across partner banks.
- Product mix improved with higher share of protection/traditional products (~67%), supporting margins.
- Total premium grew ~20% YoY to INR248b, with strong persistency (~86.1%).
- Digital adoption remains high with ~83% premium collection digital and ~94% self-service ratio.
- Financial metrics remained healthy with solvency ~178%, RoEV ~13.2% and VNB margins ~20.6%.
- The company targets >20% APE growth over the next three years while maintaining VNB margins of ~18-20%.

Health Insurance business

- The company delivered strong growth with gross premiums of INR73b (+39% YoY), gaining market share (~13.7%).
- Retail segment grew ~43% YoY, supported by a large agent network and diversified distribution.
- Profitability was impacted by regulatory changes (GST, labor code), though underlying metrics improved.
- The “health-first” model is gaining traction, improving loss ratios (~7-8%) and persistency (~11%).
- AI-driven underwriting and claims processing (~25% automated) are improving efficiency and reducing costs.
- Strong digital engagement via platforms like Active Health app, with ~600k monthly active users.
- Outlook remains positive with continued focus on distribution expansion, digital investments and AI-led efficiencies.

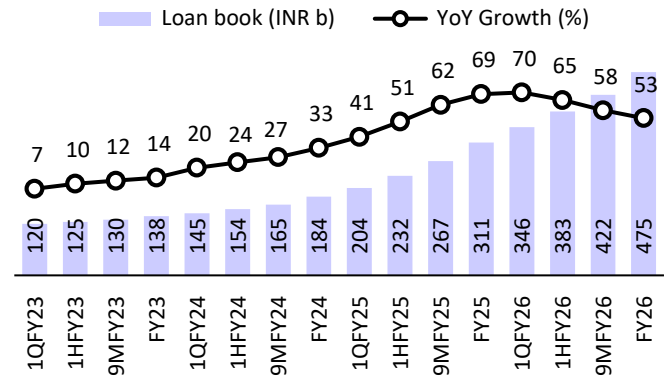
Key exhibits

Exhibit 1: NBFC loan book grew ~27% YoY



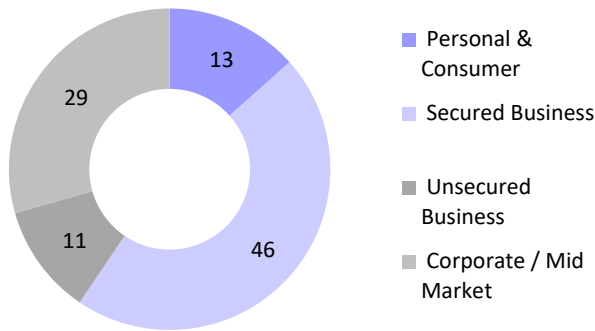
Source: MOFSL, Company

Exhibit 2: HFC loan book grew 53% YoY



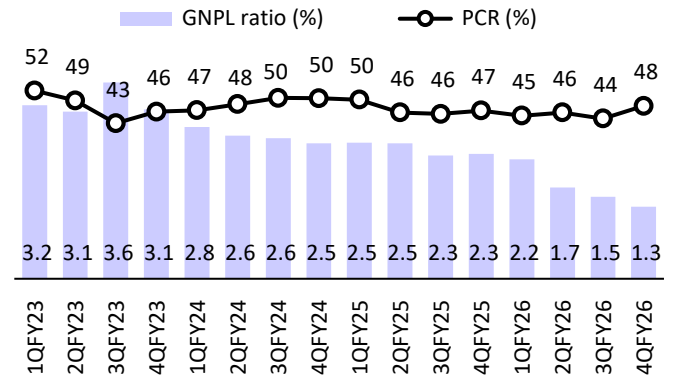
Source: MOFSL, Company

Exhibit 3: NBFC – Loan mix as of Mar'26 (%)



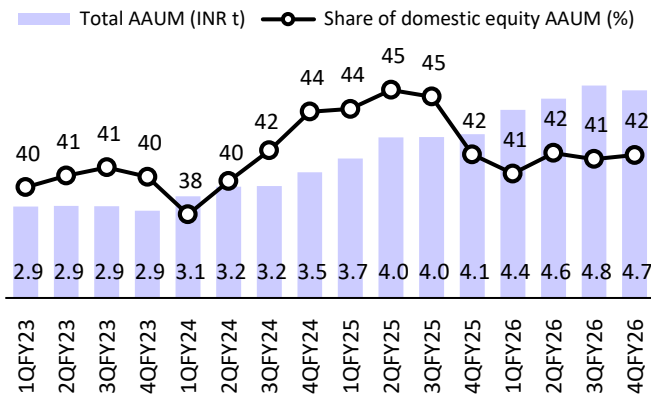
Source: MOFSL, Company;

Exhibit 4: NBFC GS3 improved 20bp QoQ to ~1.3%



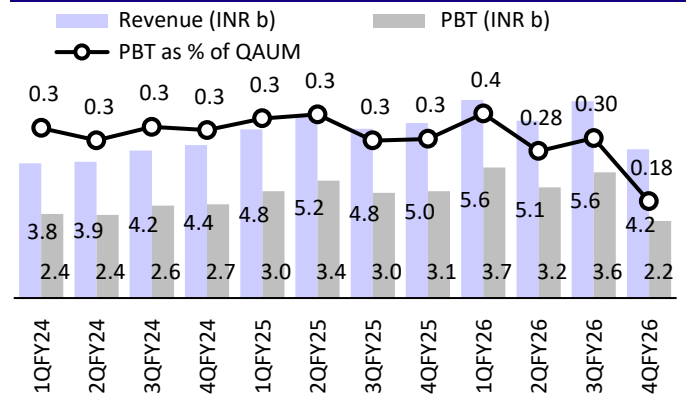
Source: MOFSL, Company; Note: NBFC segment

Exhibit 5: AMC segment - Total AAUM stood at ~INR4.7t



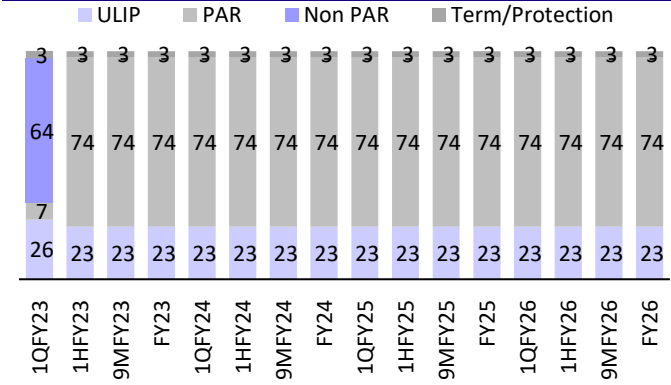
Source: MOFSL, Company

Exhibit 6: AMC: PBT margin declined to ~18bp



Source: MOFSL, Company, % of AAUM Annualized

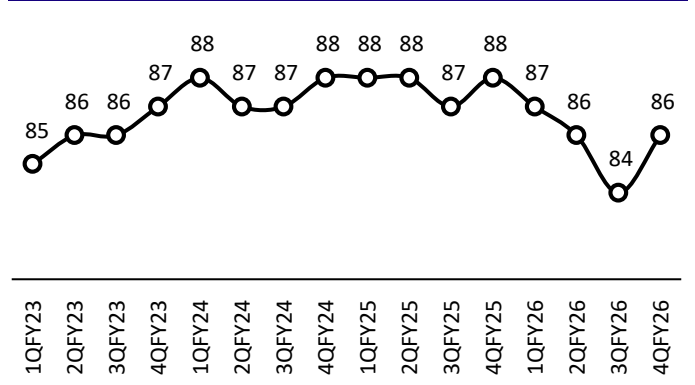
Exhibit 7: Product mix in ABSLI (%)



Source: MOFSL, Company

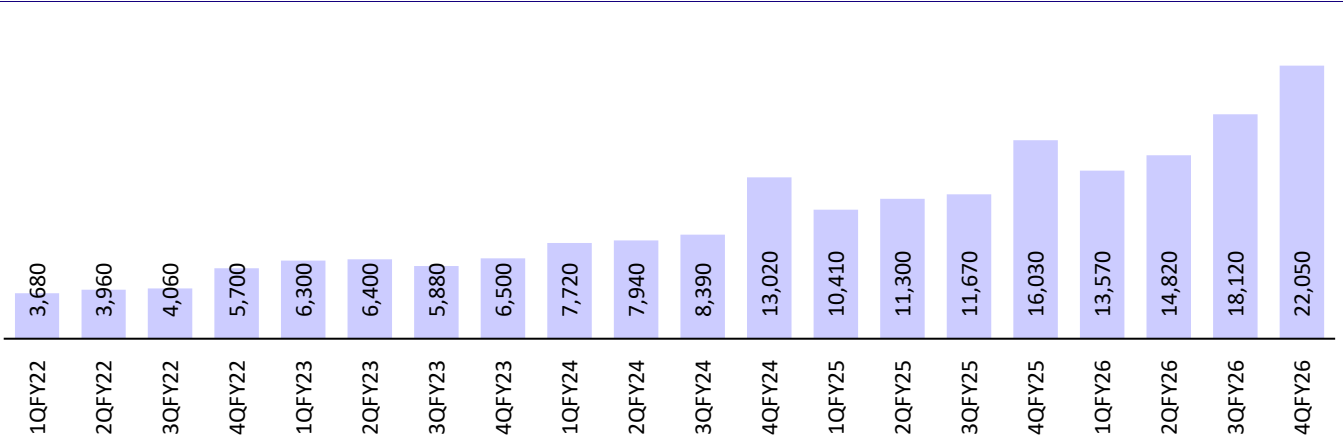
Note: Split of PAR and non-PAR not disclosed over 11 quarters

Exhibit 8: The 13-month persistency rose to ~86%



Source: MOFSL, Company

Exhibit 9: Trend in Health Insurance GWP (INR m)



Source: MOFSL, Company

Financials and valuations

Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
NBFC	10,529	10,314	14,883	20,902	29,871	39,268	41,680	54,370	68,626
Housing	1,362	1,764	2,533	3,085	3,765	4,194	8,323	13,209	19,032
AMC	6,609	6,958	8,948	7,939	10,084	12,387	12,791	14,887	16,846
Life Insurance	1,370	1,510	1,750	1,960	1,980	1,580	2,570	2,878	3,224
Health Insurance	-2,460	-2,000	-3,087	-2,180	-1,820	60	305	1,500	1,500
Other Businesses	590	931	1,217	1,439	1,364	1,386	787	1,017	1,047
Consolidation Adjustments	-1,128	256	-8,396	-6,909	897	-4,125	-4,666	-4,566	-4,466
Consolidated PBT	16,872	19,733	17,848	26,237	46,140	54,750	61,790	83,295	1,05,809
Taxes	5,804	6,096	6,267	8,112	13,180	17,450	17,120	25,821	32,801
<i>Tax Rate (%)</i>	<i>34.4</i>	<i>30.9</i>	<i>35.1</i>	<i>30.9</i>	<i>28.6</i>	<i>31.9</i>	<i>27.7</i>	<i>31.0</i>	<i>31.0</i>
Consolidated PAT	11,068	13,637	11,582	18,125	32,960	37,300	44,670	57,474	73,008
Share of JV and MI Adjustments	1,899	2,368	3,868	2,443	3,940	5,890	6,700	9,124	9,931
Other Adjustments	14	-2	1,610	27,390	4,330	1,910			
Consolidated PAT Post MI	9,169	11,269	17,060	47,958	33,350	33,320	37,970	48,349	63,078
% of Total PBT									
NBFC	62.4	52.3	83.4	79.7	64.7	71.7	67.5	65.3	64.9
Housing	8.1	8.9	14.2	11.8	8.2	7.7	13.5	15.9	18.0
AMC	39.2	35.3	50.1	30.3	21.9	22.6	20.7	17.9	15.9
Life Insurance	8.1	7.7	9.8	7.5	4.3	2.9	4.2	3.5	3.0
Health Insurance	-14.6	-10.1	-17.3	-8.3	-3.9	0.1	0.5	1.8	1.4
Other Businesses	3.5	4.7	6.8	5.5	3.0	2.5	1.3	1.2	1.0
Consolidation Adjustments	-6.7	1.3	-47.0	-26.3	1.9	-7.5	-7.6	-5.5	-4.2
Consolidated PBT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Change YoY %									
NBFC	-20.7	-2.0	44.3	40.4	42.9	31.5	6.1	30.4	26.2
Housing	26.9	29.5	43.6	21.8	22.0	11.4	98.4	58.7	44.1
AMC	2.2	5.3	28.6	-11.3	27.0	22.8	3.3	16.4	13.2
Life Insurance	4.2	10.2	15.9	12.0	1.0	-20.2	62.7	12.0	12.0
Other Businesses	42.7	57.8	30.8	18.3	-5.3	1.7	-43.2	29.2	2.9
Consolidation Adjustments	-43.9								
Consolidated PBT	-17.9	17.0	-9.6	47.0	75.9	18.7	12.9	34.8	27.0
Taxes	-24.4	5.0	2.8	29.4	62.5	32.4	-1.9	50.8	27.0
Consolidated PAT	-13.9	23.2	-15.1	56.5	81.8	13.2	19.8	28.7	27.0
Minority Interest	17.3	24.7	63.3	-36.8	61.3	49.5	13.8	36.2	8.8
Consolidated PAT Post MI	-18.4	22.9	51.4	181.1	-30.5	-0.1	14.0	27.3	30.5

Financials and valuations

BALANCE SHEET									(INR m)
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
ESC	24,138	24,153	24,163	24,180	26,000	26,070	26,196	25,937	25,937
Reserves and Surplus	1,01,620	1,13,273	1,30,758	1,78,928	2,42,172	2,77,817	3,18,035	3,48,125	4,01,272
Networth	1,25,758	1,37,426	1,54,921	2,03,108	2,68,173	3,03,887	3,44,231	3,74,062	4,27,209
Non Controlling Interest	13,196	14,848	15,986	15,093	18,205	19,583	23,443	35,408	45,338
Borrowings	5,56,298	5,26,750	5,80,519	8,43,208	10,95,401	13,93,474	17,88,797	23,05,687	29,17,096
Change (%)	-1.2	-5.3	10.2	45.3	29.9	27.2	28.4	28.9	26.5
Insurance Business Related	4,12,645	5,24,765	6,08,734	6,90,899	8,53,885	9,83,506	10,73,776	11,81,153	12,99,269
Change (%)	2.8	27.2	16.0	13.5	23.6	15.2	9.2	10.0	10.0
Other liabilities	30,020	39,175	51,235	55,233	85,355	90,164	1,23,685	1,22,255	1,52,307
Change (%)	17.8	30.5	30.8	7.8	54.5	5.6	37.2	28.7	24.6
Total Liabilities	11,37,917	12,42,963	14,11,395	18,07,541	23,21,018	27,90,614	33,53,931	41,01,841	49,13,736
Customer assets	6,32,618	6,17,017	6,92,424	9,87,538	13,16,047	16,04,726	20,49,277	26,64,574	33,38,266
Change (%)	-0.8	-2.5	12.2	42.6	33.3	21.9	27.7	30.0	25.3
Fixed Assets	12,550	13,038	13,500	13,228	17,466	20,513	21,142	20,471	22,252
Change (%)	35.5	3.9	3.5	-2.0	32.0	17.4	3.1	-3.2	8.7
Insurance Business Related	4,28,267	5,48,472	6,32,012	7,07,526	8,66,583	10,02,672	11,04,266	12,20,799	13,50,206
Change (%)	3.4	28.1	15.2	11.9	22.5	15.7	10.1	10.6	10.6
Other assets	64,483	64,437	73,459	99,250	1,20,923	1,62,703	1,79,245	1,64,794	1,91,713
Change (%)	81.2	-0.1	14.0	35.1	21.8	34.6	10.2	-3.6	16.3
Total Assets	11,37,917	12,42,963	14,11,395	18,07,541	23,21,018	27,90,614	33,53,931	41,01,841	49,13,736

Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
NBFC	80,782	88,379	98,604	1,14,262	1,52,435	1,85,936	2,17,011	2,57,462	3,08,520
Housing	13,829	15,192	17,210	19,680	22,598	37,831	59,788	97,577	1,12,403
AMC	13,041	17,109	21,896	25,204	32,160	37,040	40,166	44,397	49,186
Life Insurance	26,574	26,574	29,368	32,086	38,041	42,432	45,002	47,880	51,104
Other Businesses	2,112	2,799	3,178	3,786	4,799	3,958	8,992	9,809	10,656
Consolidation Adjustments	2,618	2,223	652	23,182	36,345	16,273	-9,838	-47,657	-59,322
Consolidated Network	1,38,954	1,52,274	1,70,907	2,18,201	2,86,378	3,23,471	3,61,121	4,09,470	4,72,547
Of which Non controlling Int	13,196	14,848	15,986	15,093	18,205	19,583	26,283	35,408	45,338
Consolidated NW Post NCI	1,25,758	1,37,426	1,54,921	2,03,108	2,68,173	3,03,887	3,34,837	3,74,062	4,27,209
% of Total Network									
NBFC	58.1	58.0	57.7	52.4	53.2	57.5	60.1	62.9	65.3
Housing	10.0	10.0	10.1	9.0	7.9	11.7	16.6	23.8	23.8
AMC	9.4	11.2	12.8	11.6	11.2	11.5	11.1	10.8	10.4
Life Insurance	19.1	17.5	17.2	14.7	13.3	13.1	12.5	11.7	10.8
Other Businesses	1.5	1.8	1.9	1.7	1.7	1.2	2.5	2.4	2.3
Consolidation Adjustments	1.9	1.5	0.4	10.6	12.7	5.0	-2.7	-11.6	-12.6
Consolidated Network	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Change YoY %									
NBFC	8.9	9.4	11.6	15.9	33.4	22.0	16.7	18.6	19.8
Housing	16.2	9.9	13.3	14.4	14.8	67.4	58.0	63.2	15.2
AMC	7.3	31.2	28.0	15.1	27.6	15.2	8.4	10.5	10.8
Life Insurance	8.5	0.0	10.5	9.3	18.6	11.5	6.1	6.4	6.7
Other Businesses	-9.1	32.5	13.5	19.1	26.7	-17.5	127.2	9.1	8.6
Consolidation Adjustments	-114.3	-15.1	-70.7	3,456.2	56.8	-55.2	-160.5	384.4	24.5
Consolidated Network	30.2	9.6	12.2	27.7	31.2	13.0	11.6	13.4	15.4

Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Valuations									
Consolidated BV	52	57	64	84	103	117	131	144	165
Change YoY	21	9	13	31	23	13	13	10	14
Con PBV	6.7	6.2	5.5	4.2	3.4	3.0	2.7	2.4	2.1
Consolidated EPS	3.8	4.7	7.1	8.5	11.2	12.8	14.5	18.6	24.3
Change YoY	-26	23	51	20	31	15	13	29	30
Con PE	92.4	75.2	49.7	41.3	31.4	27.5	24.2	18.8	14.4
Consolidated ROE	8.3	8.6	11.7	11.5	12.3	11.6	11.7	13.5	15.7

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

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts", and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).

6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:
financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj

Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.