7 February 2026

3QFY26 Results Update | Sector: Financials

Repco Home Finance

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	REPCO IN
Equity Shares (m)	63
M.Cap.(INRb)/(USDb)	25.3 / 0.3
52-Week Range (INR)	464 / 308
1, 6, 12 Rel. Per (%)	-2/-3/-7
12M Avg Val (INR M)	88
Free float (%)	62.9

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	7.7	8.5	9.5
PPP	5.7	6.4	7.3
PAT	4.4	4.7	5.2
EPS (INR)	70.1	74.5	83.7
EPS Gr. (%)	0	6	12
BV/Sh. (INR)	594	663	742
Ratios			
NIM (%)	5.1	5.0	5.0
C/I ratio (%)	31.0	30.1	28.7
RoAA (%)	2.8	2.7	2.7
RoE (%)	12.5	11.9	11.9
Payout (%)	8.5	6.7	6.5
Valuation			
P/E (x)	5.7	5.4	4.8
P/BV (x)	0.7	0.6	0.5
P/ABV (x)	0.7	0.6	0.6
Div. Yield (%)	1.5	1.2	1.4

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	37.1	37.1	37.1
DII	23.8	22.7	20.6
FII	12.7	11.9	12.5
Others	26.4	28.3	29.8

FII Includes depository receipts

CMP: INR404 | **TP: INR450 (+11%)** | **Neutral**

Disbursements accelerate; legacy run-off delays loan growth

Elevated opex weighs on profitability; asset quality comfort improves

- Repco Home Finance's (Repco) 3QFY26 PAT grew 2% YoY to INR1.1b (in line). NII grew ~10% YoY to ~INR2b (in line). Other income declined ~40% YoY to INR118m (vs est. of INR150m).
- Opex rose ~40% YoY to INR748m (~27% higher than est.). This included a one-time impact of provisions of ~INR48m made on account of the new labor codes.
- PPoP declined ~8% YoY to INR1.3b (~10% miss). Provision write-backs stood at ~INR156m, translating into annualized credit costs of -41bp (PY: 1bp and PQ: -4bp).
- Repco's AUM growth will remain muted in the near term due to higher legacy run-off, though underlying disbursement trends remain healthy. Growth has been supported by investments in sales verticals, sourcing channels, and realignment of incentive structures, which have strengthened the company's competitive positioning.
- Disbursement traction has improved across key states of Maharashtra, Rajasthan, and Madhya Pradesh. Karnataka remains temporarily impacted by the E-Khata issue, which is expected to be resolved by Mar'26. Over time, geographic diversification into eastern and western markets, along with a gradual reduction in concentration in Tamil Nadu, is expected to mitigate risk and support a geographically diversified loan mix.
- Management attributed the rise in Repco's operational expenses in 3Q to: 1) higher sourcing costs, legal fees, and valuation expenses due to increased disbursement activities, 2) employee-related provisions under the new labor code (~INR48m), 3) upgrades in insurance policies (~INR16m), and 4) silver jubilee reward for long-serving employees.
- Repco's asset quality continued to improve, with Stage 2 and Stage 3 assets on a consistent improving trajectory over the past 10 quarters. In 3Q, the company recovered ~INR250m from NPAs, contributing to an absolute decline in GNPA and a reduction of Stage 2 assets by ~INR1b. Management targets to reduce GNPA to ~2.5% and Stage 2 assets to ~7.5% by FY26, supported by strengthened credit appraisal and recovery processes.
- We believe that steady AUM growth in line with management guidance, combined with continued discipline in managing run-off, will be key to improving investor confidence and driving a meaningful re-rating over the medium term. Our earnings estimates are largely unchanged and we model a CAGR of ~13%/9% in loan/PAT over FY26-FY28E with RoA/RoE of 2.7%/12% in FY28E. W**e reiterate our Neutral rating** on the stock with a revised TP of INR450 (based on 0.6x Dec'27E BVPS).

Disbursements powered by sales ramp-up and higher DSA sourcing

- Disbursements grew ~40% YoY and declined ~1% QoQ to INR10.6b in 3QFY26. Loan book grew ~9% YoY to ~INR154b. Repayment rate declined ~1pp QoQ to ~18.7% (PY: ~16.3% and PQ: 19.8%).
- As of Dec'25, loans to the non-salaried segment accounted for 53% of the outstanding loan book and loans for salaried segment made up 47%. Housing loans accounted for 71% of the loans, while Home Equity accounted for 29% of loan book.

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- Sourcing mix is now evenly split between DSA and the in-house sales team (50% each), compared to ~35% DSA contribution last year, and growth in disbursements was attributed largely to the investments in the sales vertical.
- Management has guided for disbursements of ~INR50b in FY27. We expect Repco to achieve a CAGR of ~13%/12% in loan/disbursement over FY26-28E.

Yields improved ~20bp QoQ; diversification of liabilities to optimize CoB

- Reported yields improved ~20bp QoQ to ~12.3%, whereas CoB declined 10bp QoQ to ~8.5%. This led to spreads improving ~30bp QoQ to ~3.8%. Reported NIM improved ~10bp QoQ to 5.6%.
- Capital adequacy ratio stood at ~37% as of Dec’25. We expect Repco to sustain NIMs of ~5% over FY27-28E, supported by a decline in CoF and continued diversification of its funding sources.

Asset quality stable with improvement in delinquencies

- GS3 declined ~25bp QoQ to ~2.9% while NS3 declined ~12bp QoQ to ~1.4%. PCR on S3 loans was broadly stable QoQ at ~52.7%. For the book originated from Apr’22 onwards, GS2 stood at 4.5% (v/s 8% for the overall book) and GS3 stood at 1.1% (vs. 2.9% for the overall book).
- Stage 2 assets declined ~80bp QoQ to 8% as of Dec’25 (PQ: 8.8% and PY: 10.6%).
- Management shared that it is seeing a continued improvement in delinquency trends, supported by strengthened recovery and credit appraisal framework. The company has guided for provision write-backs to continue in 4Q, and we expect Repco’s credit costs to remain benign at ~10bp/17bp in FY27/FY28E.

Key highlights from the management commentary

- The company primarily serves blue-collar customers, where physical presence and relationship-based engagement remain critical.
- Repco has diversified its liability profile by raising ~INR930m through PTCs and is in discussions for an NCD issuance of INR1-1.25b.

Valuation and view

- Repco’s outlook hinges on management’s ability to deliver steady disbursement-led AUM growth while continuing to improve asset quality. Ongoing recoveries from NPAs and the written-off pool are expected to keep credit costs benign in FY27, while disciplined management of legacy book run-down remains critical.
- The company currently trades at ~0.6x P/B. While the risk-reward remains favorable, we would continue to monitor Repco’s ability to deliver sustained loan growth and execution consistency. **Reiterate our Neutral rating** on the stock with a revised TP of INR450 (based on 0.6x Dec’27E BVPS).

Quarterly performance (INR M)

Y/E March	FY25				FY26E				FY25	FY26	3QFY26E	Act v/s est(%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,007	4,051	4,258	4,166	4,257	4,334	4,453	4,554	16,482	17,599	4,434	0
Interest Expenses	2,330	2,396	2,475	2,458	2,441	2,444	2,489	2,561	9,659	9,935	2,510	-1
Net Income	**1,677**	**1,656**	**1,783**	**1,708**	**1,816**	**1,890**	**1,964**	**1,993**	**6,823**	**7,663**	**1,924**	**2**
YoY Growth (%)	8.5	-2.3	9.0	4.9	8.3	14.2	10.2	16.7	4.9	12.3	7.9	
Other income	155	229	196	184	150	123	118	159	764	550	150	-21
Total Income	**1,833**	**1,884**	**1,978**	**1,892**	**1,966**	**2,013**	**2,082**	**2,152**	**7,587**	**8,213**	**2,074**	**0**
YoY Growth (%)	11.8	6.8	11.2	6.9	7.3	6.8	5.3	13.7	9.1	8.3	4.9	
Operating Expenses	452	517	535	584	530	603	748	669	2,088	2,550	591	27
YoY Growth (%)	15.4	21.2	30.5	21.0	17.2	16.7	39.9	14.6	22.1	22.1	10.6	
Operating Profits	**1,380**	**1,367**	**1,443**	**1,308**	**1,436**	**1,410**	**1,334**	**1,483**	**5,499**	**5,663**	**1,483**	**-10**
YoY Growth (%)	10.7	2.2	5.4	1.6	4.1	3.1	-7.6	13.4	4.9	3.0	2.7	
Provisions	14	-160	3	-233	-27	-15	-156	-21	-376	-219	-10	1,457
Profit before Tax	**1,366**	**1,528**	**1,440**	**1,541**	**1,463**	**1,424**	**1,490**	**1,504**	**5,875**	**5,882**	**1,493**	**0**
Tax Provisions	312	403	375	392	384	355	402	353	1,481	1,494	388	4
Profit after tax	**1,054**	**1,125**	**1,066**	**1,149**	**1,080**	**1,069**	**1,088**	**1,151**	**4,394**	**4,388**	**1,105**	**-2**
YoY Growth (%)	18.4	14.7	7.2	6.4	2.4	-5.0	2.1	0.1	11.3	-0.2	3.7	
Loan growth (%)	8.3	8.1	7.4	7.2	7.2	7.7	8.8	9.9	8.2	11.2	9.0	
Cost to Income Ratio (%)	24.7	27.4	27.0	30.9	26.9	30.0	35.9	31.1	27.5	31.0	28.5	
Tax Rate (%)	22.8	26.3	26.0	25.4	26.2	24.9	27.0	23.5	25.2	25.4	26.0	
Key Parameters (%)												
Yield on loans (Cal)	11.8	11.7	12.1	11.6	11.7	11.7	11.7	11.6	12.1	11.8		
Cost of funds (Cal)	8.6	8.6	8.8	8.8	8.8	8.7	8.6	8.5	8.8	8.5		
Spreads (Cal)	3.2	3.1	3.3	2.8	2.9	3.0	3.1	3.1	3.3	3.4		
NIMs (Reported)	5.1	5.1	5.7	5.2	5.4	5.5	5.6	0.0	5.0	5.1		
Credit Cost	0.04	-0.46	0.01	-0.65	-0.07	-0.04	-0.41	-0.05	-0.3	-0.1		
Cost to Income Ratio	24.7	27.4	27.0	30.9	26.9	30.0	35.9	31.1	27.5	31.0		
Tax Rate	22.8	26.3	26.0	25.4	26.2	24.9	27.0	23.5	25.2	25.4		
Balance Sheet												
AUM (INR B)	137.0	139.6	141.6	144.9	146.9	150.3	153.9	159.2	144.9	159.2		
Change YoY (%)	8.3	8.1	7.4	7.2	7.2	7.7	8.8	9.9	7.2	9.9		
AUM Mix (%)												
Non-Salaried	51.6	51.8	52.1	52.2	52.3	53.0	53.0		51.0	51.3		
Salaried	48.4	48.2	47.9	47.8	47.7	47.0	47.0		49.0	48.7		
AUM Mix (%)												
Home loans	74.3	73.8	74.0	73.0	72.4	71.0	71.0		73.0	72.0		
LAP	25.7	26.2	26.0	27.0	27.6	29.0	29.0		27.0	28.0		
Disbursements (INR B)	6.8	8.7	7.6	9.8	8.3	10.7	10.6	12.7	32.8	42.4		
Change YoY (%)	-0.6	8.8	0.3	9.0	21.8	23.3	39.8	30.7	4.8	29.0		
Borrowings (INR B)	109.1	114.6	110.8	111.5	110.7	115.0	117.7	123.6	111.4	123.6		
Change YoY (%)	10.2	14.1	6.9	4.2	1.5	0.3	6.2	10.9	4.1	11.0		
Loans/Borrowings (%)	125.5	121.8	127.8	130.0	132.6	130.8	130.8	128.8	130.1	128.8		
Borrowings Mix (%)												
Banks	79.8	81.4	82.2	82.9	82.1	84.8	84.1		75.6	77.7		
NHB	10.6	9.5	8.5	7.9	8.4	7.0	7.0		13.1	12.0		
Repco Bank	9.6	9.1	9.3	9.2	8.2	7.0	6.9		11.4	10.3		
NCD	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0		
CP	0.0	0.0	0.0	0.0	1.3	1.2	1.2		0.0	0.0		
Asset Quality												
GS 3 (INR B)	5.8	5.5	5.5	4.7	4.9	4.8	4.5		4.7	4.4		
Gross Stage 3 (% on Assets)	4.25	3.96	3.86	3.26	3.30	3.16	2.92		3.3	2.8		
NS 3 (INR B)	2.23	2.17	2.09	1.91	1.72	2.25	2.13		1.9	2.1		
Net Stage 3 (% on Assets)	1.69	1.61	1.5	1.36	1.20	1.54	1.4		1.4	1.3		
PCR (%)	61.8	60.7	61.8	59.6	64.7	52.5	52.7		59.6	53.0		
Return Ratios (%)												
ROA (Rep)	3.1	3.3	3.1	3.3	2.9	2.9	2.9		3.1	2.8		
ROE (Rep)	16.3	16.0	14.6	15.1	14.0	13.5	13.3		14.2	12.5		

E: MOFSL Estimates

CONFERENCE CALL

Highlights from the management commentary

Guidance

- Management is confident of achieving FY26 disbursement guidance of ~INR40b and AUM of ~INR162b, supported by stable asset quality and controlled run-down.
- The company expects 4QFY26 disbursements in the range of INR12-14b and aims to maintain a similar growth trajectory with a disbursement target of ~INR50b in FY27.
- Management targets a GNPA of ~2.5% and Stage 2 of ~7.5% by FY26, supported by sustained recoveries and improved credit processes using different methods.
- The company expects provision write-backs to continue in 4Q as well.
- Guided for a further ~10bp reduction in CoF in 4Q, following a ~10bp decline in 3QFY26.
- Management intends to maintain RoA at ~2.9% while sustaining spreads in the range of 3.2-3.3%.
- Over the medium term, Stage 2 assets are expected to decline by ~2-2.5% annually, with a target of ~2-2.5%% over the next 18-24 months.
- The Board's decision on dividend payout is a conscious call and is not expected to materially impact financial strength or growth plans.

Business updates and opening remarks

- Disbursements grew ~40% YoY but declined ~1% QoQ to INR10.6b in 3QFY26, while the loan book expanded ~9% YoY to ~INR154b.
- Disbursements in 1Q and 3Q are typically seasonally weaker, and management is actively working to break this trend. During 3QFY26, disbursements were broadly stable QoQ and crossed INR10b.
- 3QFY26 performance remained fully aligned with internal guidance, reinforcing confidence in meeting full-year targets.
- The company continues to witness stable portfolio run-down of INR1.7b-2b per month.

Disbursements and AUM trends

- Improvement in disbursements was observed across Maharashtra, Rajasthan, and Madhya Pradesh, while most other states remained flat.
- Karnataka disbursements remained below expectations due to the E-Khata issues, which management expects to be resolved by Mar'26, enabling recovery thereafter.
- AUM growth remains moderated despite healthy disbursements due to higher run-down from the legacy book, a trend expected to persist for some more time.
- Monthly disbursements of INR4-5b are sufficient to drive net growth, even after accounting for legacy run-down.
- Disbursement growth has been driven by investments in sales verticals, sourcing channels, and incentive programs and schemes, enabling better competitive positioning amongst the peers.

Asset quality and recoveries

- In 3QFY26, the company recovered ~INR250m from NPAs, supporting improvement in asset quality metrics. GNPA in absolute terms has also reduced.
- Stage 2 assets in 3Q declined to INR12.3b from INR13.3b in 2Q, reflecting a reduction of ~INR1b during the quarter.
- Management observed continued improvement in delinquency trends, supported by strengthened recovery and credit appraisal frameworks.
- Over the past 10 quarters, Stage 2 and Stage 3 assets have remained on a consistent downward trajectory.
- The company expects ~INR250m further reduction in NPAs in the current quarter, driven by focused recovery efforts.

Liabilities, cost of funds, and ALM

- As of Dec'25, CoF stood at ~8.45%, reflecting a cumulative ~30bp reduction over the past nine months (~8.75% at beginning of the year).
- Of this reduction, ~15bp has already been passed on to customers (~10bp passed on from Feb'25), while spreads stood at ~3.3% in December.
- The company diversified its liability profile by raising ~INR930m through PTCs and is in discussions with bankers for an NCD issuance of INR1-1.25b.
- There is no gap across any ALM bucket, and liquidity remains adequate across tenors.
- Management continues to focus on borrower retention and top-up loans to limit run-down pressures.

Branch network and geographic strategy

- The company opened two new branches in 3QFY26, taking the total branch count to 236.
- Over the past two years, ~30-32 branches have been added, with newer branches currently in the investment phase.
- Tamil Nadu remains a key market with a 25-year presence, though management plans to gradually reduce concentration from the state by expanding in eastern and western geographies.
- Growth momentum is expected to improve in Karnataka post E-Khata resolution, while Andhra Pradesh and Telangana are expected to contribute meaningfully from next year.

Operating costs and employee expenses

- Operating expenses increased during the quarter due to silver jubilee rewards for long-serving employees and higher sourcing-related costs (50% DSA in the sourcing mix).
- Costs related to legal fees, valuation reports, reports for checking the credentials of the borrowers and sourcing rose in line with higher disbursement activity.
- Employee expenses increased due to new labor code implementation, with provisions of ~INR50m, and an upgraded employee insurance policy that led to an additional INR16m premium.
- Management expects the benefits of these investments to accrue gradually, supporting operating leverage over time.

Business mix, sourcing, and BT trends

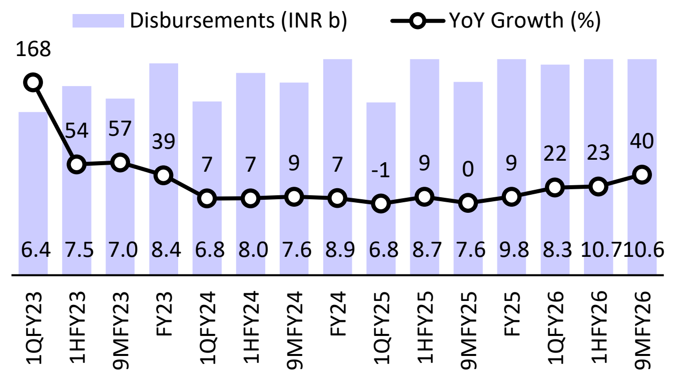
- Disbursements are now evenly split between DSAs and the in-house sales team (50% each), compared to 35% DSA contribution last year and the growth in the disbursements has been attributed largely to the investments in the sales vertical.
- Balance transfer run-rate remains stable, with quarterly BT-OUT at ~INR900m and BT-IN at ~INR1.5b, resulting in a net positive impact.
- The company remains open to selective loan acquisitions, provided yields and asset quality align with internal benchmarks, though AUM targets remain achievable organically.

Technology and operating model

- The company primarily serves blue-collar customers, where physical presence and relationship-based engagement remain critical.
- While full digitization may not be feasible, technology is increasingly leveraged in collections, field investigations, and sourcing.
- A mobile application has been introduced for on-ground teams, and the entire IT system has been revamped to improve operational efficiency largely for the company's internal operations.

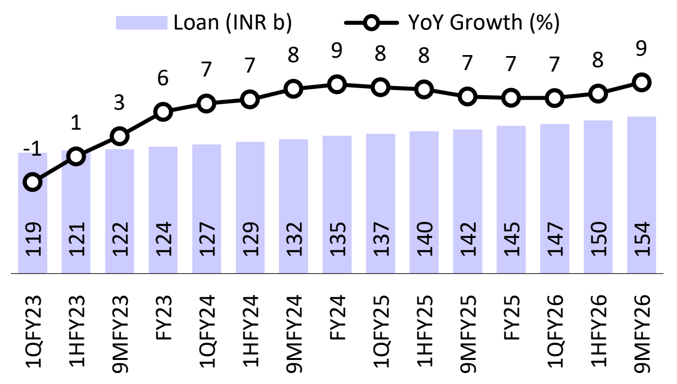
Key exhibits

Exhibit 1: Disbursements grew ~40% YoY



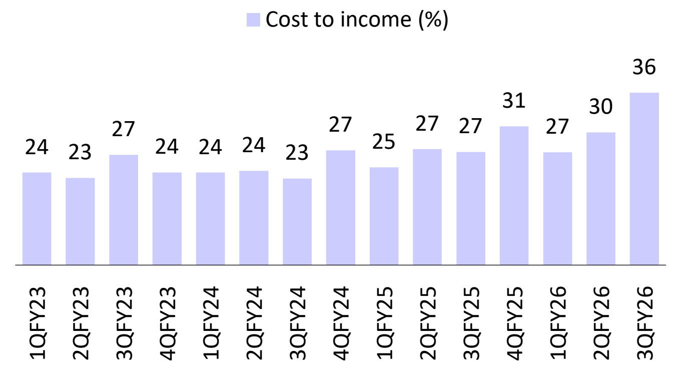
Source: MOFSL, Company

Exhibit 2: Loan book grew 9% YoY



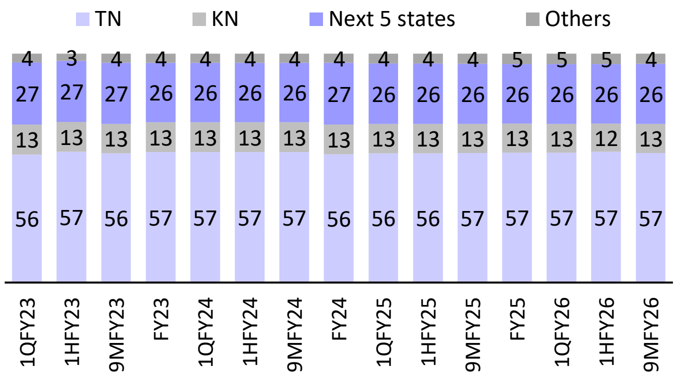
Source: MOFSL, Company;

Exhibit 3: C/I ratio rose ~6pp QoQ



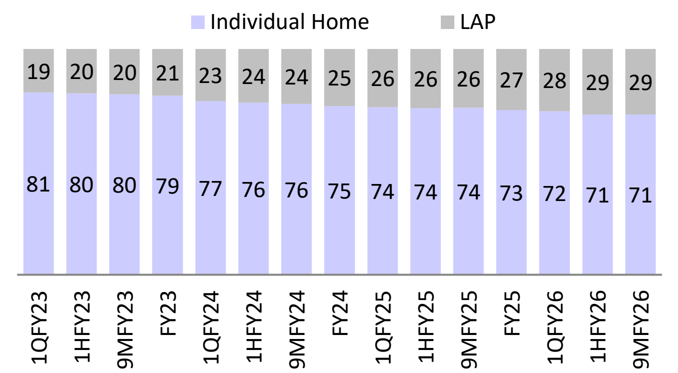
Source: MOFSL, Company

Exhibit 4: Geographical loan mix (%)



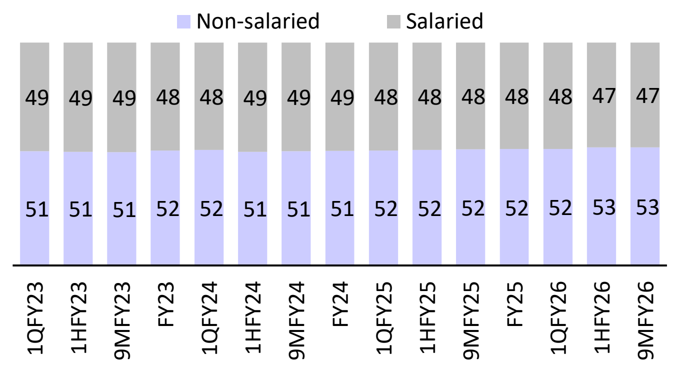
Source: MOFSL, Company

Exhibit 5: Share of home loans remains stable QoQ (%)



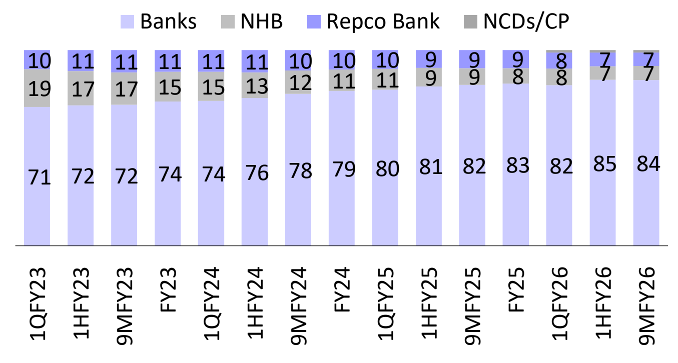
Source: MOFSL, Company

Exhibit 6: Share of salaried customers remains steady QoQ



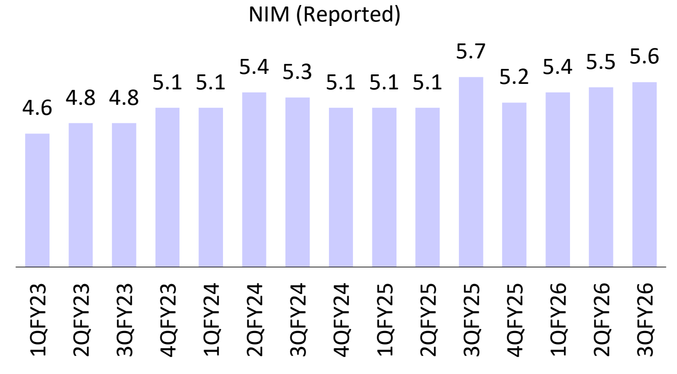
Source: MOFSL, Company

Exhibit 7: Bank borrowings declined ~75bp QoQ (%)



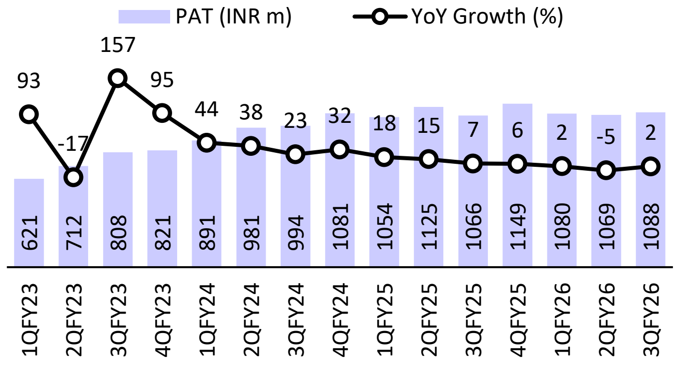
Source: MOFSL, Company

Exhibit 8: Reported NIMs rose ~10bp QoQ to ~5.6%



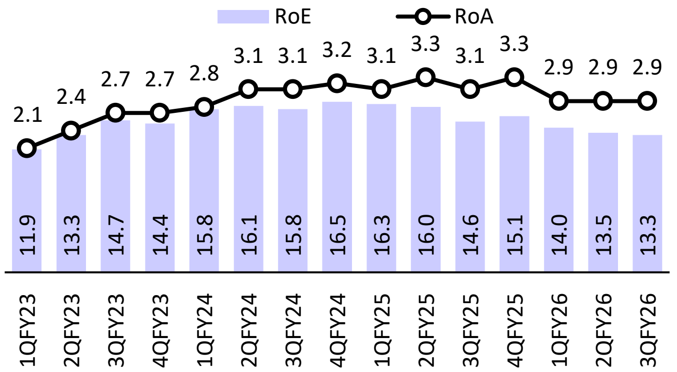
Source: MOFSL, Company, Reported

Exhibit 9: PAT grew ~2% YoY to ~INR1.1b



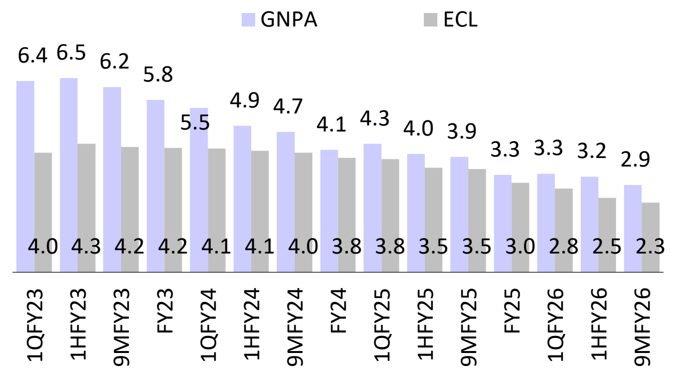
Source: MOFSL, Company

Exhibit 10: RoE/RoA trends (%)



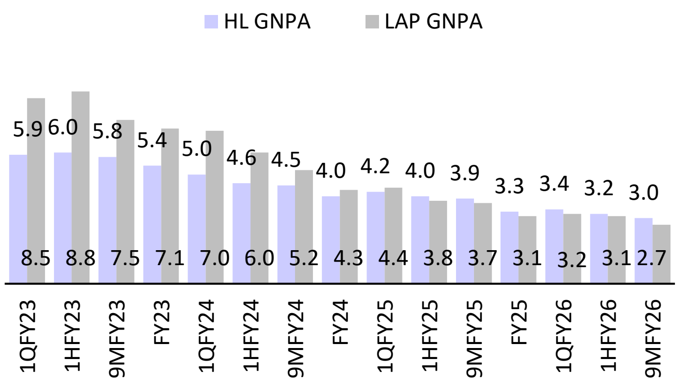
Source: MOFSL, Company

Exhibit 11: GNPA declined QoQ to 2.9%, ECL/EAD also declined to ~2.3%



Source: MOFSL, Company;

Exhibit 12: GNPA in the LAP segment declined ~40bp QoQ

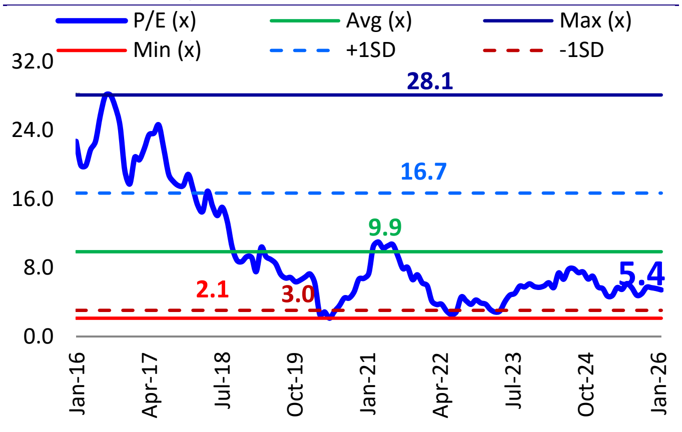


Source: MOFSL, Company;

Exhibit 13: Our earnings estimates are largely unchanged

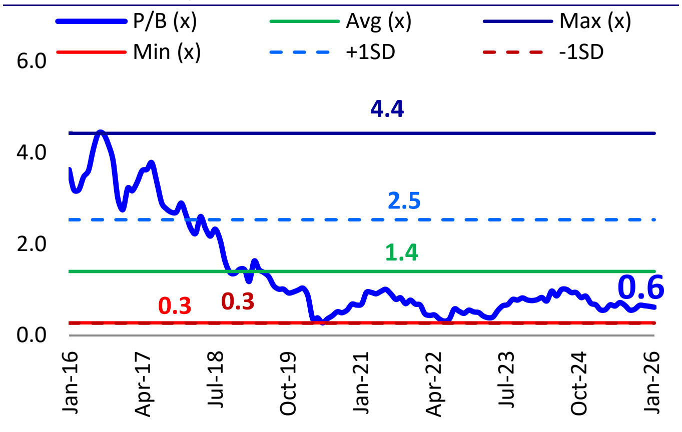
INR b	Old Est.			New Est.			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII	7.6	8.5	9.4	7.7	8.5	9.5	0.9	0.3	0.8
Other Income	0.6	0.7	0.8	0.5	0.7	0.8	-7.7	-3.7	-3.7
Total Income	**8.2**	**9.1**	**10.2**	**8.2**	**9.1**	**10.3**	**0.3**	**0.0**	0.5
Operating Expenses	2.4	2.6	2.8	2.6	2.7	2.9	7.1	4.8	3.5
Operating Profits	**5.8**	**6.5**	**7.4**	**5.7**	**6.4**	**7.3**	**-2.5**	**-1.9**	-0.6
Provisions	-0.1	0.2	0.3	-0.2	0.2	0.3	-	-	16.0
PBT	**5.9**	**6.3**	**7.1**	**5.9**	**6.2**	**7.0**	**-0.1**	**-0.8**	-1.3
Tax	1.5	1.6	1.8	1.5	1.6	1.8	0.7	-0.8	-1.3
PAT	**4.4**	**4.7**	**5.3**	**4.4**	**4.7**	**5.2**	**-0.3**	**-0.8**	-1.3
Loan book	157	177	199	157	177	199	-0.1	-0.1	0.2
NIM (%)	5.0	5.0	5.0	5.1	5.0	5.0			
Spreads (%)	3.3	3.3	3.3	3.4	3.3	3.3			
ROAA (%)	**2.9**	**2.7**	**2.7**	**2.8**	**2.7**	**2.7**			
RoAE (%)	**12.5**	**11.9**	**12.1**	**12.5**	**11.9**	**11.9**			

Exhibit 14: One-year forward P/E



Source: MOFSL, Company

Exhibit 15: One-year forward P/B



Source: MOFSL, Company

Financials and valuations

Repco Home Finance

Income statement (INR M)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	11,634	13,174	13,518	12,804	12,570	14,960	16,482	17,599	19,417	21,689
Interest Expended	7,200	8,250	8,072	6,899	7,011	8,456	9,659	9,935	10,932	12,191
Net Interest Income	**4,434**	**4,924**	**5,446**	**5,905**	**5,560**	**6,504**	**6,823**	**7,663**	**8,485**	**9,498**
Change (%)	1.7	11.0	10.6	8.4	-5.8	17.0	4.9	12.3	10.7	11.9
Other Operating Income	318	337	404	262	421	448	764	550	660	759
Net Income	**4,752**	**5,261**	**5,850**	**6,166**	**5,981**	**6,952**	**7,587**	**8,213**	**9,144**	**10,257**
Change (%)	3.1	10.7	11.2	5.4	-3.0	16.2	9.1	8.3	11.3	12.2
Operating Expenses	984	1,065	1,144	1,241	1,458	1,710	2,088	2,550	2,749	2,947
Operating Income	**3,768**	**4,196**	**4,706**	**4,926**	**4,523**	**5,242**	**5,499**	**5,663**	**6,395**	**7,310**
Change (%)	-1.4	11.4	12.1	4.7	-8.2	15.9	4.9	3.0	12.9	14.3
Provisions/write offs	170	594	808	2,331	516	-5	-376	-219	160	306
PBT	**3,598**	**3,602**	**3,898**	**2,595**	**4,008**	**5,247**	**5,875**	**5,882**	**6,235**	**7,004**
Extraordinary Items	0	0	0	0	0	0	0	0	0	0
PBT after EO	**3,598**	**3,602**	**3,898**	**2,595**	**4,008**	**5,247**	**5,875**	**5,882**	**6,235**	**7,004**
Tax	1,252	798	1,022	680	1,047	1,300	1,481	1,494	1,571	1,765
Tax Rate (%)	34.8	22.2	26.2	26.2	26.1	24.8	25.2	25.4	25.2	25.2
DTL on Special Reserve										
PAT	**2,346**	**2,804**	**2,876**	**1,915**	**2,961**	**3,947**	**4,394**	**4,388**	**4,664**	**5,239**
Change (%)	16.7	19.5	2.6	-33.4	54.6	33.3	11.3	-0.2	6.3	12.3
PAT adjusted for EO	**2,346**	**2,804**	**2,876**	**1,915**	**2,961**	**3,947**	**4,394**	**4,388**	**4,664**	**5,239**
Change (%)	16.7	19.5	2.6	-33.4	54.6	33.3	11.3	-0.2	6.3	12.3
Proposed Dividend	181	181	156	157	169	188	250	374	311	341

Balance sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Capital	626	626	626	626	626	626	626	626	626	626
Reserves & Surplus	14,648	17,243	19,967	21,730	24,536	28,314	32,510	36,523	40,876	45,775
Net Worth	**15,274**	**17,869**	**20,593**	**22,356**	**25,162**	**28,940**	**33,136**	**37,149**	**41,502**	**46,400**
Loans from Banks	0	0	0	0	0	0	0	0	0	0
Bonds/Debentures	0	0	0	0	0	0	0	0	0	0
Borrowings	92,774	1,01,090	1,01,974	96,920	99,241	1,07,010	1,11,391	1,23,627	1,39,798	1,57,534
Borrowings	**92,774**	**1,01,090**	**1,01,974**	**96,920**	**99,241**	**1,07,010**	**1,11,391**	**1,23,627**	**1,39,798**	**1,57,534**
Change (%)	14.1	9.0	0.9	-5.0	2.4	7.8	4.1	11.0	13.1	12.7
Other liabilities	1,522	987	1,093	698	832	1,103	1,496	1,870	2,244	2,693
Total Liabilities	**1,09,570**	**1,19,946**	**1,23,659**	**1,19,974**	**1,25,234**	**1,37,053**	**1,46,022**	**1,62,646**	**1,83,543**	**2,06,627**
Loans	**1,08,379**	**1,15,884**	**1,18,356**	**1,12,918**	**1,19,622**	**1,30,371**	**1,41,092**	**1,56,887**	**1,76,735**	**1,99,158**
Change (%)	12.3	6.9	2.1	-4.6	5.9	9.0	8.2	11.2	12.7	12.7
Investments	**363**	**321**	**345**	**440**	**477**	**494**	**2,112**	**1,901**	**1,806**	**1,716**
Change (%)	51.5	-11.6	7.4	27.7	8.4	3.4	328.0	-10.0	-5.0	-5.0
Net Fixed Assets	155	372	314	353	396	576	807	1,009	1,211	1,453
Other assets	673	3,369	4,645	6,263	4,740	5,612	2,011	2,849	3,791	4,300
Total Assets	**1,09,570**	**1,19,946**	**1,23,659**	**1,19,974**	**1,25,234**	**1,37,053**	**1,46,022**	**1,62,646**	**1,83,543**	**2,06,627**

E: MOFSL Estimates

Ratios										
Y/E March	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Spreads Analysis (%)										
Avg Yield on Loans	11.4	11.7	11.5	11.1	10.8	12.0	12.1	11.8	11.6	11.5
Avg. Cost of Borrowings	8.3	8.5	8.0	6.9	7.1	8.2	8.8	8.5	8.3	8.2
Interest Spread	3.1	3.2	3.6	4.1	3.6	3.7	3.2	3.2	3.2	3.2
Net Interest Margin	4.3	4.4	4.6	5.1	4.8	5.2	5.0	5.1	5.0	5.0
Profitability Ratios (%)										
RoE	16.5	16.9	15.0	8.9	12.5	14.6	14.2	12.5	11.9	11.9
RoA	2.3	2.4	2.4	1.6	2.4	3.0	3.1	2.8	2.7	2.7
Int. Expended/Int.Earned	61.9	62.6	59.7	53.9	55.8	56.5	58.6	56.5	56.3	56.2
Other Inc./Net Income	6.7	6.4	6.9	4.2	7.0	6.4	10.1	6.7	7.2	7.4
Efficiency Ratios (%)										
Op. Exps./Net Income	20.7	20.2	19.6	20.1	24.4	24.6	27.5	31.0	30.1	28.7
Empl. Cost/Op. Exps.	59.5	62.4	62.3	63.4	60.3	59.7	57.4	55.5	56.1	57.0
Asset Quality (%)										
Gross NPAs	3,258	5,117	4,485	8,198	7,187	5,516	4,729	4,447	4,447	4,624
Gross NPAs to Adv.	3.0	4.3	3.7	7.0	5.8	4.1	3.3	2.8	2.5	2.3
Net NPAs	1,507	3,287	2,714	5,587	3,621	1,919	1,910	2,090	2,090	2,173
Net NPAs to Adv.	1.4	2.8	2.3	4.9	3.0	1.5	1.4	1.3	1.2	1.1

VALUATION	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Book Value (INR)	244.1	285.6	329.2	357.1	402.2	462.6	529.7	593.8	663.4	741.7
Price-BV (x)		**1.4**	**1.2**	**1.1**	**1.0**	**0.9**	**0.8**	**0.7**	**0.6**	**0.5**
EPS (INR)	37.5	44.8	46.0	30.6	47.3	63.1	70.2	70.1	74.5	83.7
EPS Growth YoY	16.7	19.5	2.6	-33.4	54.7	33.3	11.3	-0.2	6.3	12.3
Price-Earnings (x)		**9.0**	**8.8**	**13.2**	**8.5**	**6.4**	**5.7**	**5.7**	**5.4**	**4.8**
Dividend per share (INR)	2.5	2.5	2.5	2.5	2.7	3.0	4.0	6.0	5.0	5.4
Dividend yield (%)		**0.6**	**0.6**	**0.6**	**0.7**	**0.7**	**1.0**	**1.5**	**1.2**	**1.4**

E: MOFSL Estimates

NOTES

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Investment Rating	**Expected return (over 12-month)**
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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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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.

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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.