

LIC Housing Finance

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USDb)	325.1 / 3.7
52-Week Range (INR)	736 / 484
1, 6, 12 Rel. Per (%)	0/-2/-21
12M Avg Val (INR M)	1274

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	81.3	81.9	91.9
PPP	71.4	72.7	80.7
PAT	54.3	53.2	57.1
EPS (INR)	98.6	96.7	103.7
EPS Gr. (%)	13.9	-2.0	7.3
BV/Sh (INR)	659	735	817

Ratios

NIM (%)	2.8	2.6	2.7
C/I ratio (%)	16.2	16.7	16.7
RoAA (%)	1.8	1.6	1.6
RoE (%)	16.0	13.9	13.4
Payout (%)	10.1	11.0	10.7

Valuations

P/E (x)	6.0	6.1	5.7
P/BV (x)	0.9	0.8	0.7
Div. Yield (%)	1.7	1.8	1.9

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	45.2	45.2	45.2
DII	22.2	21.3	21.2
FII	20.3	21.6	23.2
Others	12.3	11.9	10.4

FII Includes depository receipts

CMP: INR591 TP: INR650 (+10%) Neutral

Margin pressure to weigh on loan growth in FY26

Sequential contraction in NIM; seasonal deterioration in asset quality

- LIC Housing Finance's (LICHF) 1QFY26 PAT grew ~5% YoY to ~INR13.6b (in line). NII in 1QFY26 rose ~4% YoY to ~INR20.7b (in line). Fee and other income grew 170% YoY to INR1.2b.
- Opex grew ~12% YoY to INR2.9b (~17% lower than est.) and the cost-income ratio rose ~50bp YoY to ~13.4% (PY: ~12.9% and PQ: ~19.4%). PPOp grew ~7% YoY to ~INR18.9b (in line).
- Reported yields declined ~20bp QoQ to 9.6%, while CoB declined ~25bp QoQ to ~7.5%. This resulted in spreads improving ~5bp QoQ to ~2.1%. NIM contracted ~20bp QoQ to ~2.68%.
- Management highlighted the intense competition from banks, particularly in the super prime segment, and acknowledged the need to carefully navigate the trade-off between loan growth and margins. However, the company reiterated its intent to prioritize NIM over aggressive loan growth. Management continued to guide for NIM of ~2.6-2.8% in FY26. We estimate NIM of 2.6%/2.7% in FY26/FY27 (vs. ~2.8% in FY25).
- LICHF shared that majority of slippages during the quarter emerged from the retail and individual home loan segments, driven by some pressure on collections. However, the company has strengthened its collection efforts and witnessed a slight improvement in Jul'25. It continued to guide for credit costs of ~9-15bp, with expectations of asset quality improvement in the subsequent quarters of this fiscal year.
- We estimate a CAGR of ~8%/3% in advances/PAT over FY25-27 and RoA/RoE of 1.6%/13% by FY27. LICHF is also making efforts to diversify into the affordable housing segment and focus on the non-housing segment to drive incremental growth and support margins, but we believe this strategic shift will be challenging and slow, given the company's limited track record and operational capability in these segments. For LICHF, FY26 will primarily revolve around balancing the trade-offs between loan growth and NIM. With no near-term catalyst, **we reiterate our NEUTRAL rating on the stock with a TP of INR650 (based on 0.8x Mar'27E P/BV).**

Weak disbursements lead to loan growth of ~7% YoY

- Loan disbursements in individual home loans (IHL) grew ~3% YoY, while non-housing individual/commercial disbursements rose 17% YoY. Builder/project loan disbursements declined ~70% YoY.
- Total disbursements rose ~2% YoY to ~INR131b. Overall loan book grew ~7% YoY and ~0.6% QoQ to INR3.1t. Home loans grew ~7% YoY, while the developer loan book grew ~14% YoY. We estimate disbursements growth of ~8% YoY and total loan growth of ~7.5% YoY in FY26.

Seasonal deterioration in asset quality; PCR declines across all buckets

- GS3/NS3 rose ~15bp/10bp QoQ to ~2.61%/1.3%. Stage 3 PCR declined ~40pp QoQ to ~50.8% (PQ: ~51.2%). Stage 1 PCR declined to ~18bp (PQ: ~20bp), and Stage 2 PCR declined 25bp QoQ to 3.75% (PQ: 4%).
- Stage 2 + 3 assets (30+ dpd) rose ~30bp QoQ to 6.2% (vs. ~5.9% in Mar'25). ECL/EAD rose ~4bp QoQ to ~1.63% (vs. 1.59% in 4QFY25).
- Seasonal slippages in asset quality resulted in credit costs of ~INR1.9b (~42% higher than MOFSLe) and translated into annualized credit costs of 25bp (PY: ~14bp and PQ: 20bp). We model credit costs of ~17bp/25bp in FY26/FY27. (FY25: 10bp)

Highlights from the management commentary

- LICHF acknowledged that some weakness in disbursements and loan growth was partly due to a delay in reducing its lending rates. The company had anticipated a strong pickup in demand following the repo rate cuts; however, the demand momentum is yet to materialize.
- Management indicated that going forward, the decline in the cost of borrowings will help offset the contraction in yields on advances. LICHF is experiencing a greater benefit from the reduction in its borrowing costs than the impact of pressure on yields.
- LICHF is making slow and steady progress in the affordable housing segment. Disbursements in this segment stood at INR4.58b in FY26, and the company targets disbursements of ~INR10b in FY27.

Valuation and view

- LICHF delivered an operationally soft quarter, with subdued loan growth and disbursements. Asset quality weakened, mainly due to seasonal factors and some slippages in collections, as seen in the sequential rise in its 30+ dpd loans. Margins also came under pressure, primarily from lower yields after the recent repo rate reductions.
- We believe that the declining interest rate environment, coupled with an intensifying aggression from banks (particularly in the super prime segment), will weigh on LICHF's loan growth and the consequent trade-off with margins.
- LICHF's valuation of ~0.7x FY27E P/BV reflects the inability of the franchise to deliver stronger loan growth. **We estimate a CAGR of just ~8%/3% in advances/PAT over FY25-27 and RoA/RoE of 1.6%/13% by FY27. Reiterate our Neutral rating on the stock with a TP of INR650 (based on 0.8x Mar'27E BV).**
- **Key risks:** a) an elongated period of weak loan growth due to high competitive intensity and b) volatility in the NIM profile and ECL provisioning.

Quarterly Performance

(INR M)

Y/E March	FY25				FY26				FY25	FY26	1QFY26E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Interest Income	67,391	68,534	69,516	71,173	71,131	70,348	70,700	71,964	2,76,615	2,84,142	71,742	-1
Interest Expenses	47,501	48,796	49,515	49,508	50,473	50,422	50,674	50,669	1,95,320	2,02,239	50,053	1
Net Interest Income	19,891	19,739	20,001	21,664	20,658	19,926	20,025	21,295	81,295	81,904	21,689	-5
YoY Growth (%)	-10.0	-6.3	-4.6	-3.2	3.9	0.9	0.1	-1.7	-6.0	0.7	9.0	
Fees and other income	446	784	1,057	1,661	1,201	1,375	1,480	1,353	3,948	5,409	669	80
Net Income	20,337	20,522	21,059	23,326	21,859	21,300	21,506	22,647	85,243	87,312	22,358	-2
YoY Growth (%)	-9.7	-4.9	-1.9	2.0	7.5	3.8	2.1	-2.9	-3.6	2.4	9.9	
Operating Expenses	2,621	3,105	3,564	4,536	2,938	3,416	3,849	4,390	13,826	14,593	3,539	-17
Operating Profit	17,715	17,417	17,495	18,790	18,920	17,885	17,657	18,258	71,416	72,719	18,819	1
YoY Growth (%)	-11.9	-8.3	-7.2	-1.3	6.8	2.7	0.9	-2.8	-7.2	1.8	6.2	
Provisions and Cont.	1,431	773	-440	1,094	1,929	1,350	1,215	846	2,858	5,340	1,359	42
Profit before Tax	16,285	16,644	17,934	17,696	16,992	16,535	16,441	17,411	68,558	67,379	17,460	-3
Tax Provisions	3,282	3,355	3,615	4,016	3,392	3,307	3,453	3,997	14,268	14,150	3,701	-8
Net Profit	13,002	13,289	14,320	13,680	13,599	13,228	12,989	13,414	54,290	53,229	13,758	-1
YoY Growth (%)	-2	12	23	25	5	0	-9	-2	14	-2	6	
Key Operating Parameters (%)												
Yield on loans (Cal)	9.37	9.40	9.37	9.38	9.22				9.5	9.0		
Cost of funds (Cal)	7.50	7.64	7.62	7.43	7.46				7.5	7.2		
Spreads (Cal)	1.87	1.76	1.75	1.95	1.76				2.0	1.8		
Margins (Cal)	2.76	2.71	2.69	2.86	2.68				2.7	2.5		
Credit Cost (Cal)	0.20	0.11	-0.06	0.14	0.25				0.1	0.2		
Cost to Income Ratio	12.9	15.1	16.9	19.4	13.4				16.2	16.7		
Tax Rate	20.2	20.2	20.2	22.7	20.0				20.8	21.0		
Balance Sheet Parameters												
Loans (INR B)	2,887	2,946	2,991	3,077	3,096				3028	3254		
Change YoY (%)	4.4	6.0	6.4	7.3	7.2				7.9	7.5		
Indiv. Disb. (INR B)	124	151	145	183	130				602	657		
Change YoY (%)	16.9	6.0	-2.1	9.3	4.6				6.9	9.0		
Borrowings (INR B)	2,537	2,574	2,626	2,706	2,709				2706	2896		
Change YoY (%)	5.1	5.7	7.1	7.0	6.8				7.2	7.0		
Loans/Borrowings (%)	113.8	114.4	113.9	113.7	114.3				111.9	112.4		
Asset Quality Parameters												
GS 3 (INR B)	95.3	90.1	82.3	76.0	81.1				76.0	71.1		
Gross Stage 3 (% on Assets)	3.30	3.06	2.75	2.47	2.62				2.5	2.2		
NS 3 (INR B)	48.0	45.7	43.2	37.1	39.9				37.1	60.9		
Net Stage 3 (% on Assets)	1.69	1.58	1.47	1.22	1.31				1.2	1.9		
PCR (%)	49.6	49.3	47.5	51.2	50.8				51.2	14.4		
ECL (%)	1.96	1.85	1.66	1.59	1.63							
Loan Mix (%)												
Home loans	85.3	85.2	85.1	85.0	84.8							
LAP	12.7	12.9	13.2	13.3	13.6							
Non Individual loans	2.0	1.9	1.7	1.7	1.6							
Borrowing Mix (%)												
Banks	34.0	34.0	33.0	32.0	31.0							
NCD	54.0	54.0	54.0	55.0	55.0							
Sub Debt	1.0	1.0	1.0	1.0	0.0							
Deposits	3.0	3.0	3.0	3.0	4.0							
NHB	4.0	4.0	5.0	4.0	5.0							
CP	4.0	4.0	4.0	5.0	5.0							

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- The company continues to guide for NIM of ~2.6-2.8%.
- It guides for credit costs to remain the same (9-15bp), which are expected to decline in subsequent quarters.

Financial performance

- Individual home loans grew 7% YoY and comprise 85% of the total loan book.
- Project loan disbursements stood at INR1.56b; disbursements picked up primarily during the latter half of the first quarter.
- PAT in 1QFY26 stood at INR13.6b, up 5% YoY.
- Technical write-offs stood at INR300m in 1QFY26.

Disbursements and loan growth

- The first quarter was flattish in terms of disbursements but LICHF has experienced improved traction in disbursements from Jul'25 onwards.
- LICHF acknowledged that the weakness in disbursements and loan growth was due to a slight delay in cutting its rates. While the company expected a significant boost in demand following the rate cut, this has not materialized yet.
- Retail disbursements stood at INR32.65b in Apr'25, INR45.8b in May'25, INR51.25b in Jun'25, and at INR55b in July'25.

Asset quality and credit costs

- Credit costs stood at ~25bp. Similar to other peers, LICHF also witnessed some slippages in collection efficiencies in Jun'25.
- There were no major resolutions during the quarter, but LICHF is looking forward to resolve some stressed exposures in the coming quarters.
- The uptick in NPAs was primarily in the retail segment, where LICHF faced some pressure on collections. The company has intensified its collection operations and witnessed a minor recovery (to some extent) in Jul'25.
- Delinquencies in the retail segment were slightly higher, partly impacted by internal personnel movement and promotions that took place in May'25.
- Most of the slippages were in the Retail and IHL segments. There have been some pressures on collections in the Retail segment.
- Banks are witnessing pressure in the MSME LAP segment.
- Total written-off pool stood at ~INR40b. The company made recoveries of ~INR600m from the written-off pool in 1QFY26.
- It has guided for Stage 3 PCR of 50-51%.

Competitive landscape

- There is a major rate war going on among banks, with the segment witnessing competition. Repo rate cuts of 100bp were done between Feb and Jun. Banks give out repo-rate linked home loans and LICHF's lending rate is linked to PLR.
- The company is not witnessing any abnormal (or alarming) competitive pressure. Due to the intense competition, there will be pressure on LICHF, and the company is prepared for that competition.

- LICHF would prioritize NIM over loan growth (rather than chasing growth at the expense of spreads/NIM).

Liabilities and CoB

- Incremental CoB declined to 6.97% as of Jun'25, and guided to further dip by 5-7bp in 2QFY26.
- Going forward, the yield contraction on advances will be offset by a decline in the cost of borrowings. LICHF is seeing significant benefits in its CoB compared to the impact of its yield contraction.
- The company has guided that its incremental CoB could decline 5-7bp in the coming quarters.
- ~25% of the total borrowings are EBLR. ~INR220b of NCDs would get repriced this year. Within its liabilities mix, ~43% are floating and the remaining ~57% are fixed-rate liabilities.

Yields, PLR, and pricing

- Except for LICHF, CANF and BHFL, no other HFCs have cut their rates by as much.
- LICHF has cut its PLR rate by ~25bp on 28th Apr'25. New home loan rates start at 7.5%.
- 1/3rd of the loan book (linked to EBLR) was repriced in 1QFY26, and the remaining was repriced effective 1st July.
- Incremental yields stood at 8.9% (v/s 9.4% in 4QFY25).

Project finance

- LICHF is not withdrawing from the Project Finance market. However, it has slowed its pace as it seeks to finance only manque and strong developers (BBB or above) and projects.
- Project finance disbursements are construction-linked (even as the project finance sanctions stood at ~INR8b in 1QFY26).

Affordable segment

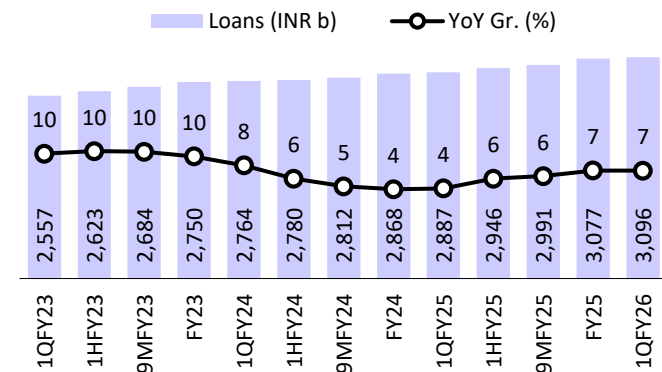
- LICHF is making slow and steady progress in the affordable segment.
- Affordable business disbursements stood at INR4.58b in FY26 and LICHF targets affordable segment disbursements of ~INR10b in FY27.

Exhibit 1: Segment-wise split of Stage 3

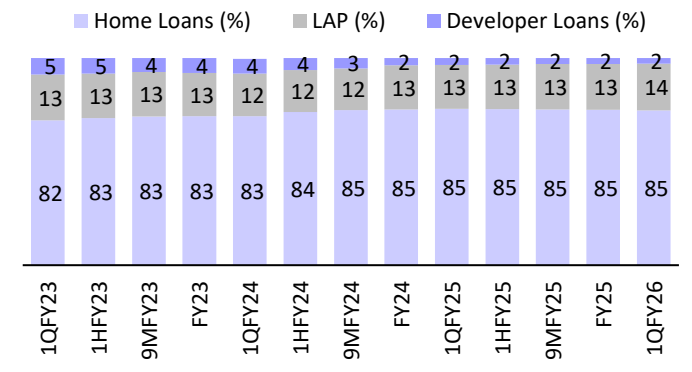
	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Individual home loans (IHL)	1.2%	1.7%	1.5%	1.4%	1.3%	1.2%	1.1%	1.2%
Non-housing individual (NHI)	7.1%	6.5%	5.5%	5.4%	5.0 %	4.6 %	3.8%	4.3%
Non-housing commercial (NHC)	35.5%*	40.8%*	30.7%*	33.1%*				
Project loans	42.2%	45.6%	40.0%	42.1%	30.1%*	27%*	24.5%*	24.8%*

*NHC includes project loans

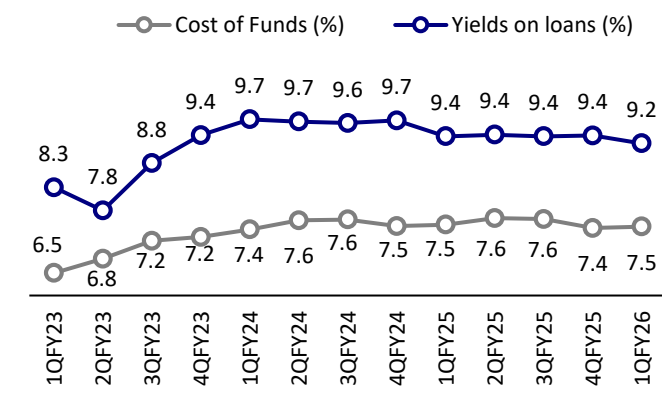
Story in charts

Exhibit 2: Loan book grew 7% YoY


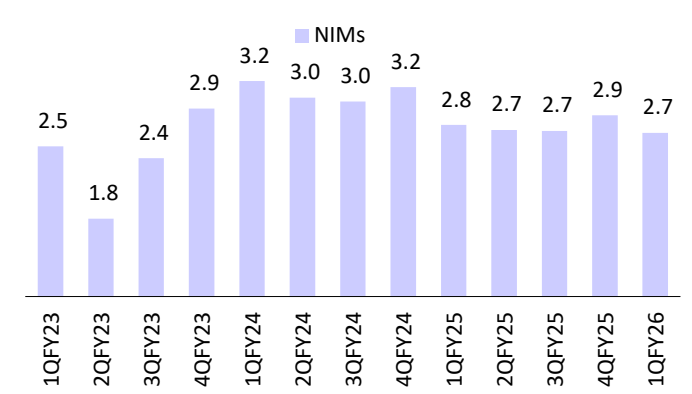
Source: MOFSL, Company

Exhibit 3: Loan mix stable QoQ (%)


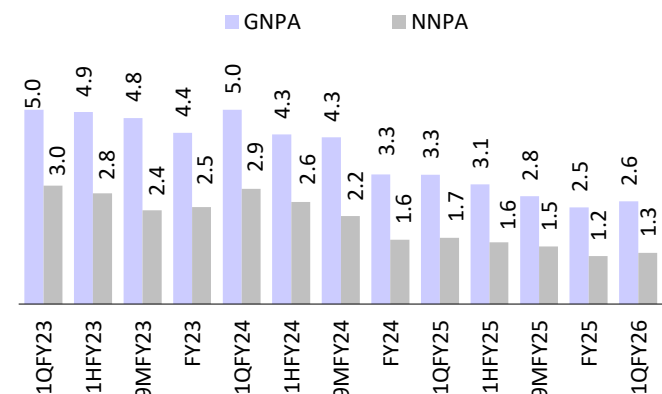
Source: MOFSL, Company

Exhibit 4: Calculated yields declined ~20bp QoQ


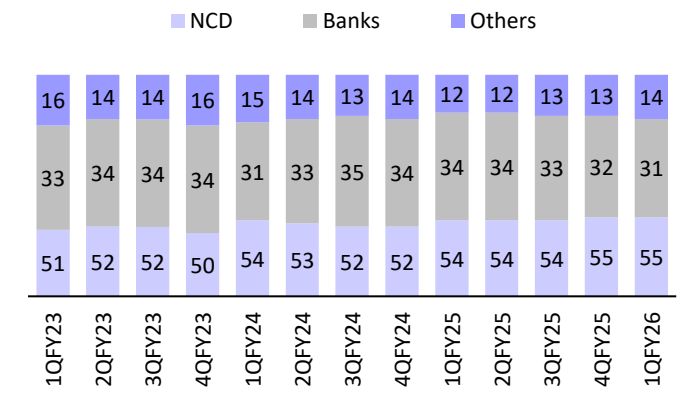
Source: MOFSL, Company

Exhibit 5: NIM contracted ~20bp QoQ (%)


Source: MOFSL, Company

Exhibit 6: GS3 rose ~15bp QoQ to ~2.6%


Source: MOFSL, Company

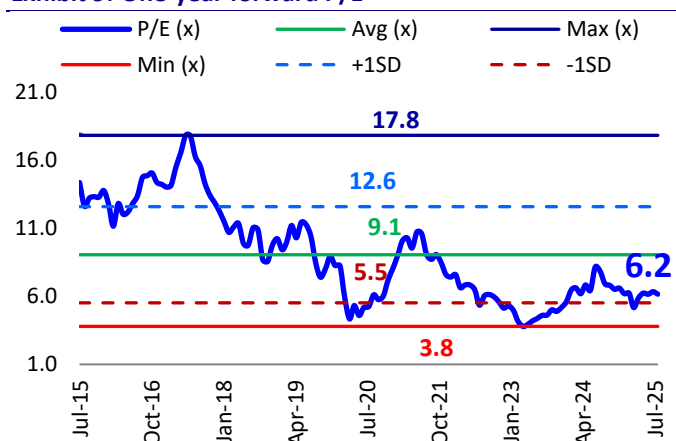
Exhibit 7: Share of bank borrowings declined QoQ (%)


Source: MOFSL, Company

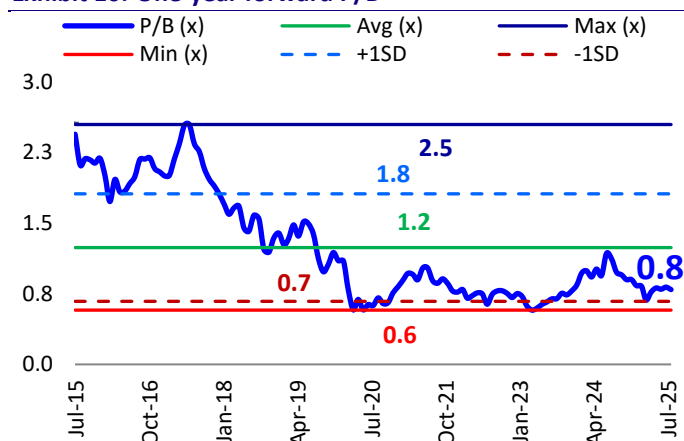
Exhibit 8: We keep our FY26/FY27 EPS estimates broadly unchanged

INR B	Old Est.		New Est.		% Change	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	84.3	93.2	81.9	91.9	-2.9	-1.4
Other Income	3.8	3.7	5.4	4.9	42.0	34.3
Net Income	88.1	96.9	87.3	96.9	-0.9	0.0
Operating Expenses	15.2	16.8	14.6	16.1	-3.8	-3.9
Operating Profits	73.0	80.1	72.7	80.7	-0.3	0.8
Provisions	6.3	8.6	5.3	8.5	-15.3	-1.0
PBT	66.7	71.6	67.4	72.3	1.1	1.0
Tax	14.0	15.0	14.1	15.2	1.1	1.0
PAT	52.7	56.5	53.2	57.1	1.1	1.0
Loans	3,279	3,565	3,254	3,519	-0.8	-1.3
Borrowings	2,922	3,167	2,896	3,123	-0.9	-1.4
Spreads (%)	1.90	1.95	1.83	1.93		
RoAA (%)	1.6	1.6	1.6	1.6		
RoAE (%)	13.7	13.3	13.9	13.4		

Source: MOFSL, Company

Exhibit 9: One-year forward P/E


Source: MOFSL, Company

Exhibit 10: One-year forward P/B


Source: MOFSL, Company

Financials and valuations

Income Statement									(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	1,71,628	1,96,054	1,96,971	1,96,885	2,25,162	2,70,416	2,76,615	2,84,142	3,04,110
Interest Expense	1,28,915	1,47,839	1,44,526	1,41,537	1,61,860	1,83,907	1,95,320	2,02,239	2,12,170
Net Interest Income	42,713	48,215	52,445	55,348	63,303	86,509	81,295	81,904	91,940
Change (%)	21.3	12.9	8.8	5.5	14.4	36.7	-6.0	0.7	12.3
Fee Income	348	394	788	982	448	491	371	401	442
Other Income	1,669	250	718	1,664	1,132	1,440	3,577	5,007	4,507
Net Income	44,730	48,859	53,951	57,994	64,882	88,440	85,243	87,312	96,888
Change (%)	21.0	9.2	10.4	7.5	11.9	36.3	-3.6	2.4	11.0
Operating Expenses	4,754	6,167	7,015	9,994	9,883	11,463	13,826	14,593	16,145
Operating Profits	39,976	42,692	46,936	48,000	55,000	76,976	71,416	72,719	80,743
Change (%)	22.7	6.8	9.9	2.3	14.6	40.0	-7.2	1.8	11.0
Provisions/write offs	6,181	10,002	13,450	20,218	19,430	16,437	2,858	5,340	8,467
PBT	33,796	32,690	33,486	27,782	35,570	60,539	68,558	67,379	72,277
Tax	9,486	8,672	6,142	4,909	6,660	12,885	14,268	14,150	15,178
Tax Rate (%)	28.1	26.5	18.3	17.7	18.7	21.3	20.8	21.0	21.0
PAT	24,310	24,018	27,343	22,873	28,910	47,654	54,290	53,229	57,099
Change (%)	21.4	-1.2	13.8	-16.3	26.4	64.8	13.9	-2.0	7.3
Adjusted PAT	24,310	24,018	27,343	22,873	28,910	47,654	54,290	53,229	57,099
Change (%)	21.4	-1.2	13.8	-16.3	26.4	64.8	13.9	-2.0	7.3
Proposed Dividend	4,471	4,040	4,292	4,678	4,678	4,954	5,504	5,839	6,115

Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Capital	1,010	1,010	1,010	1,101	1,101	1,101	1,101	1,101	1,101
Reserves & Surplus	1,61,583	1,80,921	2,04,203	2,45,618	2,69,903	3,12,846	3,61,467	4,03,353	4,48,497
Net Worth	1,62,593	1,81,931	2,05,213	2,46,718	2,71,003	3,13,946	3,62,568	4,04,454	4,49,598
Borrowings	17,06,670	19,13,317	20,78,615	22,36,582	24,47,742	25,24,968	27,05,972	28,96,208	31,22,813
Change (%)	17.5	12.1	8.6	7.6	9.4	3.2	7.2	7.0	7.8
Other liabilities	1,36,572	72,808	72,505	62,375	65,374	73,132	70,726	74,262	77,975
Total Liabilities	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,39,266	33,74,923	36,50,386
Investments	35,951	54,964	46,357	61,986	69,764	62,770	71,421	78,564	86,420
Change (%)	82.3	52.9	-15.7	33.7	12.5	-10.0	13.8	10.0	10.0
Loans	19,29,927	20,79,880	22,81,143	24,52,963	26,78,348	28,05,898	30,28,458	32,54,166	35,19,059
Change (%)	16.1	7.8	9.7	7.5	9.2	4.8	7.9	7.5	8.1
Net Fixed Assets	1,359	2,544	2,469	2,876	3,570	3,609	3,781	3,970	4,168
Other assets	38,598	30,669	26,364	27,849	32,439	39,770	35,605	38,224	40,739
Total Assets	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,39,266	33,74,923	36,50,386

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)									
Yield on loans	9.6	9.8	9.0	8.3	8.8	9.9	9.5	9.0	9.0
Cost of funds	8.2	8.2	7.2	6.6	6.9	7.4	7.5	7.2	7.1
Spreads Analysis (%)	1.4	1.6	1.8	1.76	1.87	2.46	2.01	1.83	1.93
Margins	2.4	2.4	2.4	2.3	2.5	3.2	2.8	2.6	2.7

Profitability Ratios (%)

Adj RoAE	15.9	13.9	14.1	10.1	11.2	16.3	16.0	13.9	13.4
Adj RoAA	1.3	1.2	1.2	0.9	1.1	1.7	1.8	1.6	1.6
Int. Expended/Int.Earned	75.1	75.4	73.4	71.9	71.9	68.0	70.6	71.2	69.8
Other Inc./Net Income	3.7	0.5	1.3	2.9	1.7	1.6	4.2	5.7	4.7

Efficiency Ratios (%)

Fees/Operating income	0.2	0.2	0.4	0.5	0.2	0.2	0.1	0.1	0.1
Op. Exps./Net Income	10.6	12.6	13.0	17.2	15.2	13.0	16.2	16.7	16.7
Empl. Cost/Op. Exps.	52.1	48.5	41.8	56.4	47.9	53.2	50.8	50.2	50.8

Asset-Liability Profile (%)

Loans/Borrowings Ratio	113.1	108.7	109.7	109.7	109.4	111.1	111.9	112.4	112.7
Debt/Equity (x)	10.5	10.5	10.1	9.1	9.0	8.0	7.5	7.2	6.9
Gross NPAs (Rs m)	30,754	59,594	95,585	1,16,520	1,20,196	94,945	76,010	71,129	69,369
Gross NPAs to Adv.	1.6	2.8	4.1	4.7	4.4	3.3	2.5	2.2	2.0
Net NPAs (Rs m)	15,514	33,474	57,414	66,314	66,383	46,178	37,071	60,854	51,734
Net NPAs to Adv.	0.8	1.6	2.5	2.7	2.5	1.6	1.2	1.9	1.5

Valuation	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Book Value (INR)	322	360	406	448	492	570	659	735	817
Growth (%)	14.2	11.9	12.8	10.3	9.8	15.8	15.5	11.6	11.2
Price-BV (x)	1.8	1.6	1.5	1.3	1.2	1.0	0.9	0.8	0.7
Adjusted BV (INR)	313.7	342.4	375.7	415.7	459.8	547.7	640.6	705.0	791.5
Price-ABV (x)	1.8	1.6	1.5	1.3	1.2	1.0	0.9	0.8	0.7
OPS (INR)	79.2	84.5	93.0	87.2	99.9	139.9	129.8	132.1	146.7
Growth (%)	22.7	6.8	9.9	-6.2	14.6	40.0	-7.2	1.8	11.0
Price-OP (x)	7.5	7.0	6.4	6.8	5.9	4.2	4.6	4.5	4.0
EPS (INR)	48.1	47.6	54.2	41.6	52.5	86.6	98.6	96.7	103.7
Growth (%)	21.4	-1.2	13.8	-23.3	26.4	64.8	13.9	-2.0	7.3
Price-Earnings (x)	12.3	12.4	10.9	14.2	11.3	6.8	6.0	6.1	5.7
Adj. EPS (INR)	48.1	47.6	54.2	41.6	52.5	86.6	98.6	96.7	103.7
Growth (%)	21.4	-1.2	13.8	-23.3	26.4	64.8	13.9	-2.0	7.3
Price-Earnings (x)	12.3	12.4	10.9	14.2	11.3	6.8	6.0	6.1	5.7
Dividend Per Share	7.6	8.0	8.5	8.5	8.5	9.0	10.0	10.6	11.1
Dividend Yield (%)	1.3	1.4	1.4	1.4	1.4	1.5	1.7	1.8	1.9

E: MOFSL Estimates

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. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 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: No.
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).
- 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 alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

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

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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

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

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

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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