



Research Report

Motilal Oswal Home Finance

About the Company:

Motilal Oswal Home Finance Limited (MOHFL) is a professionally managed housing finance company with unique combination of financially sound and technically experienced promoters who are well known in their domain for professional ethics and strong execution capabilities.



MOHF works on the business philosophy of financial inclusion of Lower and Middle Income (LMI) Indian families by providing them an access to long term housing finance.

MOHF is a subsidiary of Motilal Oswal Financial Services Limited (MOFSL). MOFSL is a well-diversified, financial services company focused on wealth creation for all its customers, such as institutional, corporate, HNI and retail.

Business Overview:

- Focus is on pure retail housing loans with average loan size of 8.8 lakh
- The loan book stood at 3,652 crores as on September 2020.
- Provided financial assistance to over 47,950 customers.
- Operates out of 110 locations in Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh, Karnataka, Rajasthan, Tamil Nadu, Chhattisgarh and Telangana.

Board of Directors:

Chairman	Mr. Motilal Oswal
Director	Mr. Raamdeo Agrawal
	Mr. Navin Agarwal
Managing Director & Chief Executive Officer	Mr. Arvind Hali
Independent Director	Mr. Sanjaya Kulkarni
Independent Director	Ms. Divya Momaya

Products & Services:

1. Home Finance

- Home Loans
- Construction Loans
- Home Improvement Loans
- Home Extension Loans

- PMAY- Pradhan Mantri Awaz Yojana

2. Loan Against Property

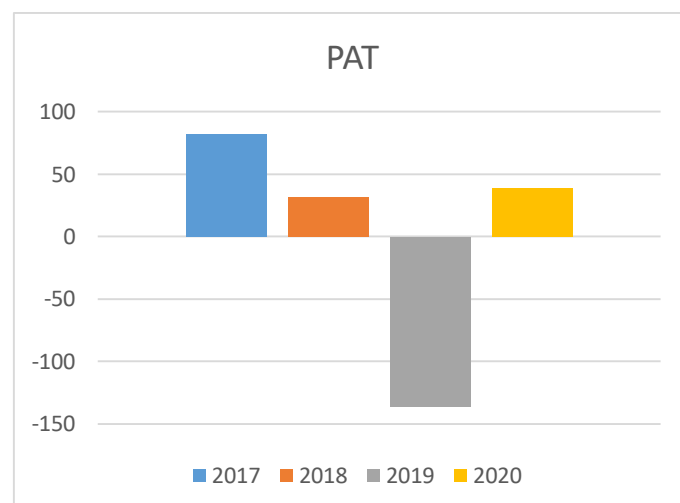
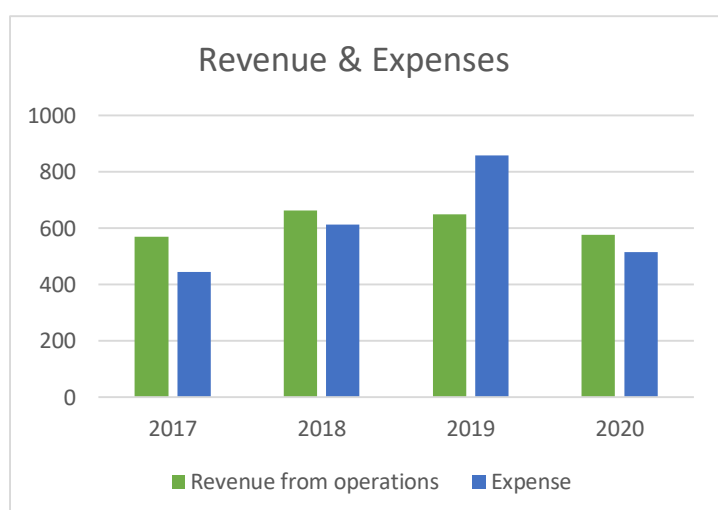
Loan Process:

1. Shortlist the property
2. Fill the application form & submit KYC
3. Check Eligibility
4. Provide Property Documents
5. Property gets verified
6. Loan Agreement is finalized
7. Loan Amount get credited in your Bank Account

Financials:

(Fig. in crores)

Particulars	2017	2018	2019	2020
Revenue from operations	570	662	648	576
Expense	445	613	859	515
PAT	82	31	-136	39
Book Value	1.31	1.5	1.37	1.44



Key Highlights of FY19-20:

- The loan book stood at 3,667 crores across 47,900 families as of March 2020.
- In FY20, MOHF has sold assets worth 595 cr to Phoenix ARC for consideration of 293 cr this has resulted in a significant reduction of the GNPA & NNPA rates to 1.81% and 1.36% respectively. This has resulted in getting funds at a lower cost.

- The company this year has boosted its all 4 verticals which are pillars in the lending business i.e. sales, credit, collection, and legal. Currently, they have 430 employees in these verticals. They have also learned from the past and working vigorously to streamline their underwriting.
- MOHFL also received credit rang upgrade amid challenging environment based on several positive changes undertaken. CRISIL has upgraded MOHFL's rang to AA- (stable) from earlier A+ (stable).
- In FY19-20, the MOHF has distributed loan worth Rs 190 crores for home purchase, construction, repair, and renovation. The disbursement of loans has been done with collateral first policy and after passing through several stringent checks and balances. This shows that the company is putting a lot of effort into underwriting, to reduce NPAs in the future.

Report by: Janvi Doshi

Dated: 30th November 2020

