

Estimate change	
TP change	
Rating change	

Bloomberg	MGFL IN
Equity Shares (m)	846
M.Cap.(INRb)/(USDb)	193.5 / 2.3
52-Week Range (INR)	248 / 138
1, 6, 12 Rel. Per (%)	-6/53/29
12M Avg Val (INR M)	2256

**Financials & Valuations (INR b)**

Y/E March	FY25	FY26E	FY27E
NII	62.2	66.7	77.0
PPP	36.3	37.9	44.4
PAT	12.0	20.2	26.8
EPS (INR)	14.2	21.5	26.0
EPS Gr. (%)	-45.2	51.0	20.9
BV/Sh.(INR)	147	179	201
<b>Ratios</b>			
NIM (%)	15.0	14.8	15.0
C/I ratio (%)	44.2	45.6	44.6
RoA (%)	2.5	3.9	4.6
RoE (%)	10.0	13.8	14.2
Payout (%)	24.6	16.5	15.5
<b>Valuations</b>			
P/E (x)	16.1	10.7	8.8
P/BV (x)	1.6	1.3	1.1
Div. Yld. (%)	1.5	1.5	1.8

**Shareholding pattern (%)**

As On	Mar-25	Dec-24	Mar-24
Promoter	35.3	35.3	35.2
DII	8.0	7.9	9.5
FII	28.4	27.0	32.0
Others	28.3	29.9	23.3

FII Includes depository receipts

**CMP: INR229**

**TP: INR230 (+1%)**

**Neutral**

**Operationally weak; asset quality deteriorates across segments**

**Gold loan AUM grew ~4% QoQ; appointment of new CEO**

- MGFL has appointed Mr. Deepak Reddy as the new CEO (effective Aug'25). He will report to Mr. VP Nandakumar, who will be re-designated as the Managing Director (MD) of the company. Mr. Reddy previously served as President – Rural Lending, Gold Loans, and Insurance Businesses at Bajaj Finance. He has also held diverse roles across HR, Mortgages, Business Loans, Personal Loans, and Vendor Financing at Bajaj Finance and Bajaj Finserv.
- MGFL reported consol. loss of INR2b in 4QFY25 (vs. MOFSLe PAT of INR2.1b). FY25 consol. PAT declined ~45% YoY to INR12b. NII in 4QFY25 declined ~3% YoY to ~INR14.4b (~9% miss). PPoP declined ~27% YoY to ~INR6.8b, driven by elevated operating expenses in the MFI business.
- Consol. credit costs stood at ~INR9.2b (vs MOFSLe of ~INR6.8b). Annualized credit costs in 4QFY25 rose ~350bp QoQ to 8.4% (vs PQ: ~4.9%). Higher credit costs were attributed to the MFI, Vehicle Finance, and MSME segments.
- **Gold AUM grew ~4% QoQ and ~19% YoY to ~INR256b.** Net yields on gold loans stood at ~22.35% in FY25 (vs ~22.7% in 9MFY25). Net yields on the standalone business declined ~50bp QoQ to 21.7%, while standalone CoB was stable QoQ at 9.2%, resulting in a ~50bp decline in spreads.
- Standalone (Gold +Vehicle + Onlending + MSME) GNPA/NNPA increased ~30bp/20bp QoQ to ~2.8%/~2.5%, respectively. Asset quality deteriorated across non-gold segments, with GS3 increasing in vehicle finance (~6.7% vs. ~5.2% in 3Q) and MSME (~5.1% vs ~4.1% in 3Q).
- Management shared that the rise in GNPA in Vehicle Finance was driven by higher delinquencies in the 2W and farm equipment segments. In response, the company has tightened its credit underwriting policies for these categories, with disbursements resuming under the revised norms.
- MGFL is confident that the draft gold lending guidelines will not disrupt the industry and provide a level playing field for all players. Management has guided for gold AUM growth of >20%, but we conservatively estimate gold AUM growth of ~15% in FY26.
- We cut our FY26/FY27 PAT estimates by ~12%/13% to factor in a lower loan growth and NIM contraction. Over FY25-27, we estimate a CAGR of 15% each in gold/consolidated AUM and ~50% in consolidated PAT, with consolidated RoA/RoE of ~4.6%/14% in FY27 (after factoring in the expected equity infusion from Bain Capital). **Reiterate our Neutral rating on the stock with a TP of INR230 (based on 1.1x Mar'27E consolidated BVPS).**

### Gold AUM grew ~4% QoQ; sequential decline in gold tonnage and LTV

- Gold AUM grew ~4% QoQ and ~19% YoY to ~INR256b. Gold tonnage declined ~2% QoQ to ~56.4 tons. Within gold loans, LTV declined ~3pp QoQ to ~57%, while the Average Ticket Size (ATS) in gold loans rose to INR67.8K (PQ: INR64.3K). Gold loan customer base declined to ~2.58m (PQ: 2.6m).
- Management expects robust growth in gold loans to continue in the coming quarters, driven by a significant shift in customer preference from the unorganized to the organized sector.
- MGFL is targeting higher ticket sizes in gold lending, with a slight reduction in yields. After a successful pilot in 3Q across select branches, the initiative was expanded to more branches in Feb'25. While the customer base has remained broadly stable, the ATS has increased, with loans above INR500k now comprising 16% of the loan mix, up from 14%.

### Asirvad MFI: Credit costs elevated; GS3 rose ~270bp QoQ

- Asirvad's GNPA rose ~270bp QoQ to 8.5%, while NNPA was stable QoQ at ~2.5%. Credit costs stood at ~INR8.5b (PQ: ~INR4.7b), translating into annualized credit costs of ~37% (PQ: ~17%).
- Asirvad's AUM declined ~31% YoY and ~18% QoQ to ~INR82b. It reported a loss of INR6.3b in 4QFY25 (vs. loss of INR1.9b in 3QFY25).
- MGFL acknowledged that while 4QFY25 was the most difficult quarter, it has started seeing early signs of improvement in its MFI business. To strengthen its collection efforts, the company has increased collection incentives to improve customer retention and is expanding its collections team. The company expects MFI credit costs to decline in the subsequent quarters.

### Highlights from the management commentary

- Banks have started reducing the MCLR, which has led to some benefits from Apr'25. CPs are also being raised at slightly lower rates, and the company expects to see further improvements in its cost of borrowings in 1QFY26.
- MGFL anticipates a decline in gold loan yields in the coming quarters due to increased competitive pressure. However, the company also expects its cost of borrowings to decline. Even with potential contraction in RoA, MGFL plans to leverage its capital to maintain a healthy RoE.

### Valuation and view

- MGFL reported a weak operational performance for the quarter, primarily due to elevated credit costs and a deterioration in asset quality across its non-gold segments. Although the gold loan portfolio registered healthy growth, both the MFI and vehicle finance segments saw a sequential decline in AUM. Asirvad Microfinance posted a net loss for the second consecutive quarter, impacted by significantly elevated credit costs.
- MGFL trades at 1.1x FY27E P/BV, and we believe that there could be a near-term impact on profitability and growth due to stress in the MFI and other non-gold product segments. **We reiterate our Neutral rating on the stock with a TP of INR230 (based on 1.1x Mar'27E consolidated BVPS).**

MGFL - Quarterly Performance (Consolidated)											(INR m)	
Y/E March	FY24				FY25				FY24	FY25	4QFY25E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	19,363	20,438	22,011	22,734	23,861	25,411	25,163	23,393	84,546	97,997	24,698	-5
Interest Expenses	6,484	6,894	7,487	7,792	8,483	9,057	9,253	8,954	28,657	35,747	8,816	2
<b>Net Interest Income</b>	<b>12,879</b>	<b>13,543</b>	<b>14,524</b>	<b>14,943</b>	<b>15,378</b>	<b>16,354</b>	<b>15,909</b>	<b>14,439</b>	<b>55,889</b>	<b>62,250</b>	<b>15,882</b>	<b>-9</b>
YoY Growth (%)	34.6	25.5	33.0	32.83	19.4	20.8	9.5	-3.37	31.4	11.4	6.3	
Other income	1,209	1,303	1,256	888	1,259	961	464	240	4,655	2,752	925	-74
<b>Net Income</b>	<b>14,088</b>	<b>14,846</b>	<b>15,780</b>	<b>15,831</b>	<b>16,636</b>	<b>17,314</b>	<b>16,373</b>	<b>14,679</b>	<b>60,544</b>	<b>65,002</b>	<b>16,807</b>	<b>-13</b>
Operating Expenses	6,068	6,182	6,419	6,497	6,823	6,984	7,066	7,845	25,165	28,718	7,212	9
<b>Operating Profits</b>	<b>8,020</b>	<b>8,664</b>	<b>9,361</b>	<b>9,333</b>	<b>9,814</b>	<b>10,331</b>	<b>9,307</b>	<b>6,833</b>	<b>35,379</b>	<b>36,285</b>	<b>9,595</b>	<b>-29</b>
YoY Growth (%)	57.5	36.8	58.1	52.0	22.4	19.2	-0.6	-26.8	50.7	2.6	2.8	
Provisions	1,212	1,197	1,496	1,878	2,286	2,604	5,546	9,192	5,783	19,628	6,764	36
<b>PBT</b>	<b>6,808</b>	<b>7,467</b>	<b>7,864</b>	<b>7,455</b>	<b>7,528</b>	<b>7,727</b>	<b>3,761</b>	<b>-2,359</b>	<b>29,595</b>	<b>16,656</b>	<b>2,832</b>	<b>-</b>
Tax Provisions	1,828	1,861	2,111	1,820	1,963	2,006	976	-327	7,621	4,618	735	-144
<b>PAT</b>	<b>4,980</b>	<b>5,607</b>	<b>5,753</b>	<b>5,635</b>	<b>5,565</b>	<b>5,721</b>	<b>2,785</b>	<b>-2,032</b>	<b>21,974</b>	<b>12,039</b>	<b>2,096</b>	<b>-</b>
YoY Growth (%)	77	37	46	36	12	2	-52	-136	46	-45	-63	
<b>Key Ratios (%)</b>												
Yield on loans	22.3	22.6	23.2	22.8	22.5	22.9	22.8	21.8	22.5	23.6		
Cost of funds (Cal)	9.1	9.1	9.3	9.5	9.4	9.4	9.8	9.9	9.2	10.4		
Spreads (Cal)	13.2	13.5	13.9	13.3	13.1	13.5	13.0	11.9	13.3	13.2		
NIMs (Cal)	14.8	15.0	15.3	15.0	14.5	14.8	14.4	13.5	14.9	15.0		
C/I ratio	43.1	41.6	40.7	41.0	41.0	40.3	43.2	53.4	41.6	44.2		
Credit Cost	1.3	1.3	1.5	1.8	2.1	2.3	4.9	8.4	1.5	4.7		
Tax Rate	26.9	24.9	26.8	24.4	26.1	26.0	26.0	13.9	25.8	27.7		
<b>Balance Sheet Parameters</b>												
<b>Consol. AUM (INR b)</b>	<b>371</b>	<b>390</b>	<b>404</b>	<b>421</b>	<b>449</b>	<b>457</b>	<b>442</b>	<b>430</b>				
Change YoY (%)	20.6	27.0	26.7	18.7	21.2	17.4	9.5	2.3				
<b>Gold loans (INR b)</b>	<b>206</b>	<b>208</b>	<b>208</b>	<b>215</b>	<b>236</b>	<b>244</b>	<b>245</b>	<b>256</b>				
Change YoY (%)	0.6	8.4	11.5	8.9	14.8	17.1	18.0	19.0				
Gold stock (tonnes)	59	59	58	59	60	60	57	56				
Gold loans/branch (INR m)	51	51	51	53	58	60	61	63				
<b>Consol. Borrowings (INR b)</b>	<b>285</b>	<b>322</b>	<b>319</b>	<b>337</b>	<b>385</b>	<b>385</b>	<b>370</b>	<b>354</b>				
Change YoY (%)	19.0	20.5	18.2	18.2	34.8	19.4	15.9	5.2				
<b>Borrowings Mix (%)</b>												
Debentures	20.3	18.2	18.5	14.4	12.3	12.1	11.3	10.6				
CPs	0.0	2.0	0.1	2.5	2.3	1.5	0.8	0.8				
WC/CC	27.0	27.5	25.7	22.7	20.5	19.1	20.6	20.5				
TL	49.5	50.2	52.9	56.5	54.3	47.7	53.5	52.7				
ECB	3.3	0.6	1.6	2.8	10.0	19.0	13.4	14.8				
Others	0.0	1.4	1.3	1.2	0.6	0.7	0.4	0.5				
Debt/Equity (x)	1.4	1.5	1.4	0.5	1.6							
<b>Asset Quality Parameters (%)</b>												
GNPL ratio (Standalone)	1.4	1.6	2.0	1.9	2.0	2.4	2.5	2.8				
NNPL ratio (Standalone)	1.2	1.4	1.8	1.7	1.7	2.1	2.3	2.5				
<b>Return Ratios (%)</b>												
RoA (Rep)	5.0	5.3	5.2	4.9	4.8	4.4	2.2	-1.6				
RoE (Rep)	20.1	21.6	21.2	19.9	16.7	18.6	8.9	-6.4				

E: MOFSL estimates



## Highlights from the management commentary

### Guidance

- MGFL expects robust growth in gold loans to continue in the subsequent quarters. It has guided for gold loan growth of >20% in FY26. The company is witnessing significant migration from the unorganized to the organized sector.
- The company expects the share of the MFI business in the consol. AUM mix to decline to ~10%.
- It has guided for an RoE of ~18%.
- It expects gold loan yields to decline in the coming quarters due to heightened competitive intensity. However, it also anticipates a reduction in its CoB. While some contraction in RoA is likely, the company aims to leverage its capital to deliver a healthy RoE.

### Financial performance

- In FY25, the company reported a consolidated revenue of INR100.4b, up 12.5% YoY.
- The loss in 4Q was predominantly driven by higher credit costs in the MFI business.
- Excluding the MFI subsidiary, consol. PAT for 4QFY25 and FY25 stood at INR4.23b and INR18.43b, respectively.
- The CRAR (standalone) stood at 30.9%.
- The company reported an RoA of ~4.8%, with leverage remaining conservative.
- Standalone GNPA stood at 2.77%, while Standalone FY25 PAT stood INR17.83b, up 7.6% YoY.
- The company raised ~INR25.47b in term loans from banks during 4QFY25.

### Draft gold lending guidelines

- The company is confident that the RBI gold lending guidelines will not disrupt the gold lending industry, as the guidelines are largely aligned with existing practices and present a level playing field for the players.
- There is a draft of gold guidelines in the public domain, which states that prior permission for branch openings is no longer needed before establishing new gold loan branches.
- Until the maturity date, the accrued interest will have to be factored while computing the disbursement LTV.
- The company aims to design schemes that comply with any new gold lending guidelines, ensuring no disruption to the gold lending industry.
- A representation has been submitted to the RBI to maintain LTV at current levels.
- The company is awaiting final guidelines and anticipates no issues in offering gold loans of varying tenors.
- LTV monitoring is conducted on a concurrent basis, and the policy for this has already been approved by the Board.
- It will frame a policy on end-use monitoring. MGFL primarily offers consumption loans and will tailor its products to meet their requirements.

### MFI business

- Asirvad AUM stood at INR72.1b. The MFI business will take time to resolve and recover.
- Disbursements are fully enabled at branch level based on the portfolio quality.
- The company is focused on improving collection quality by deploying a separate team for hard buckets.
- AUM for Asirvad (incl. INR9.28b of gold loan AUM) stood at INR81.9b. The Indian MFI sector witnessed considerable stress in 4QFY25, primarily from increased borrower defaults from over-leveraged customers.
- Asirvad posted a loss of INR6.26b in 4QFY25. It clocked a CRAR of 21% as of Mar'25.
- 4QFY25 was the weakest quarter, but the MFI business is showing signs of improvement. MGFL is encouraging its employees to prioritize collections and is looking to expand its collections team. To compensate for the decline in disbursements and retain employees, the company has increased its collection incentives.
- Following the implementation of guardrails in Aug'24, the company experienced higher delinquencies, with many of these cases slipping in 3Q and eventually turning into NPAs in 4Q.
- MFI write-offs stood at INR5.65b.
- The worst appears to be over for the MFI segment. Regarding the provisioning in Asirvad, the company expects credit costs to decline in the coming quarters.
- Asirvad: 1+dpd stood at ~20% and 30+ dpd stood at 17.22%.
- The company observed the highest impairments in West Bengal, Odisha, Karnataka, and TN, though KAR and TN are showing gradual improvement.

### Gold loans

- The company expects strong growth in its gold AUM, supported by digital onboarding and rural demand.
- Consol. gold AUM stood at INR251.9b, up 4.4% QoQ and 18.7% YoY. This was despite the heightened competition.
- The company added 310k new gold loan customers, bringing the total number of active gold loan customers to 2.58m. Notably, 83% of its gold loan book is sourced through its online gold loan platform.
- Gold LTV declined to 57% (PQ: 60%).
- There was a ~55bp QoQ reduction in gold loan yields. MGFL has taken into account interest rate sensitivity and is making adjustments at select branches, with the aim of attracting higher ticket size gold loan customers.
- MGFL's pricing was not competitive for >INR500K ticket sizes, and it currently does not offer any gold loan contracts with a tenor exceeding 12 months.
- MGFL is targeting higher ticket sizes with some reduction in gold lending yields. It initiated a pilot in 3Q with a few branches, and based on the results, it was expanded to more branches in Feb'25. While the number of customers has remained stable, there has been an increase in the ATS. Above INR500k ticket sizes in the loan mix increased to 16% (from earlier levels of 14%).
- 100% of customers are taking gold loans based on bullet repayments.
- When gold prices rise, there is typically a reduction in the LTV. Conversely, the reverse will also play out when gold prices decline.

- Gold auctions stood at INR1.08b.

#### **Non-gold businesses**

- Tractors, Farm Equipment, and 2W have shown signs of stress, leading to a tightening of underwriting in these segments.
- Considering the asset quality challenges in 2W and Farm Equipment, the company has adjusted its credit underwriting in the Vehicle Finance business. Disbursements are gradually being reinstated under the revised underwriting norms.

#### **Liabilities**

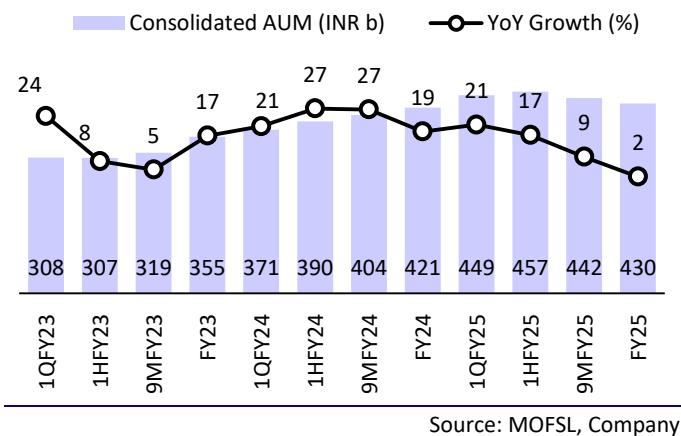
- Banks have started reducing the MCLR, resulting in some benefits from Apr'25. CPs are also being issued at slightly lower costs, and the company expects to see some benefits in its CoB in 1QFY26.

#### **Bain Capital transaction**

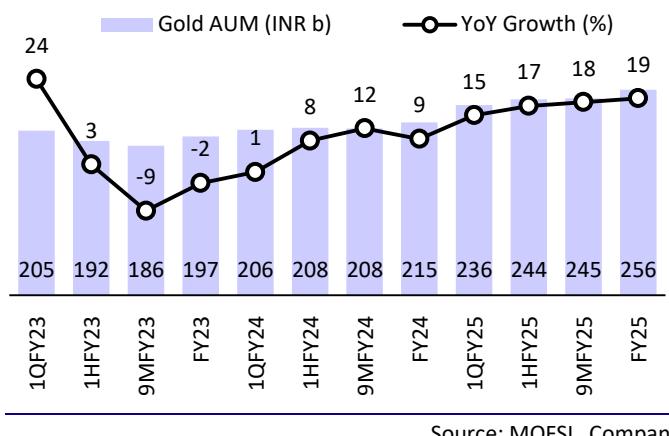
- The company expects to complete the Bain Capital transaction well before the end of the calendar year.
- The capital infusion will be made into the parent company, Manappuram Finance. Bain Capital has previously invested in Axis Bank and L&T Finance, bringing with it both domestic and global experience.

## Key Exhibits

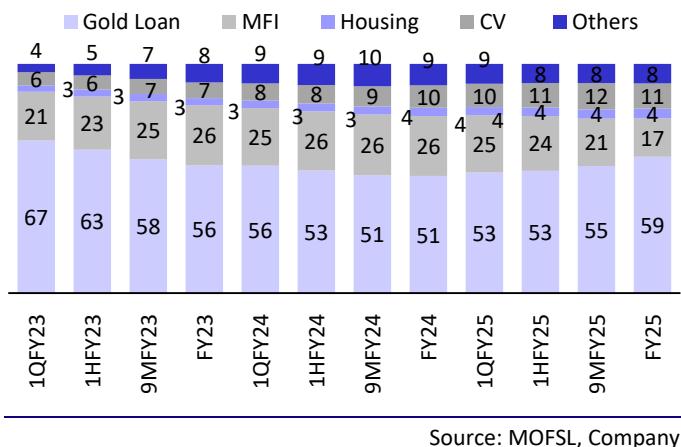
**Exhibit 1: Consolidated AUM rose ~2% YoY**



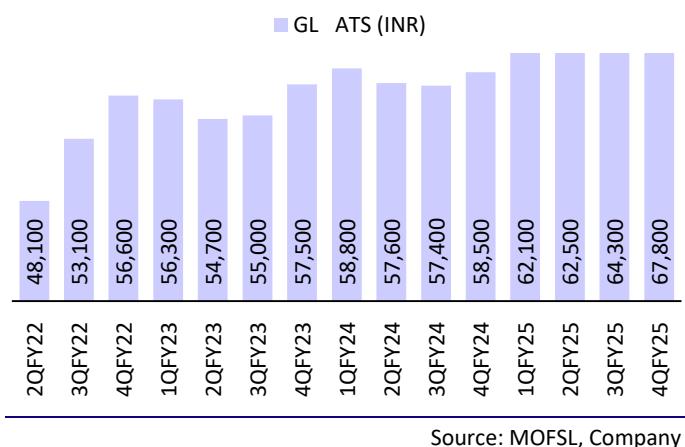
**Exhibit 2: Gold AUM grew 19% YoY and ~4% QoQ**



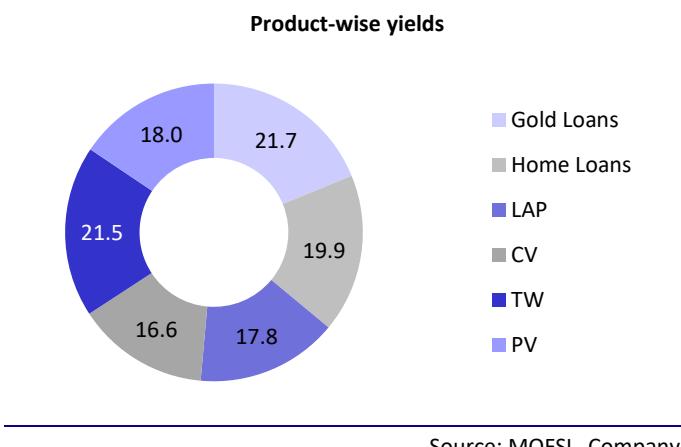
**Exhibit 3: Share of gold rose ~4pp QoQ (%)**



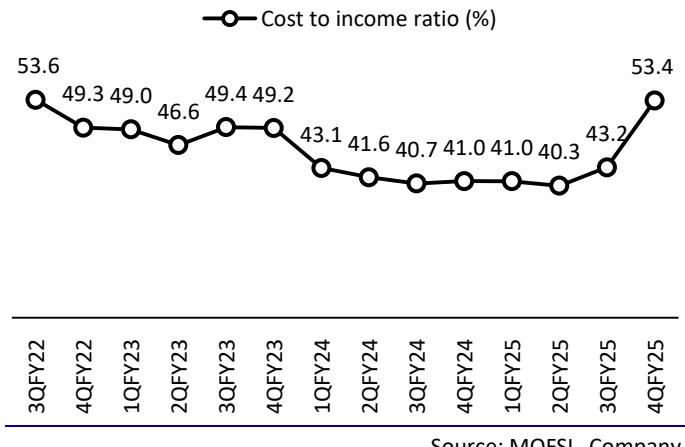
**Exhibit 4: ATS in gold loans rose to INR67.8k**



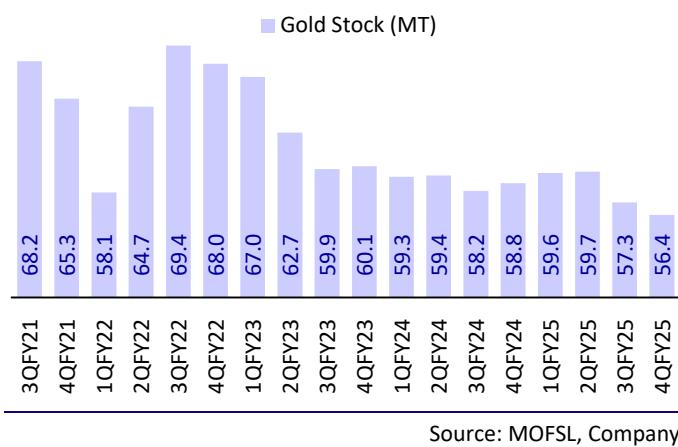
**Exhibit 5: Gold loan yield stood at ~21.7% in 4QFY25**



**Exhibit 6: C/I ratio rose ~10pp QoQ to ~53.4%**

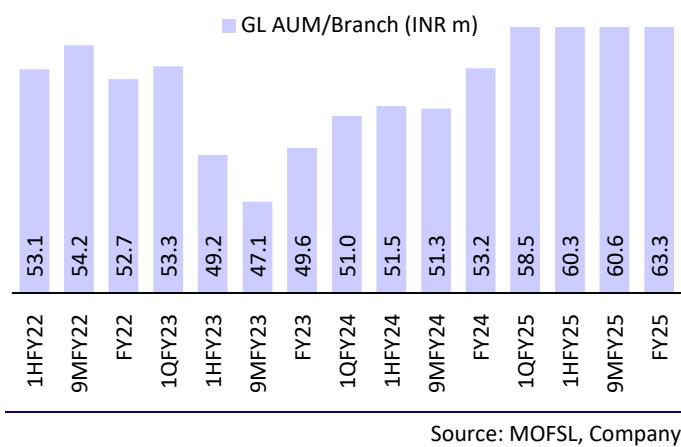


**Exhibit 7: Gold tonnage declined to ~56.4MT**



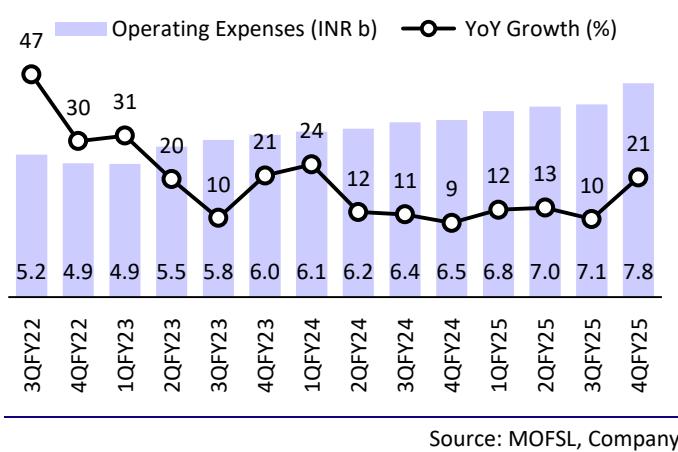
Source: MOFSL, Company

**Exhibit 8: Branch productivity improved QoQ**



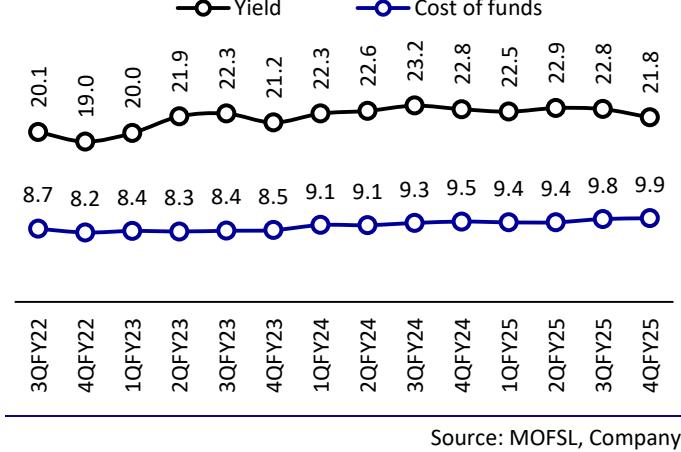
Source: MOFSL, Company

**Exhibit 9: Opex grew ~21% YoY**



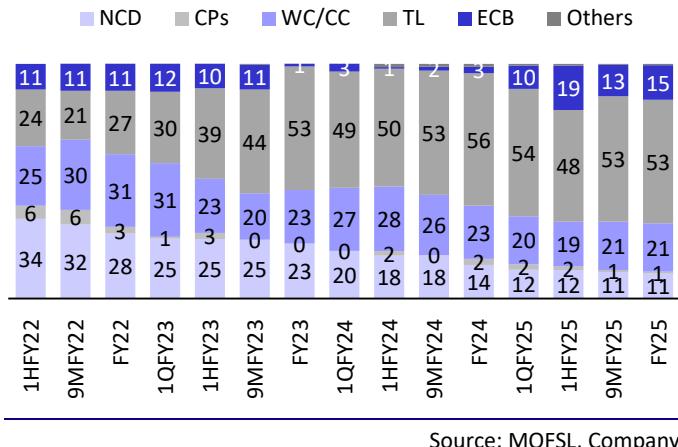
Source: MOFSL, Company

**Exhibit 10: Consolidated spreads declined ~105bp QoQ (%)**



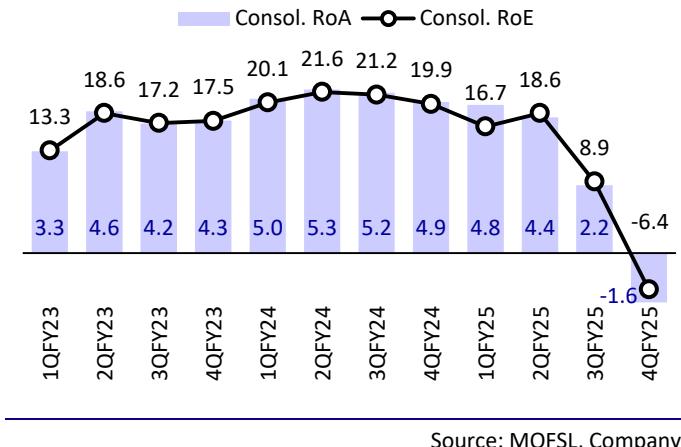
Source: MOFSL, Company

**Exhibit 11: Consolidated borrowing mix (%)**



Source: MOFSL, Company

**Exhibit 12: RoA/RoE stood at ~-1.6%/-6.4% in 4QFY25**



Source: MOFSL, Company

## Valuation and view

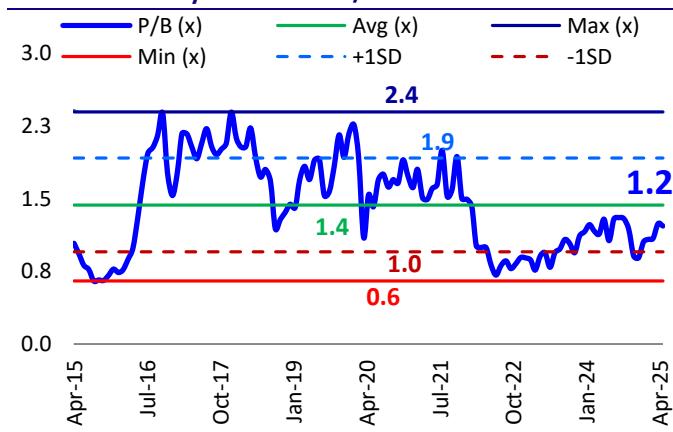
- MGFL reported a weak operational performance for the quarter, primarily due to elevated credit costs and a deterioration in asset quality across its non-gold segments. Although the gold loan portfolio registered healthy growth, both the MFI and vehicle finance segments saw a sequential decline in AUM. Asirvad Microfinance posted a net loss for the second consecutive quarter, impacted by significantly elevated credit costs.
- MGFL trades at 1.1x FY27E P/BV, and we believe there could be a near-term impact on profitability and growth due to stress in the MFI and other non-gold product segments. **We reiterate our Neutral rating on the stock with a TP of INR230 (based on 1.1x Mar'27E consolidated BVPS).**

**Exhibit 13: We cut our FY26/FY27 EPS estimates by ~12%/13% to factor in lower loan growth and NIM contraction**

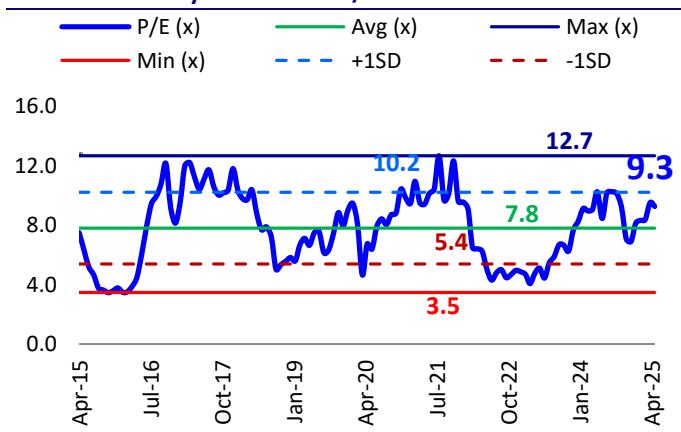
INR B	Old Est.		New Est.		Change (%)	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	70.2	82.2	66.7	77.0	-5.0	-6.3
Other Income	4.1	4.6	3.0	3.2	-28.0	-30.5
<b>Net Income</b>	<b>74.3</b>	<b>86.7</b>	<b>69.6</b>	<b>80.1</b>	<b>-6.3</b>	<b>-7.6</b>
Operating Expenses	31.6	35.8	31.7	35.7	0.4	-0.2
<b>Operating Profits</b>	<b>42.7</b>	<b>50.9</b>	<b>37.9</b>	<b>44.4</b>	<b>-11.3</b>	<b>-12.8</b>
Provisions	11.6	9.2	10.6	8.2	-8.8	-10.7
<b>PBT</b>	<b>31.0</b>	<b>41.8</b>	<b>27.3</b>	<b>36.2</b>	<b>-12.2</b>	<b>-13.3</b>
Tax	8.1	10.9	7.1	9.4	-12.2	-13.3
<b>PAT</b>	<b>23.0</b>	<b>30.9</b>	<b>20.2</b>	<b>26.8</b>	<b>-12.2</b>	<b>-13.3</b>
Loans	502	580	477	549	-5.0	-5.3
Borrowings	372	414	362	401		
RoA (%)	4.3	5.1	3.9	4.6		
RoE (%)	15.1	15.6	13.8	14.2		

Source: MOFSL, Company

**Exhibit 14: One-year forward P/B**



**Exhibit 15: One-year forward P/E**



## Financials and valuations

INCOME STATEMENT									(INR M)	
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
Interest Income	40,461	52,805	61,896	58,397	64,404	84,546	97,997	1,00,702	1,12,828	
Interest Expense	13,449	18,322	22,190	20,114	21,878	28,657	35,747	34,033	35,872	
<b>Net Interest Income</b>	<b>27,012</b>	<b>34,483</b>	<b>39,706</b>	<b>38,284</b>	<b>42,526</b>	<b>55,889</b>	<b>62,250</b>	<b>66,669</b>	<b>76,955</b>	
Change (%)	16.3	27.7	15.1	-3.6	11.1	31.4	11.4	7.1	15.4	
Other operating income	1,334	1,848	1,410	2,213	2,436	3,934	2,411	2,593	2,790	
<b>Total Income</b>	<b>28,346</b>	<b>36,331</b>	<b>41,116</b>	<b>40,496</b>	<b>44,963</b>	<b>59,823</b>	<b>64,660</b>	<b>69,262</b>	<b>79,746</b>	
Change (%)	18.6	28.2	13.2	-1.5	11.0	33.1	8.1	7.1	15.1	
Other income	625	859	441	653	659	721	342	359	377	
<b>Net Income</b>	<b>28,971</b>	<b>37,190</b>	<b>41,557</b>	<b>41,149</b>	<b>45,622</b>	<b>60,544</b>	<b>65,002</b>	<b>69,621</b>	<b>80,123</b>	
Change (%)	18.3	28.4	11.7	-1.0	10.9	32.7	7.4	7.1	15.1	
Operating Expenses	13,858	14,741	13,996	18,453	22,140	25,165	28,718	31,739	35,701	
<b>Operating Profits</b>	<b>15,113</b>	<b>22,449</b>	<b>27,561</b>	<b>22,697</b>	<b>23,482</b>	<b>35,379</b>	<b>36,285</b>	<b>37,881</b>	<b>44,422</b>	
Change (%)	24.5	48.5	22.8	-17.6	3.5	50.7	2.6	4.4	17.3	
Provisions	547	2,376	4,401	4,862	3,071	5,783	19,628	10,620	8,206	
<b>PBT</b>	<b>14,566</b>	<b>20,073</b>	<b>23,160</b>	<b>17,835</b>	<b>20,410</b>	<b>29,595</b>	<b>16,656</b>	<b>27,261</b>	<b>36,216</b>	
Tax	5,080	5,270	5,911	4,548	5,409	7,621	4,618	7,088	9,416	
Tax Rate (%)	34.9	26.3	25.5	25.5	26.5	25.8	27.7	26.0	26.0	
<b>PAT</b>	<b>9,486</b>	<b>14,803</b>	<b>17,250</b>	<b>13,287</b>	<b>15,002</b>	<b>21,974</b>	<b>12,039</b>	<b>20,173</b>	<b>26,800</b>	
Change (%)	40.3	56.1	16.5	-23.0	12.9	46.5	-45.2	67.6	32.8	
<b>Dividend (Excl Tax)</b>	<b>1,812</b>	<b>2,372</b>	<b>1,777</b>	<b>2,539</b>	<b>2,539</b>	<b>3,005</b>	<b>2,963</b>	<b>3,329</b>	<b>4,154</b>	

BALANCE SHEET										
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
Equity Share Capital	1,686	1,690	1,693	1,693	1,693	1,693	1,693	1,879	2,065	
Reserves & Surplus	43,561	55,771	71,382	81,991	94,756	1,13,788	1,22,629	1,66,694	2,05,597	
<b>Networth (Post OCI)</b>	<b>45,247</b>	<b>57,461</b>	<b>73,074</b>	<b>83,683</b>	<b>96,449</b>	<b>1,15,481</b>	<b>1,24,322</b>	<b>1,68,572</b>	<b>2,07,662</b>	
Non Controlling Interest	459	583	472	161	203	289	167	192	217	
<b>Borrowings</b>	<b>1,52,972</b>	<b>2,25,735</b>	<b>2,27,163</b>	<b>2,41,185</b>	<b>2,84,830</b>	<b>3,36,535</b>	<b>3,54,040</b>	<b>3,62,439</b>	<b>4,00,804</b>	
Change (%)	21.3	47.6	0.6	6.2	18.1	18.2	5.2	2.4	10.6	
<b>Other liabilities</b>	<b>5,862</b>	<b>11,572</b>	<b>12,669</b>	<b>13,076</b>	<b>13,559</b>	<b>15,175</b>	<b>13,518</b>	<b>14,870</b>	<b>16,357</b>	
Change (%)	1.0	97.4	9.5	3.2	3.7	11.9	-10.9	10.0	10.0	
<b>Total Liabilities</b>	<b>2,04,540</b>	<b>2,95,351</b>	<b>3,13,378</b>	<b>3,38,106</b>	<b>3,95,041</b>	<b>4,67,479</b>	<b>4,92,047</b>	<b>5,46,073</b>	<b>6,25,039</b>	
<b>Loans</b>	<b>1,78,119</b>	<b>2,42,971</b>	<b>2,65,076</b>	<b>2,89,710</b>	<b>3,41,945</b>	<b>4,09,476</b>	<b>4,22,516</b>	<b>4,76,607</b>	<b>5,49,101</b>	
Change (%)	16.8	36.4	9.1	9.3	18.0	19.7	3.2	12.8	15.2	
<b>Investments</b>	<b>1,738</b>	<b>905</b>	<b>3,380</b>	<b>4,207</b>	<b>5,340</b>	<b>7,263</b>	<b>7,877</b>	<b>8,665</b>	<b>9,532</b>	
Change (%)	3,428.0	-47.9	273.6	24.5	26.9	36.0	8.5	10.0	10.0	
Goodwill	356	356	356	356	356	356	356	356	356	
Net Fixed Assets	3,319	7,705	8,980	10,295	10,748	10,677	10,569	11,626	12,789	
Other assets	21,009	43,414	35,586	33,538	36,652	39,708	50,730	48,819	53,262	
<b>Total Assets</b>	<b>2,04,540</b>	<b>2,95,351</b>	<b>3,13,378</b>	<b>3,38,106</b>	<b>3,95,041</b>	<b>4,67,479</b>	<b>4,92,047</b>	<b>5,46,073</b>	<b>6,25,039</b>	

E: MOFSL Estimates

## Financials and valuations

### RATIOS

Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Spreads Analysis (%)</b>									
Avg Yield on loans	24.5	25.1	24.4	21.1	20.4	22.5	23.6	22.4	22.0
Avg Cost of funds	9.6	9.7	9.8	8.6	8.3	9.2	10.4	9.5	9.4
Spreads	14.8	15.4	14.6	12.5	12.1	13.3	13.2	12.9	12.6
Net Interest Margins	16.3	16.4	15.6	13.8	13.5	14.9	15.0	14.8	15.0
<b>Profitability Ratios (%)</b>									
RoAE	22.8	28.8	26.4	17.0	16.7	20.7	10.0	13.8	14.2
RoAA	5.1	5.9	5.7	4.1	4.1	5.1	2.5	3.9	4.6
Cost to Income	47.8	39.6	33.7	44.8	48.5	41.6	44.2	45.6	44.6
Empl. Cost/Op. Exps.	52.0	56.3	60.2	61.0	66.4	63.5	64.1	65.0	65.9
<b>Asset Quality</b>									
GNPL (INR m)	826	1,677	3,951	6,623	3,211	5,467	11,830	7,149	8,237
GNPL ratio (%)	0.5	0.9	1.9	2.9	1.3	1.8	2.8	1.5	1.5
NNPL (INR m)	481	1,092	2,092	5,674	2,554	4,559	10,563	5,862	6,754
NNPL ratio (%)	0.3	0.6	0.8	2.0	0.7	1.1	2.5	1.2	1.2
PCR (%)	41.7	34.9	47.1	14.3	20.4	16.6	10.7	18.0	18.0
<b>Valuations</b>									
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Book Value (INR)	54	68	86	99	114	136	147	179	201
<b>Price-BV (x)</b>	<b>4.3</b>	<b>3.4</b>	<b>2.7</b>	<b>2.3</b>	<b>2.0</b>	<b>1.7</b>	<b>1.6</b>	<b>1.3</b>	<b>1.1</b>
EPS (INR)	11.3	17.5	20.4	15.7	17.7	26.0	14.2	21.5	26.0
Change YoY (%)	40.3	55.7	16.3	-23.0	12.9	46.5	-45.2	51.0	20.9
<b>Price-Earnings (x)</b>	<b>20.3</b>	<b>13.1</b>	<b>11.2</b>	<b>14.6</b>	<b>12.9</b>	<b>8.8</b>	<b>16.1</b>	<b>10.7</b>	<b>8.8</b>
Dividend	2.1	2.8	2.1	3.0	3.0	3.6	3.5	3.5	4.0
Dividend Payout (%)	23.0	19.3	10.3	19.1	16.9	13.7	24.6	16.5	15.5
<b>Dividend Yield (%)</b>	<b>0.9</b>	<b>1.2</b>	<b>0.9</b>	<b>1.3</b>	<b>1.3</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.8</b>

E: MOFSL Estimates

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