

## Manappuram Finance

Estimate change

TP change

Rating change



Bloomberg	MGFL IN
Equity Shares (m)	846
M.Cap.(INRb)/(USDb)	218.8 / 2.5
52-Week Range (INR)	285 / 138
1, 6, 12 Rel. Per (%)	0/20/29
12M Avg Val (INR M)	2142

### Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	62.2	55.8	66.7
PPP	36.3	26.9	34.8
PAT	12.0	10.1	20.2
EPS (INR)	14.2	10.7	19.5
EPS Gr. (%)	-45.2	-24.4	81.8
BV/Sh.(INR)	147	169	185

### Ratios

NIM (%)	15.0	12.6	13.2
C/I ratio (%)	44.2	54.1	50.2
RoA (%)	2.5	2.0	3.5
RoE (%)	10.0	7.1	11.5
Payout (%)	24.6	33.0	20.6

### Valuations

P/E (x)	18.2	24.1	13.3
P/BV (x)	1.8	1.5	1.4
Div. Yld. (%)	1.4	1.4	1.6

### Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	35.3	35.3	35.2
DII	8.6	8.0	9.3
FII	29.7	28.4	33.0
Others	26.4	28.3	22.4

FII Includes depository receipts

**CMP: INR259**

**TP: INR280 (+8%)**

**Neutral**

### Strong gold loan momentum tempered by yield compression

#### Asset quality deteriorated across segments; MFI credit costs declined QoQ

- MGFL reported 1QFY26 consol. profit of INR1.3b. NII declined ~10% YoY to ~INR13.8b (in line) and PPOP fell ~33% YoY to ~INR6.6b (in line). Operating expenses grew 10% YoY to ~INR7.5b (~6% lower than our est.).
  - Consol. credit costs stood at ~INR5.6b (vs. est. ~INR7.5b). Annualized credit costs for the quarter declined ~325bp QoQ to 5.2% (PQ: ~8.4%).
  - Consol. AUM rose ~3% QoQ and declined 1% YoY. Gold AUM grew ~13% QoQ and ~22% YoY to ~INR288b.
  - Gold loan yields declined to ~20.7% (PQ: 22.2%). Net yields on the standalone business declined ~120bp QoQ to 20.5%, while standalone CoB was stable QoQ at 9.2%, resulting in a ~120bp contraction in spreads.
  - Management indicated that gold loan yields are expected to moderate to ~18% over the next 4-6 quarters, as the company plans a calibrated reduction in lending rates. This strategic move is aimed at aligning its gold loan yields with that of peer gold loan NBFCs. The company also highlighted that the impact of lower gold loan yields will be offset by stronger loan growth, ensuring that the projected income from the gold loan portfolio remains unaffected during the course of this year.
  - Standalone (Gold + Vehicle + Onlending + MSME) GNPA/NNPA ratios increased by ~20bp/10bp QoQ to ~3%/~2.6%. There was a significant deterioration in asset quality in vehicle finance (with GNPA of 9.2% in 1QFY26 vs 6.7% in 4QFY25). Asset quality deteriorated in the housing finance and MSME segments as well.
  - Management shared that the rise in GNPA in vehicle finance was driven by higher delinquencies in the 2W and farm equipment segment. As part of its corrective actions, the company exited the farm equipment segment and revamped its 2W lending by implementing an automated underwriting system (which will also reduce opex in the segment).
  - MGFL plans to gradually raise the share of gold loans to ~75% of its total portfolio, aided by the rollout of multiple attractive gold loan schemes and cut in gold loan yields. Growth in Housing, CV, and MSME loans will be pursued in a calibrated manner, with the secured book maintained at ~90% of total AUM. The MFI portfolio will be capped at ~10% of AUM.
  - We cut our FY26/FY27 PAT estimates by ~15%/18% to factor in lower loan growth in non-gold segments and low spreads/NIM. Over FY25-27, we estimate a CAGR of 23%/15% in gold/consolidated AUM and ~29% in consolidated PAT, with consolidated RoA/RoE of ~3.5%/12% in FY27.
- Reiterate our Neutral rating on the stock with a TP of INR280 (based on 1.5x Mar'27E consolidated BVPS).**

### Strong gold loan growth of ~13% QoQ; gold tonnage rises sequentially

- Gold AUM grew ~13% QoQ and ~22% YoY to ~INR288b. Gold tonnage rose ~1% QoQ to ~56.9 tons. Within gold loans, LTV was stable QoQ at ~57%, while the average ticket size (ATS) rose to INR75.7k (PQ: INR67.8k). Gold loan customer base was broadly stable at ~2.6m.
- Management anticipates gold loan growth in FY26 to exceed FY25 levels. We project a 26% increase in gold loan disbursements for FY26. The company shared that small-ticket gold loans (<INR100k) have seen some decline, as customers in this segment tend to shift toward the unorganized market. In contrast, higher-ticket gold loan customers continue to prefer borrowing from organized players.

### Asirvad MFI: MFI book declined ~46% YoY; GNPA declined ~4pp QoQ

- Asirvad's GNPA declined ~4pp QoQ to 4.4%, while NNPA declined ~110bp QoQ to ~1.4%. Credit costs stood at ~INR4.8b (PQ: ~INR8.5b), translating into annualized credit costs of ~26% (PQ: ~37%).
- Asirvad MFI book declined ~50% YoY and ~23% QoQ to ~INR55.4b and its gold loan book rose 9% YoY/20% QoQ to INR11.1b. Asirvad reported 1QFY26 loss of INR2.7b (vs. loss of INR6.2b in 4QFY25).
- MGFL shared that MFI credit costs should decline by 30-40% in the coming quarters and the company guided that it can deliver a profit in its MFI business by 4QFY26.

### Highlights from the management commentary

- MGFL is in talks with banks to explore co-lending partnerships, with a focus on the gold loan segment. The company intends to leverage its gold loan branches under Asirvad to enable these collaborations and may gradually introduce gold loans in select Asirvad MFI branches to further broaden its product reach.
- Asirvad has resumed MFI disbursements with stricter underwriting norms, prioritizing lending in centers with stronger collection performance.
- Deal with BAIN Capital announced earlier this year is progressing as planned, with the CCI approval already in place. The company is currently awaiting RBI approval, which is expected by next month.

### Valuation and view

- MGFL reported a soft operational performance for the quarter, with asset quality weakening across segments. The only bright spot was strong growth in the gold loan portfolio, though this was tempered by significant (~150bp QoQ) yield compression. Asirvad MFI's net loss narrowed sequentially, driven mainly by lower credit costs; however, the MFI portfolio continues to experience a substantial run-down.
- MGFL trades at 1.4x FY27E P/BV, and we believe that there could be a near-term impact on profitability and growth due to the lingering stress in the MFI, MSME and CV segments accompanied by overall weakness in macroeconomic activity. Gold loans will continue to exhibit healthy growth with an AUM CAGR of ~24% over FY25-27, but at the cost of compression in yields. **Reiterate our Neutral rating on the stock with a TP of INR280 (based on 1.5x Mar'27E consolidated BVPS).**

**MGFL - Quarterly Performance (Consolidated)**

(InR M)

Y/E March	FY25				FY26E				FY25	FY26E	1Q FY26E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Interest Income	23,861	25,411	25,163	23,062	22,357	22,222	22,045	22,478	97,997	89,101	23,416	-5
Interest Expenses	8,483	9,057	9,253	8,616	8,553	8,536	8,203	8,055	35,747	33,347	8,936	-4
<b>Net Interest Income</b>	<b>15,378</b>	<b>16,354</b>	<b>15,909</b>	<b>14,446</b>	<b>13,804</b>	<b>13,687</b>	<b>13,842</b>	<b>14,423</b>	<b>62,250</b>	<b>55,755</b>	<b>14,480</b>	<b>-5</b>
YoY Growth (%)	19.40	20.8	9.5	-3.3	-10.24	-16.3	-13.0	-0.2	11.4	-10.4	-5.8	
Other income	1,259	961	464	230	293	388	459	421	2,752	2,918	296	-1
<b>Net Income</b>	<b>16,636</b>	<b>17,314</b>	<b>16,373</b>	<b>14,676</b>	<b>14,097</b>	<b>14,074</b>	<b>14,301</b>	<b>14,844</b>	<b>65,002</b>	<b>58,672</b>	<b>14,776</b>	<b>-5</b>
Operating Expenses	6,823	6,984	7,066	7,843	7,488	7,682	7,914	8,669	28,718	31,752	7,982	-6
<b>Operating Profits</b>	<b>9,814</b>	<b>10,331</b>	<b>9,307</b>	<b>6,833</b>	<b>6,609</b>	<b>6,392</b>	<b>6,387</b>	<b>6,175</b>	<b>36,285</b>	<b>26,920</b>	<b>6,793</b>	<b>-3</b>
YoY Growth (%)	22.4	19.2	-0.6	-26.8	-32.7	-38.1	-31.4	-9.6	2.6	-25.8	-30.8	
Provisions	2,286	2,604	5,546	9,192	5,594	3,999	2,694	2,015	19,628	14,302	7,536	-26
<b>PBT</b>	<b>7,528</b>	<b>7,727</b>	<b>3,761</b>	<b>-2,359</b>	<b>1,015</b>	<b>2,393</b>	<b>3,693</b>	<b>4,160</b>	<b>16,656</b>	<b>12,618</b>	<b>-743</b>	-
Tax Provisions	1,963	2,006	976	-327	-310	622	997	1,214	4,618	2,524	-111	178
<b>PAT</b>	<b>5,565</b>	<b>5,721</b>	<b>2,785</b>	<b>-2,032</b>	<b>1,325</b>	<b>1,771</b>	<b>2,696</b>	<b>2,946</b>	<b>12,039</b>	<b>10,094</b>	<b>-631</b>	-
YoY Growth (%)	12	2	-52	-136	-76	-69	-3	-245	-45	-16	-111	
<b>Key Ratios (%)</b>												
Yield on loans	22.5	22.9	22.8	21.5	20.8	20.5	20.2	20.0	23.6	20.2		
Cost of funds (Cal)	9.4	9.4	9.8	9.5	9.4	9.3	9.3	9.2	10.4	9.5		
Spreads (Cal)	13.1	13.5	13.0	11.99	11.41	11.1	10.9	10.7	13.2	10.7		
NIMs (Cal)	14.5	14.8	14.4	13.47	12.85	12.6	12.7	12.8	15.0	12.6		
C/I ratio	41.0	40.3	43.2	53.4	53.1	54.6	55.3	58.4	44.2	54.1		
Credit Cost	2.1	2.3	4.9	8.43	5.12	3.6	2.4	1.7	4.7	3.0		
Tax Rate	26.1	26.0	26.0	13.9	-30.5	26.0	27.0	29.2	27.7	20.0		
<b>Balance Sheet Parameters</b>												
<b>Consol. AUM (INR b)</b>	<b>449</b>	<b>457</b>	<b>442</b>	<b>430</b>	<b>443</b>	<b>446</b>	<b>452</b>	<b>474</b>				
Change YoY (%)	21.2	17.4	9.5	2.3	-1.4	-2.5	2.3	10.2				
<b>Gold loans (INR b)</b>	<b>236</b>	<b>244</b>	<b>245</b>	<b>256</b>	<b>288</b>	<b>300</b>	<b>306</b>	<b>322</b>				
Change YoY (%)	14.8	17.1	18.0	19.0	21.8	22.9	24.7	26.0				
Gold stock (tonnes)	60	60	57	56	57							
Gold loans/branch (INR m)	58	60	61	63	71							
<b>Consol. Borrowings (INR b)</b>	<b>385</b>	<b>385</b>	<b>370</b>	<b>354</b>	<b>374</b>	<b>357</b>	<b>348</b>	<b>351</b>				
Change YoY (%)	34.8	19.4	15.9	5.2	-2.8	-7.3	-5.9	-0.9				
<b>Borrowings Mix (%)</b>												
Debentures	12.3	12.1	11.3	10.6								
CPs	2.3	1.5	0.8	0.8								
WC/CC	20.5	19.1	20.6	20.5								
TL	54.3	47.7	53.5	52.7								
ECB	10.0	19.0	13.4	14.8								
Others	0.6	0.7	0.4	0.5								
Debt/Equity (x)	1.6											
<b>Asset Quality Parameters (%)</b>												
GNPL ratio (Standalone)	2.0	2.4	2.5	2.8	3.0							
NNPL ratio (Standalone)	1.7	2.1	2.3	2.5	2.6							
<b>Return Ratios (%)</b>												
RoA (Rep)	4.8	4.4	2.2	-1.6	1.1							
RoE (Rep)	16.7	18.6	8.9	-6.4	4.3							

E: MOFSL estimates



## Highlights from the management commentary

### Guidance

- Guided that it wants to gradually improve gold loans in the mix to ~75%. Introduced various gold loan schemes at attractive prices. Plans to grow its Housing, CV and MSME loans in a prudent manner, within the overall ceiling of 90% secured book. MFI (unsecured book) will be ~10% of the consolidated AUM mix.
- Guided for gold loan growth in FY26 to be higher than in FY25.
- Hopeful of bringing down the opex by the end of the year.

### Appointment of new CEO and VP Nandakumar as Chairman

- Mr. Deepak Reddy, who has joined as the new CEO, has over three decades of experience. He will be responsible for steering MGFL through the next phase of growth and innovation.
- The board has decided to appoint VP Nandakumar as the Chairman and MD of Manappuram Finance.

### Gold Finance

- MGFL is following a conscious strategy to bring gold lending rates on par with the leading gold NBFC players.
- Gold loan yields stood at ~20.7% (4QFY25: 22.2%), which will decline to ~18% over the next 4-6 quarters.
- MGFL plans to reduce gold lending rates across the board in a calibrated manner. Gradually, driven by the actions taken by the company, there will be growth in the customer base and gold tonnage as well.
- MGFL is doing a gradual and calibrated reduction in its gold loan interest rates.
- Gold loan auctions stood at INR510m.
- Small ticket-gold loans (<INR100K) are showing some downtrend. This customer segment has the tendency to go to the unorganized segment. However, higher ticket gold loan customers continue to prefer the organized segment.
- MGFL added 350k new customers in 1QFY26. It has attracted high-ticket gold loan customers, but low-ticket customers have declined.
- Gold loan companies, which have over 1,000 branches, have to seek prior approval from the RBI for opening new gold loan branches. Until the Bain transaction is over (expects RBI approval by next month), the RBI will not give approval for opening newer branches.
- MGFL is in discussion with banks for opportunities in co-lending. It plans to leverage its gold loan branches in Asirvad for doing co-lending with banks in gold loans. In the future, it might also look at adding gold loans in some of the MFI branches in Asirvad.
- Gold loans of ticket size >INR500k stood at ~19% of total gold loans, and at the industry level, it could be ~30%.

### MFI

- Peak stress was over in 4QFY25. Losses in MFI business will keep declining in the subsequent quarters.
- Tightened its underwriting on the back of the SRO guidelines.

- MFI credit costs should decline by 30-40% in the coming quarters and the company guided that it can deliver a profit in its MFI business by 4QFY26.
- Asirvad has started MFI disbursements with tightened underwriting norms. It is focusing on the centers where the collections are better.

### Vehicle Finance

- MGFL is seeing challenges in Farm Equipment (which it exited) and it has re-modelled 2W for an automated underwriting system (which will bring own the opex).
- It will now be working on the used CV and used car segments.

### Financial Performance

- Gold loan contributed ~65% of the consolidated AUM. Gold AUM grew ~22% YoY and 12.6% QoQ to INR288b.
- MFI AUM declined ~23% QoQ to INR55.4b.
- Asirvad posted a loss of ~INR2.67b in 1QFY26. Asirvad CRAR stood at 23.8%
- Vehicle finance AUM declined ~5.9% QoQ and was up 1% YoY. Asset quality challenges faced by the 2W and farm segments. GNPA increased to ~9.2%.
- Loans to MSME and allied sectors stood at INR31.05b. Disbursement in this segment was INR3.56b.
- Standalone CRAR of 28.7% and net worth of INR125.04b
- Standalone RoA of 3.8% and leverage of 2.5x. Standalone GNPA at 3%
- CoB declined ~2bp QoQ
- The board has declared an interim dividend of INR0.5 per share.
- Profitability was impacted mainly by the stress in the MFI sector and yield compression in gold loans.

### Others

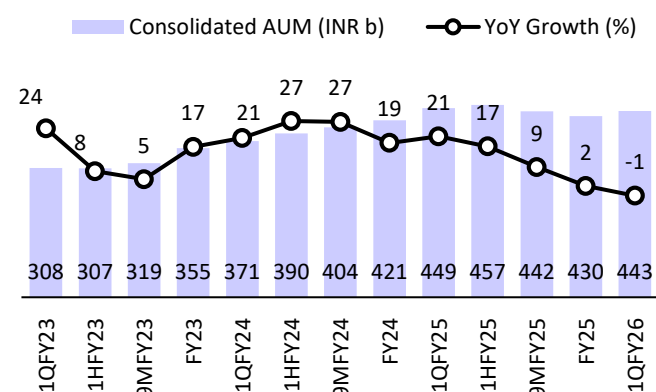
- The Bain deal is progressing smoothly. CCI approval has already been received. RBI approval is expected next month.
- Short-term borrowings in the mix are coming down. In the coming quarters, it expects a benefit in its cost of borrowings, driven by the cuts in MCLR.
- The RBI's harmonized guidelines on co-lending (CLA) will provide incentive to NBFCs to operate at the grass-root level.
- Both assignment (DA) transaction and ARC transaction (of INR500m) were done for MSME secured loans.

### Gold loan Ticket Size Mix

Gold loan Ticket Size	% mix
<INR100K	36.5%
INR100K-200K	21.3%
INR200K-500K	23.1%
>INR500K	19.1%
<b>Total</b>	<b>100%</b>

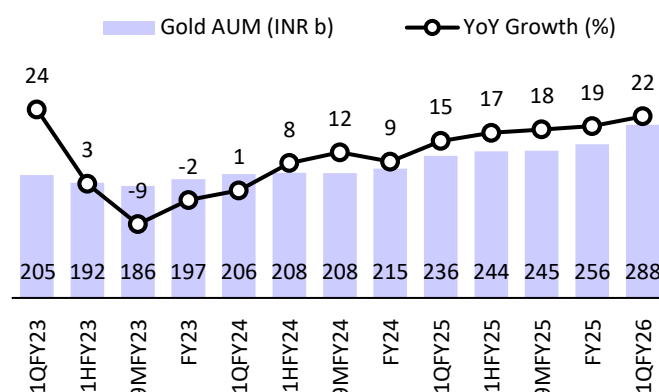
## Key Exhibits

**Exhibit 1: Consolidated AUM declined ~1% YoY**



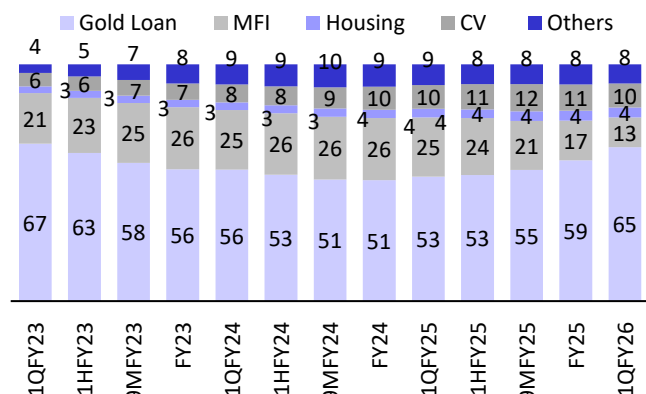
Source: MOFSL, Company

**Exhibit 2: Gold AUM grew 22% YoY and ~13% QoQ**



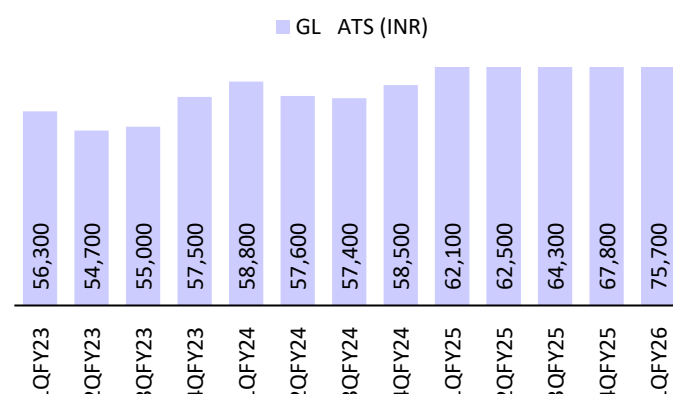
Source: MOFSL, Company

**Exhibit 3: Share of gold rose ~6pp QoQ (%)**



Source: MOFSL, Company

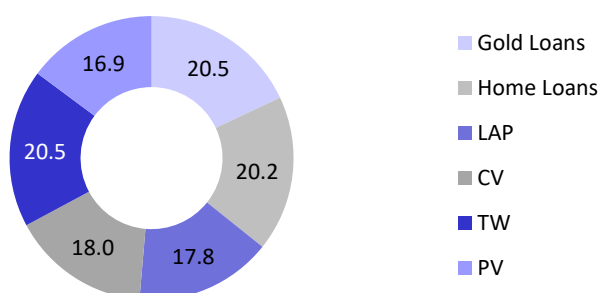
**Exhibit 4: ATS in gold loans rose to INR75.7k**



Source: MOFSL, Company

**Exhibit 5: Gold loan yield was at ~20.5% as of 1QFY26**

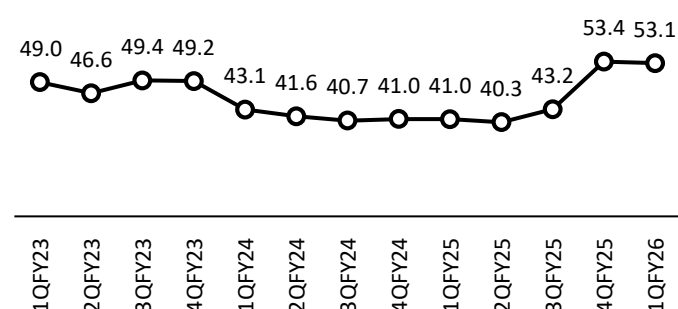
Product-wise yields



Source: MOFSL, Company

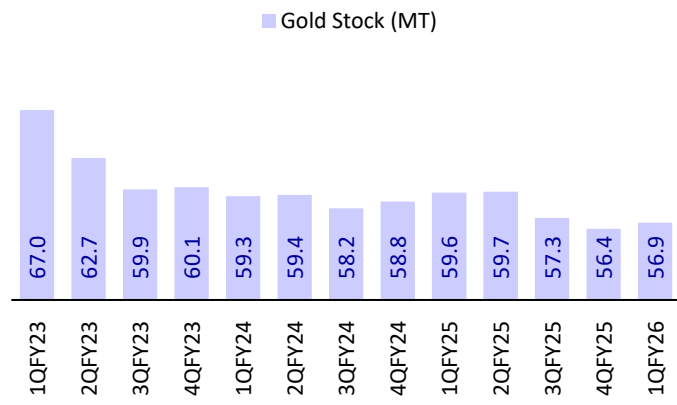
**Exhibit 6: C/I ratio declined ~30bp QoQ to ~53.1%**

Cost to income ratio (%)



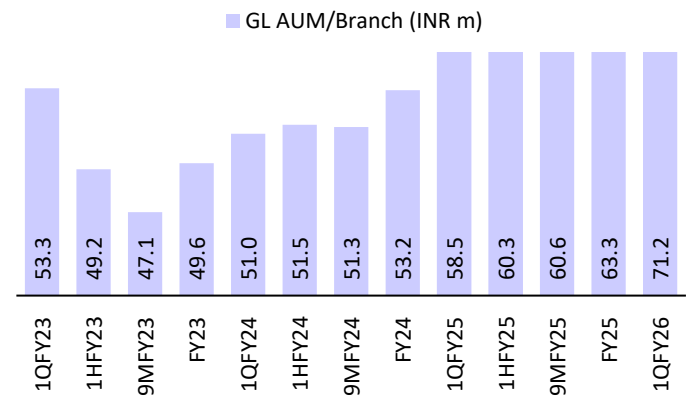
Source: MOFSL, Company

**Exhibit 7: Gold tonnage rose to ~56.9MT**



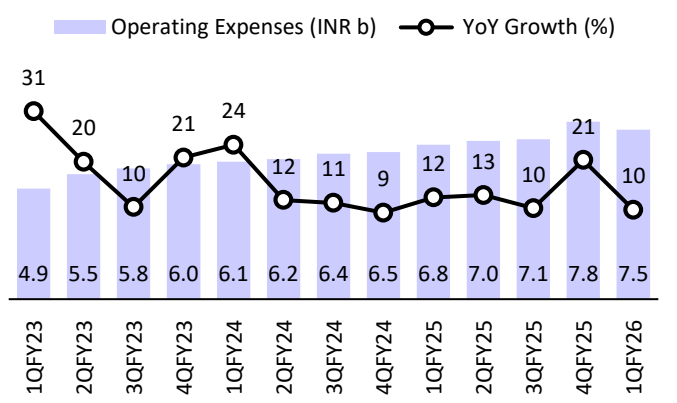
Source: MOFSL, Company

**Exhibit 8: Branch productivity improved QoQ**



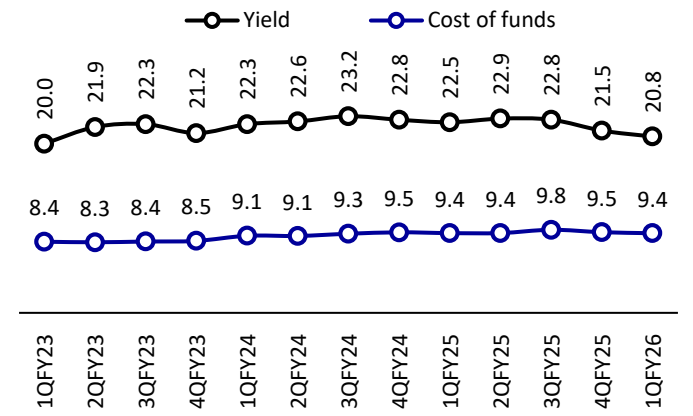
Source: MOFSL, Company

**Exhibit 9: Opex grew ~10% YoY**



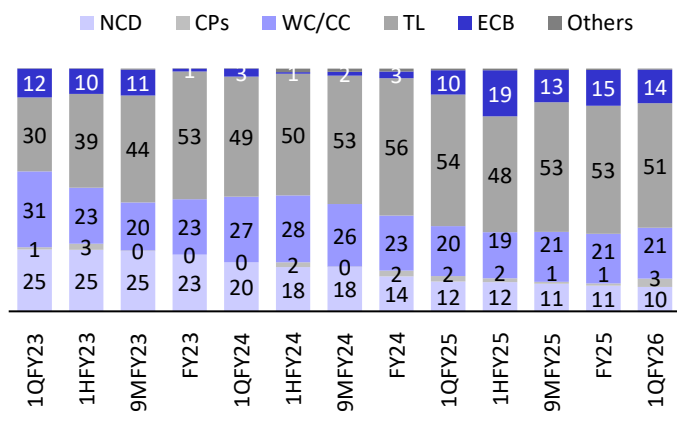
Source: MOFSL, Company

**Exhibit 10: Consolidated spreads declined ~60bp QoQ (%)**



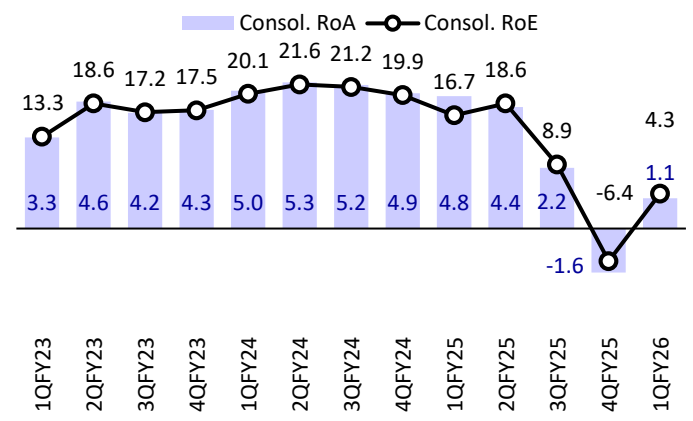
Source: MOFSL, Company

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



Source: MOFSL, Company

**Exhibit 12: RoA/RoE stood at ~1.1%/4% in 1QFY26**



Source: MOFSL, Company



## Valuation and view

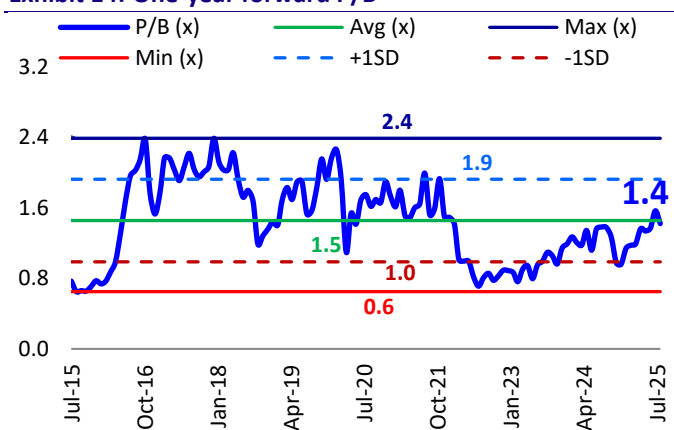
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- MGFL trades at 1.4x FY27E P/BV, and we believe that there could be a near-term impact on profitability and growth due to the lingering stress in the MFI, MSME and CV segment accompanied with overall weakness in macroeconomic activity. Gold loans will continue to exhibit healthy growth with an AUM CAGR of ~24% over FY25-27, but at the cost of compression in yields. **Reiterate our Neutral rating on the stock with a TP of INR280 (based on 1.5x Mar'27E consolidated BVPS).**

**Exhibit 13: We cut our FY26/FY27 estimates by ~15%/18% to factor in lower growth in non-gold segments and yield compression in gold loans**

INR B	Old Est.		New Est.		Change (%)	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	61.0	74.2	55.8	66.7	-8.6	-10.1
Other Income	2.9	3.1	2.9	3.1	0.0	0.0
<b>Net Income</b>	<b>63.9</b>	<b>77.3</b>	<b>58.7</b>	<b>69.8</b>	<b>-8.2</b>	<b>-9.7</b>
Operating Expenses	32.0	35.5	31.8	35.0	-0.7	-1.3
<b>Operating Profits</b>	<b>31.9</b>	<b>41.8</b>	<b>26.9</b>	<b>34.8</b>	<b>-15.7</b>	<b>-16.7</b>
Provisions	15.9	8.6	14.3	7.6	-10.3	-11.9
<b>PBT</b>	<b>16.0</b>	<b>33.2</b>	<b>12.6</b>	<b>27.3</b>	<b>-21.2</b>	<b>-18.0</b>
Tax	4.2	8.6	2.5	7.1	-39.4	-18.0
<b>PAT</b>	<b>11.8</b>	<b>24.6</b>	<b>10.1</b>	<b>20.2</b>	<b>-14.8</b>	<b>-18.0</b>
Loans	491	581	460	548	-6.2	-5.8
Borrowings	376	432	351	409		
RoA (%)	2.3	4.1	2.0	3.5		
RoE (%)	8.3	13.8	7.1	11.5		

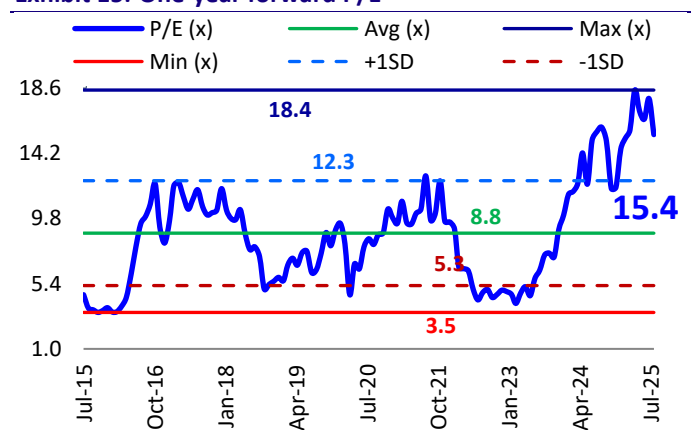
Source: MOFSL, Company

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



Source: MOFSL, Company

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



Source: MOFSL, Company



## 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	89,101	1,01,271
Interest Expense	13,449	18,322	22,190	20,114	21,878	28,657	35,747	33,347	34,561
<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>55,755</b>	<b>66,710</b>
Change (%)	16.3	27.7	15.1	-3.6	11.1	31.4	11.4	-10.4	19.6
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>58,347</b>	<b>69,500</b>
Change (%)	18.6	28.2	13.2	-1.5	11.0	33.1	8.1	-9.8	19.1
Other income	625	859	441	653	659	721	342	325	341
<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>58,672</b>	<b>69,841</b>
Change (%)	18.3	28.4	11.7	-1.0	10.9	32.7	7.4	-9.7	19.0
Operating Expenses	13,858	14,741	13,996	18,453	22,140	25,165	28,718	31,752	35,030
<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>26,920</b>	<b>34,811</b>
Change (%)	24.5	48.5	22.8	-17.6	3.5	50.7	2.6	-25.8	29.3
Provisions	547	2,376	4,401	4,862	3,071	5,783	19,628	14,302	7,558
<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>12,618</b>	<b>27,254</b>
Tax	5,080	5,270	5,911	4,548	5,409	7,621	4,618	2,524	7,086
Tax Rate (%)	34.9	26.3	25.5	25.5	26.5	25.8	27.7	20.0	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>10,094</b>	<b>20,168</b>
Change (%)	40.3	56.1	16.5	-23.0	12.9	46.5	-45.2	-16.2	99.8
<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>3,331</b>	<b>4,155</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	1,56,612	1,88,883
<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>1,58,491</b>	<b>1,90,948</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>3,50,963</b>	<b>4,08,626</b>
Change (%)	21.3	47.6	0.6	6.2	18.1	18.2	5.2	-0.9	16.4
<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>5,24,516</b>	<b>6,16,148</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>4,60,113</b>	<b>5,47,559</b>
Change (%)	16.8	36.4	9.1	9.3	18.0	19.7	3.2	8.9	19.0
<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	43,756	45,913
<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>5,24,516</b>	<b>6,16,148</b>

E: MOFSL Estimates

## Financials and valuations

### RATIOS

Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Spreads Analysis (%)</b>									
Avg Yield on loans	24.5	25.1	24.4	21.1	20.4	22.5	23.6	20.2	20.1
Avg Cost of funds	9.6	9.7	9.8	8.6	8.3	9.2	10.4	9.5	9.1
Spreads	14.8	15.4	14.6	12.5	12.1	13.3	13.2	10.7	11.0
Net Interest Margins	16.3	16.4	15.6	13.8	13.5	14.9	15.0	12.6	13.2
<b>Profitability Ratios (%)</b>									
RoAE	22.8	28.8	26.4	17.0	16.7	20.7	10.0	7.1	11.5
RoAA	5.1	5.9	5.7	4.1	4.1	5.1	2.5	2.0	3.5
Cost to Income	47.8	39.6	33.7	44.8	48.5	41.6	44.2	54.1	50.2
Empl. Cost/Op. Exps.	52.0	56.3	60.2	61.0	66.4	63.5	64.1	63.8	64.2
<b>Asset Quality</b>									
GNPL (INR m)	826	1,677	3,951	6,623	3,211	5,467	11,830	6,902	8,213
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	5,659	6,735
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>									
Book Value (INR)	54	68	86	99	114	136	147	169	185
<b>Price-BV (x)</b>	<b>4.8</b>	<b>3.8</b>	<b>3.0</b>	<b>2.6</b>	<b>2.3</b>	<b>1.9</b>	<b>1.8</b>	<b>1.5</b>	<b>1.4</b>
EPS (INR)	11.3	17.5	20.4	15.7	17.7	26.0	14.2	10.7	19.5
Change YoY (%)	40.3	55.7	16.3	-23.0	12.9	46.5	-45.2	-24.4	81.8
<b>Price-Earnings (x)</b>	<b>23.0</b>	<b>14.8</b>	<b>12.7</b>	<b>16.5</b>	<b>14.6</b>	<b>10.0</b>	<b>18.2</b>	<b>24.1</b>	<b>13.3</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	33.0	20.6
<b>Dividend Yield (%)</b>	<b>0.8</b>	<b>1.1</b>	<b>0.8</b>	<b>1.2</b>	<b>1.2</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.6</b>

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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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 . 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 dp@grievances@motilaloswal.com.