

Estimate change	
TP change	
Rating change	

Bloomberg	MUTH IN
Equity Shares (m)	401
M.Cap.(INRb)/(USDb)	1007.6 / 11.5
52-Week Range (INR)	2718 / 1752
1, 6, 12 Rel. Per (%)	-3/1/33
12M Avg Val (INR M)	1533

Financials & Valuations (INR b)			
Y/E March	FY25	FY26E	FY27E
NII	104.5	142.9	161.8
PPP	78.4	110.6	120.7
PAT	52.0	78.4	85.8
EPS (INR)	129.5	195.3	213.7
EPS Gr. (%)	28.4	50.7	9.4
BV/Sh.(INR)	708	872	1,049
Ratios			
NIM (%)	11.3	11.6	11.0
C/I ratio (%)	26.9	24.5	26.9
RoA (%)	5.0	5.6	5.2
RoE (%)	19.7	24.7	22.3
Payout (%)	20.1	16.4	16.9
Valuations			
P/E (x)	19.4	12.9	11.8
P/BV (x)	3.5	2.9	2.4
Div. Yld. (%)	1.0	1.3	1.4

Shareholding Pattern (%)			
As On	Jun-25	Mar-25	Jun-24
Promoter	73.4	73.4	73.4
DII	12.2	11.7	14.5
FII	10.8	11.0	8.7
Others	3.6	3.9	3.4

FII includes depository receipts

**CMP: INR2,510**      **TP: INR2,790 (+11%)**      **Neutral**

## Healthy all-around delivery with select one-offs

**Strong gold loan growth of ~40% YoY, with improving new customer additions**

- Muthoot Finance (MUTH)'s strong operating performance in 1QFY26 was characterized by 1) strong gold loan growth of ~40% YoY to ~INR1.13t, 2) around 80bp QoQ improvement in GS3 to 2.6%, aided by NPA recoveries, which also drove a sequential reduction in credit costs, 3) an increase in gold tonnage by ~8% YoY to 209 tonne, and 4) adjusted spreads, which were broadly stable QoQ at ~9.9%, despite the high competitive intensity.
- MUTH's 1QFY26 PAT grew 90% YoY and 36% QoQ to ~INR20.5b (~21% beat). This included a one-off interest income of ~INR3.5b, comprising ~INR2.5b from interest income write-backs and recoveries from NPA and ~INR1b recoveries from the ARC sale transaction, which was done in FY24. Reported RoA/RoE in 1QFY26 was healthy at 7.2%/28%.
- Net total income grew 53% YoY to ~INR36b (~12% beat). Opex grew ~26% YoY to INR8.1b (in line), resulting in a cost-to-income ratio of ~23% (PY: 27% and PQ: 29%). PPOP grew 63% YoY to ~INR27.9b (~15% beat). Provisions stood at ~INR433m (vs. est. of ~INR1.4b) and translated into annualized credit costs of 15bp in 1QFY26 (PY: ~1.1% and PQ: ~0.5%).
- Adjusted for the one-offs in interest income, spreads were broadly stable QoQ, NIM declined ~30bp QoQ, PPoP was in line, and there was a minor beat on PAT driven by lower credit costs in the quarter.
- Gold loan growth was supported by growth in gold tonnage (up 8% YoY), along with an increase in the customer base (up ~1.4% QoQ) to ~6.46m. Gold loan LTV rose ~1pp QoQ to ~61.7%.
- Management guided additional recoveries of INR1.0-1.5b from the prior ARC sale over the next two quarters, and we have factored these into our estimates. We raise our FY26 EPS estimates by ~10% to factor in higher loan growth and lower credit costs. We model a standalone AUM CAGR of ~20% over FY25-27E. This, we believe, will result in a PAT CAGR of ~28% over this period. We model an RoA/RoE of 5.2%/22% for FY27.
- MUTH now trades at 2.4x FY27E P/BV and, in our view, has benefited from the tailwinds of 1) a sharp rise in gold prices and 2) an improvement in gold loan demand due to the industry-wide rationing in unsecured credit. MUTH is indeed one of the best franchises for gold loans in the country, as is evident from its ability to deliver industry-leading gold loan growth and best-in-class profitability. However, we believe that its valuations are rich for the deep cyclical nature of its gold loan growth, which will remain vulnerable to any volatility in gold prices. **We reiterate our Neutral rating with an unchanged TP of INR2,790 (based on 2.7x Mar'27E P/BV).**

## Belstar: Sequential decline in AUM; GNPA improves ~55bp QoQ

- MUTH's microfinance subsidiary, Belstar, reported a ~3% QoQ and 23% YoY decline in AUM to ~INR77b. Reported loss stood at ~INR1.3b during the quarter (vs. a loss of INR1.2b in 4QFY25).
- Asset quality improved, with GS3 declining ~55bp QoQ to ~4.45% (PQ: 5%).

- Belstar expanded its gold loan network by opening 10 new branches in 1Q, taking the total to 15, and plans to add 50 more in FY26 as part of its portfolio diversification strategy. Belstar MFI's CRAR stood at ~23%.

### Highlights from the management commentary

- MUTH shared that most of its loans are linked to the MCLR, and the company expects to receive the benefit of lower MCLR rates from banks within 3-6 months. However, none of its bank term loans are linked to the EBLR.
- The non-gold business currently accounts for 13–14% of the portfolio, and the company targets to maintain this share in the 15–20% range going forward.
- **The Board of Directors approved an equity infusion of INR5b in Muthoot Money and INR2b in Muthoot HomeFin.**

### Valuation and View

- MUTH delivered a healthy all-round performance during the quarter, even after considering the one-offs in interest income. Gold loan growth remained strong, while asset quality improved on the back of recoveries from the NPA pool.
- With a favorable demand outlook for gold loans driven by the limited availability of unsecured credit, the company is well-positioned to maintain its healthy loan growth momentum. However, we believe that the positives are already factored into its valuations of 2.4x FY27E P/BV. **We reiterate our Neutral rating with an unchanged TP of INR2,790 (based on 2.7x Mar'27E BVPS).**

Quarterly Performance <span style="float: right;">(INR m)</span>													
Y/E March	FY25				FY26E				FY24	FY25	FY26E	1Q FY26E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE					
Interest Income	36,560	40,685	43,690	47,836	55,923	57,630	59,771	61,394	1,24,476	1,68,770	2,34,718	52,380	7
Other operating income	478	489	545	708	1,110	685	654	660	1,874	2,221	3,109	550	102
<b>Total Operating income</b>	<b>37,038</b>	<b>41,174</b>	<b>44,235</b>	<b>48,544</b>	<b>57,033</b>	<b>58,315</b>	<b>60,425</b>	<b>62,054</b>	<b>1,26,350</b>	<b>1,70,991</b>	<b>2,37,827</b>	<b>52,930</b>	<b>8</b>
YoY Growth (%)	23.5	34.6	39.6	42.4	54.0	41.6	36.6	27.8	20.2	35.3	39.1	42.9	
Other income	63	88	77	341	167	159	151	184	590	569	660	85	96
<b>Total Income</b>	<b>37,101</b>	<b>41,262</b>	<b>44,312</b>	<b>48,885</b>	<b>57,200</b>	<b>58,474</b>	<b>60,575</b>	<b>62,239</b>	<b>1,26,940</b>	<b>1,71,560</b>	<b>2,38,487</b>	<b>53,015</b>	<b>8</b>
YoY Growth (%)	22.6	34.2	39.5	43.0	54.2	41.7	36.7	27.3	20.4	35.1	39.0	42.9	
Interest Expenses	13,511	15,505	16,476	18,797	21,191	22,887	23,459	24,317	46,548	64,288	91,854	20,770	2
<b>Net Income</b>	<b>23,590</b>	<b>25,758</b>	<b>27,836</b>	<b>30,088</b>	<b>36,009</b>	<b>35,587</b>	<b>37,116</b>	<b>37,921</b>	<b>80,393</b>	<b>1,07,271</b>	<b>1,46,633</b>	<b>32,245</b>	<b>12</b>
Operating Expenses	6,437	6,608	7,243	8,610	8,121	8,487	8,996	10,392	23,927	28,898	35,995	8,028	1
<b>Operating Profit</b>	<b>17,153</b>	<b>19,150</b>	<b>20,593</b>	<b>21,478</b>	<b>27,887</b>	<b>27,100</b>	<b>28,121</b>	<b>27,530</b>	<b>56,466</b>	<b>78,373</b>	<b>1,10,638</b>	<b>24,217</b>	<b>15</b>
YoY Growth (%)	22.5	42.7	47.7	42.3	62.6	41.5	36.6	28.2	19.5	38.8	41.2	41.2	
Provisions	2,236	2,070	2,088	1,274	433	1,000	1,600	1,677	1,978	7,667	4,709	1,400	-69
<b>Profit before Tax</b>	<b>14,917</b>	<b>17,080</b>	<b>18,505</b>	<b>20,204</b>	<b>27,455</b>	<b>26,100</b>	<b>26,521</b>	<b>25,853</b>	<b>54,488</b>	<b>70,706</b>	<b>1,05,929</b>	<b>22,817</b>	<b>20</b>
Tax Provisions	4,130	4,568	4,874	5,126	6,992	6,786	6,816	6,948	13,991	18,698	27,541	5,864	19
<b>Net Profit</b>	<b>10,787</b>	<b>12,511</b>	<b>13,631</b>	<b>15,078</b>	<b>20,463</b>	<b>19,314</b>	<b>19,705</b>	<b>18,905</b>	<b>40,497</b>	<b>52,008</b>	<b>78,387</b>	<b>16,953</b>	<b>21</b>
YoY Growth (%)	10.6	26.3	32.7	42.7	89.7	54.4	44.6	25.4	16.6	28.4	50.7	57.2	
<b>Key Operating Parameters (%)</b>													
Yield on loans (Cal)	18.50	18.9	18.85	18.84	19.95	19.0	18.80	18.41					
Cost of funds (Cal)	8.7	9.0	8.7	8.9	8.8	8.7	8.6	8.5					
Spreads (Cal)	9.84	9.91	10.13	9.92	11.18	10.28	10.22	9.93					
NIMs (Cal)	11.78	11.8	11.9	11.7	12.60	11.6	11.5	11.3					
Credit Cost	1.12	0.95	0.89	0.49	0.15	0.33	0.50	0.50					
Cost to Income Ratio	27.3	25.7	26.0	28.6	22.6	23.8	24.2	27.4					
Tax Rate	27.7	26.7	26.3	25.4	25.7	26.0	25.7	26.9					
<b>Balance Sheet Parameters</b>													
<b>AUM (INR b)</b>	843	902	975	1,086	1,200	1,260	1,311	1,385					
Change YoY (%)	24.7	30.7	37.0	43.3	42.3	39.7	34.5	27.5					
<b>Gold loans (INR b)</b>	<b>809</b>	<b>862</b>	<b>930</b>	<b>1,030</b>	<b>1,132</b>	<b>1,186</b>	<b>1,231</b>	<b>1,316</b>					
Change YoY (%)	22.5	27.62	34.30	41.27	39.9	37.68	32.46	27.81					
Gold Stock Holding (In tonnes)	194	199	202	208	209								
Avg gold loans per branch (INR m)	167	177	192	212	232								
<b>Borrowings (INR b)</b>	<b>659</b>	<b>724</b>	<b>787</b>	<b>899</b>	<b>1,033</b>								
Change YoY (%)	28.7	30.8	35.6	52.9	56.7								
<b>Borrowings Mix (%)</b>													
Listed secured NCDs	28.0	27.2	26.0	26.2	30.3								
Term loans	55.0	57.2	55.7	53.0	50.5								
Commercial Paper	7.2	5.9	4.9	6.9	6.3								
Others	1.6	1.0	0.9	0.6	1.3								
Debt/Equity (x)	2.6	2.7	2.8	3.0	3.2								
<b>Asset Quality Parameters (%)</b>													
GS 3 (INR m)	33,532	38,807	41,179	37,004	30,945								
Gross Stage 3 (% on Assets)	4.0	4.3	4.2	3.4	2.6								
Total Provisions (INR m)	14,413	16,327	18,165	18,685	18,601								
<b>Return Ratios (%)</b>													
RoAUM (Rep)	5.4	5.7	5.8	5.9	7.2								
RoE (Rep)	17.7	20.0	20.7	21.7	27.7								

E: MOFSL estimates

### Strong gold loan growth of 40% YoY; gold loan tonnage rises to 209 tonnes

- Gold loan AUM grew ~10% QoQ and ~40% YoY to ~INR1.13t, while the consolidated AUM rose ~37% YoY to ~INR1.34t.
- Gold tonnage rose ~8% QoQ/0.5% YoY to 209 tonnes. Gold loan LTV rose ~110pp QoQ to ~61.7%, and the number of gold loan accounts rose to 10.46m (PQ: 10.23m).
- The average monthly disbursement in 1QFY26 increased to INR414b (PY: INR245b and PQ: INR338b), with an increase in average ticket size to ~INR108K (PQ: INR101K).

### Calc. NIM improves ~90bp sequentially; CoB declines ~15bp QoQ

- Yields rose QoQ while CoB declined ~15bp QoQ, resulting in a ~1pp expansion in spreads to ~11.2%. Management continued to guide spreads to be in the range of ~9.5% and shared that any further reduction in the cost of borrowings will be passed on to the customers.
- NIM (calc.) in 1QFY26 rose ~90bp QoQ at ~12.6%. Adjusted for a one-off in interest income, NIM contracted ~30bp QoQ. We estimate NIM of 11.6%/11% in FY26/FY27 (v/s FY25: 11.3%).

### Asset quality improves; GS3 dips ~80bp QoQ

- GS3 (%) improved ~80bp QoQ to ~2.6%, driven by strong recoveries during the quarter. GS2% rose ~40bp QoQ to 0.9%. 30+dpd declined ~40bp QoQ to ~3.5%.
- Credit costs (including provisions and write-offs) in 1QFY26 stood at ~INR433m and translated into annualized credit costs of ~15bp (PY: 1.1% and PQ: 0.5%).
- Management noted that non-gold NPAs declined by INR300m in the quarter. The company recorded an equivalent INR300m ECL provision reversal from this portfolio, as these NPAs were already fully provided for.



## Highlights from the management commentary

### Guidance

- Spreads stood at 9.5% and the endeavor will be to maintain spreads in this range. Any reduction in the cost of borrowing will be passed on to the customers.
- Expects additional recoveries of INR1b-1.5b from the ARC over the next two quarters.

### Financial Performance

- Standalone loan AUM reached a record high of INR1.2t, driven by a strong 40% YoY growth in gold loan AUM, reflecting the success of the company's three-pronged strategy focusing on disbursements, operational efficiency, and healthy margins.
- Standalone PAT for the quarter rose 90% YoY to INR20.5b.
- One-offs in interest income: There was a ~INR6b QoQ reduction in NPA, which led to an interest income write-back and recoveries of ~INR2.5b, and it also received ~INR1b from the ARC sale consummated in FY24.
- Yields expanded by 1pp QoQ to 19.56%. Adjusted for the interest income write-back and recoveries from the ARC, the yields were broadly stable QoQ.

### RBI Gold Lending Guidelines

- Recent RBI guidelines on gold loans are expected to bring greater transparency and streamline processes.
- The revised Gold lending guidelines are Gold loan business-friendly. MUTH will be able to offer a larger number of products to the customers, and for gold loans up to INR250K, LTV has been increased up to 85% (v/s 75% earlier).

### Customer Franchise

- Total active customers rose by ~1.4% QoQ. Sequential net addition to the total customer franchise was weaker in 1Q compared to the previous two quarters.
- New customer additions remained strong with new customer additions at 410K in 4QFY25 and 424K in 1QFY26.
- 85% of MUTH customers are below the ticket size of INR250K

### Liabilities

- Most of its Loans are linked to the MCLR, and it expects MCLR benefits to be passed on from banks within 3-6 months. MUTH does not have its bank term loans linked to EBLR.
- Muthoot is doing a three-year NCD at 7.85%.

### Gold Loans

- Gold auctions stood at INR130m in 1QFY26

### Split of gold loans by ticket size

- <INR50K: 11%
- INR50K-INR100K: 15%
- INR100K-300K: 34%
- >INR300K: 40%

### Subsidiaries

- Belstar Microfinance opened 10 gold loan branches in 1Q to diversify its portfolio, maintaining Stage III loan assets at 4.4%, in line with industry peers. It currently has 15 Gold loan branches in Belstar and plans to add another 50 gold loan branches this year.
- MUTH Home Finance AUM stood at INR30.1b, which grew 41% YoY
- Muthoot Money AUM stood at INR50b (~INR1.5b in Vehicle Finance and the rest gold loans), which grew 202% YoY. GNPA in MUTH Money has increased to 0.96% as of Jun'25. The branch network increased to 997 in this quarter.

### MFI

- Collections have improved during the quarter
- Excellent collection efficiency of ~99.8% on the MFI loans originated in the last 6 months.

### Non-Gold businesses

- Non-gold business is 13-14% (Excl MFI at 5%), and the company would like to keep it in the 15-20% range going forward as well.
- Non-gold NPLs declined INR300m, and it has also seen ECL provision reversals of INR300m from this portfolio (since the non-gold NPAs are 100% provided for)

### Equity Raise

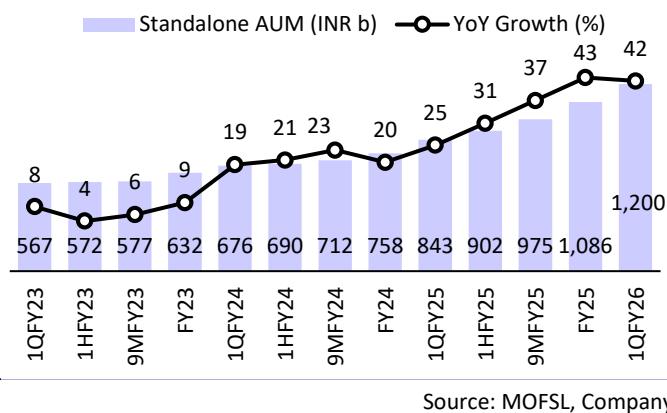
- The company is comfortable with its capital adequacy and does not plan to raise equity capital in the near term.

### Others

- MUTH is accelerating its efforts to enable its digital gold loan offerings. Technology investments are enhancing customer experience, reducing turnaround time, and improving operational efficiency.

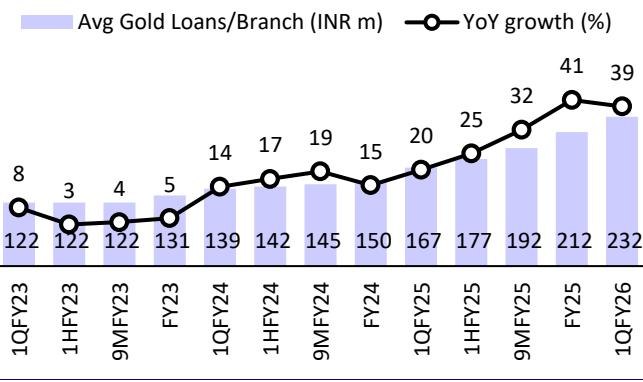
## Key exhibits

### Exhibit 1: Standalone AUM grew 42% YoY



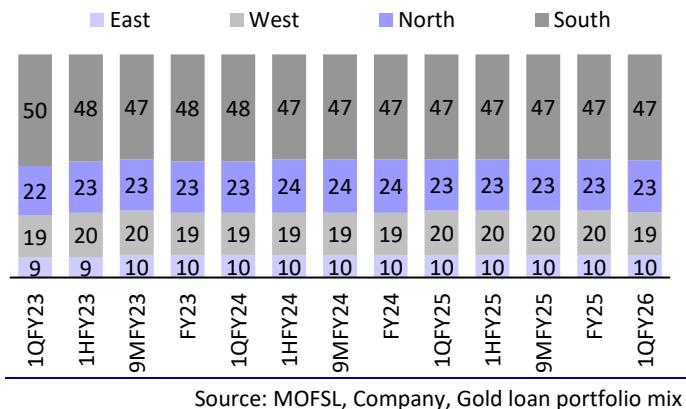
Source: MOFSL, Company

### Exhibit 2: Trends in productivity



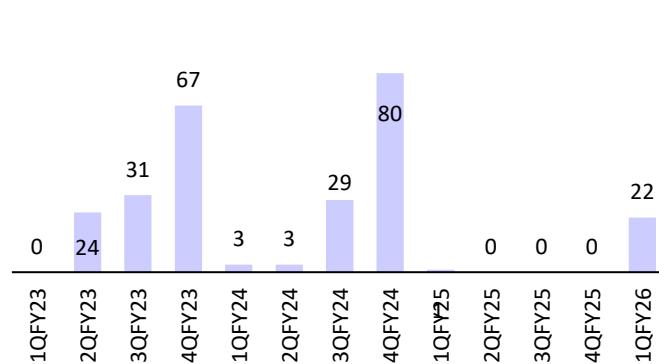
Source: MOFSL, Company

### Exhibit 3: Regional mix of gold loans stable



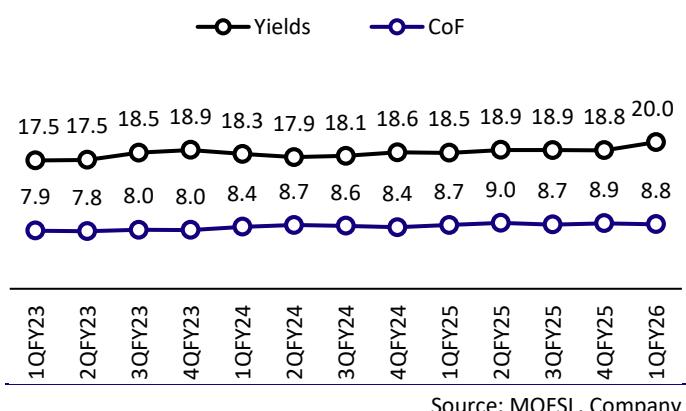
Source: MOFSL, Company, Gold loan portfolio mix

### Exhibit 4: 22 new gold loan branches opened in 1Q



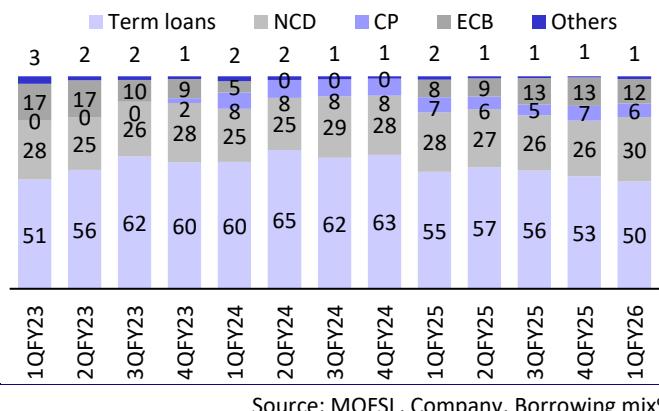
Source: MOFSL, Company

### Exhibit 5: Spreads (calc.) expanded ~120bp QoQ (%)

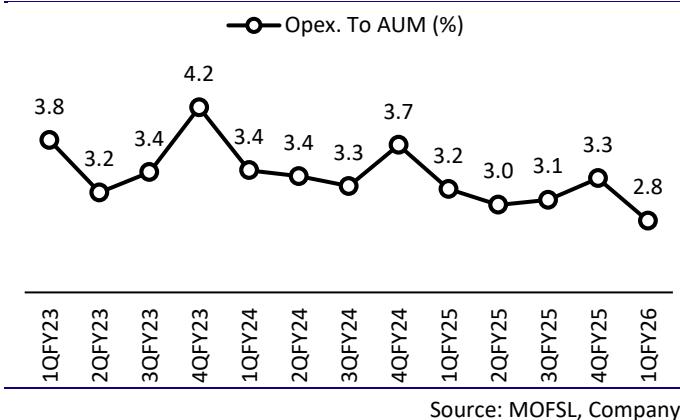
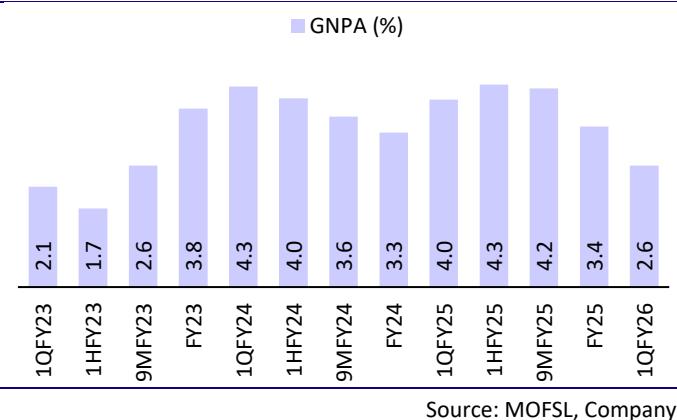
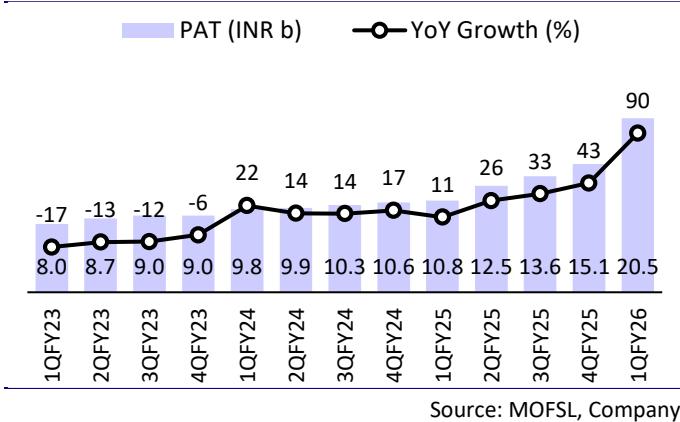
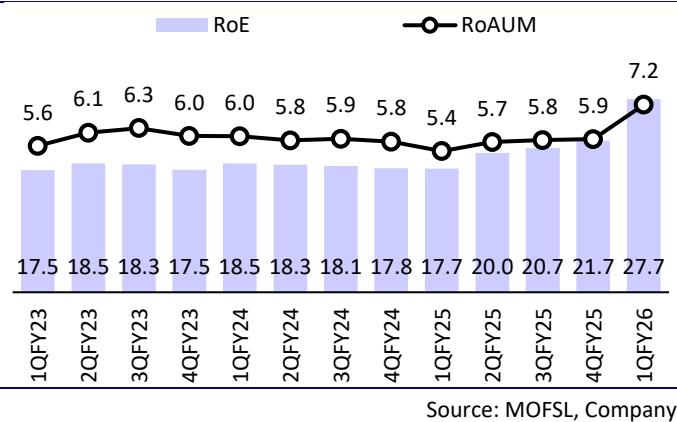


Source: MOFSL, Company

### Exhibit 6: Borrowing mix (%)



Source: MOFSL, Company, Borrowing mix%

**Exhibit 7: Opex/AUM declined ~50bp QoQ to 2.8%**

**Exhibit 8: GNPA declined ~80bp QoQ (%)**

**Exhibit 9: PAT in 1QFY26 grew 90% YoY**

**Exhibit 10: RoA/RoE at ~7.2%/28% in 1QFY26**


### Valuation and view

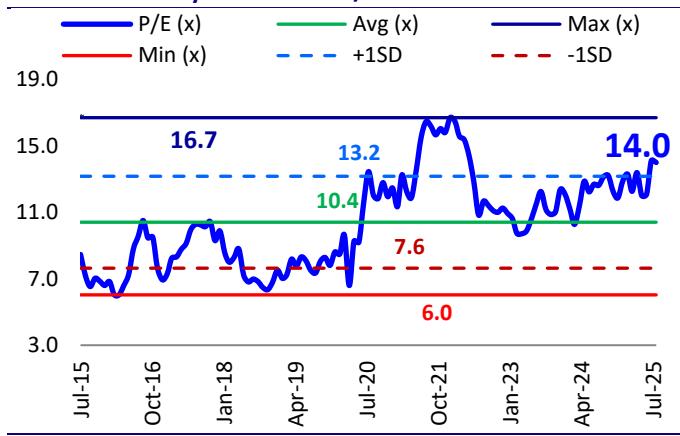
- MUTH delivered a healthy all-round performance during the quarter, even after considering the one-offs in interest income. Gold loan growth remained strong, while asset quality improved on the back of recoveries from the NPA pool.
- With a favorable demand outlook for gold loans driven by the limited availability of unsecured credit, the company is well-positioned to maintain its healthy loan growth momentum. However, we believe that the positives are already factored into its valuations of 2.4x FY27E P/BV. **We reiterate our Neutral rating with an unchanged TP of INR2,790 (based on 2.7x Mar'27E BVPS).**

**Exhibit 11: We raise our FY26E EPS by ~10% to factor in higher loan growth, positive one-off in interest income from NPA and ARC recoveries, and lower credit costs**

INR B	Old Est		New Est		% Change	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	135.4	159.4	142.9	161.8	5.5	1.5
Other Income	3.0	3.3	3.8	3.5	25.9	6.4
<b>Net Income</b>	<b>138.4</b>	<b>162.7</b>	<b>146.6</b>	<b>165.3</b>	<b>5.9</b>	<b>1.6</b>
Operating Expenses	36.0	44.1	36.0	44.5	0.1	1.0
<b>Operating Profits</b>	<b>102.4</b>	<b>118.6</b>	<b>110.6</b>	<b>120.7</b>	<b>8.0</b>	<b>1.8</b>
Provisions	6.2	4.5	4.7	4.8	-24.0	7.4
<b>PBT</b>	<b>96.2</b>	<b>114.2</b>	<b>105.9</b>	<b>115.9</b>	<b>10.1</b>	<b>1.5</b>
Tax	24.8	29.5	27.5	30.1	10.9	2.3
<b>PAT</b>	<b>71.4</b>	<b>84.7</b>	<b>78.4</b>	<b>85.8</b>	<b>9.8</b>	<b>1.3</b>
Loans	1,391	1,572	1,413	1,597	1.6	1.6
Borrowings	1,158	1,283	1,182	1,301		
Spread (%)	9.5	9.3	10.0	9.3		
<b>RoA (%)</b>	<b>5.2</b>	<b>5.2</b>	<b>5.6</b>	<b>5.2</b>		
<b>RoE (%)</b>	<b>22.7</b>	<b>22.3</b>	<b>24.7</b>	<b>22.3</b>		

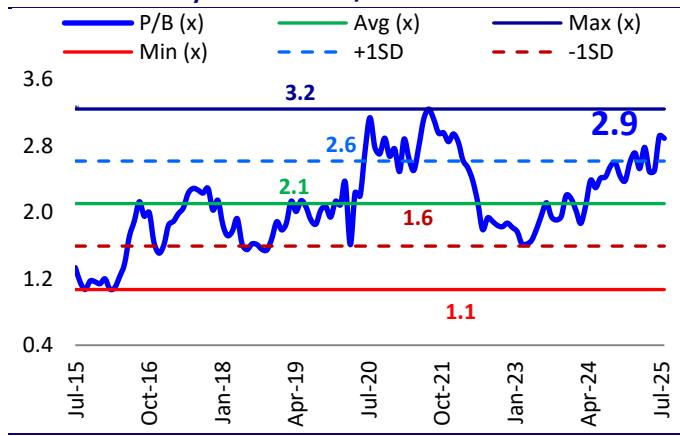
Source: MOFSL, Company

**Exhibit 12: One-year forward P/E ratio**



Source: MOFSL, Company

**Exhibit 13: One-year forward P/B ratio**



Source: MOFSL, Company

## Financials and valuations

INCOME STATEMENT										(INR M)
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
Interest Income	67,570	85,644	1,03,285	1,09,560	1,03,686	1,24,476	1,68,770	2,34,718	2,64,825	
Interest Expense	22,368	27,909	36,924	38,358	36,991	46,548	64,288	91,854	1,03,064	
<b>Net Interest Income</b>	<b>45,202</b>	<b>57,735</b>	<b>66,361</b>	<b>71,203</b>	<b>66,695</b>	<b>77,928</b>	<b>1,04,482</b>	<b>1,42,864</b>	<b>1,61,761</b>	
Change (%)	5.8	27.7	14.9	7.3	-6.3	16.8	34.1	36.7	13.2	
Other income	1,236	1,584	2,458	1,424	1,751	2,465	2,789	3,769	3,498	
<b>Net Income</b>	<b>46,438</b>	<b>59,319</b>	<b>68,819</b>	<b>72,626</b>	<b>68,446</b>	<b>80,393</b>	<b>1,07,271</b>	<b>1,46,633</b>	<b>1,65,260</b>	
Change (%)	5.5	27.7	16.0	5.5	-5.8	17.5	33.4	36.7	12.7	
Operating Expenses	15,394	17,787	17,804	18,262	21,177	23,927	28,898	35,995	44,536	
<b>Pre Provision Profits</b>	<b>31,044</b>	<b>41,531</b>	<b>51,015</b>	<b>54,364</b>	<b>47,270</b>	<b>56,466</b>	<b>78,373</b>	<b>1,10,638</b>	<b>1,20,724</b>	
Change (%)	0.6	33.8	22.8	6.6	-13.0	19.5	38.8	41.2	9.1	
Provisions	275	957	950	1,270	605	1,978	7,667	4,709	4,787	
<b>PBT</b>	<b>30,768</b>	<b>40,574</b>	<b>50,065</b>	<b>53,094</b>	<b>46,664</b>	<b>54,488</b>	<b>70,706</b>	<b>1,05,929</b>	<b>1,15,937</b>	
Tax	11,047	10,391	12,843	13,551	11,929	13,991	18,698	27,541	30,144	
Tax Rate (%)	35.9	25.6	25.7	25.5	25.6	25.7	26.4	26.0	26.0	
<b>PAT</b>	<b>19,721</b>	<b>30,183</b>	<b>37,222</b>	<b>39,543</b>	<b>34,735</b>	<b>40,497</b>	<b>52,008</b>	<b>78,387</b>	<b>85,793</b>	
Change (%)	10.9	53.0	23.3	6.2	-12.2	16.6	28.4	50.7	9.4	
Proposed Dividend	4,818	6,022	8,029	8,029	8,832	9,635	10,438	12,856	14,456	

BALANCE SHEET										(INR M)
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
Equity Share Capital	4,007	4,010	4,012	4,012	4,014	4,015	4,015	4,015	4,015	
Reserves & Surplus	88,151	1,11,708	1,48,377	1,79,432	2,06,605	2,38,888	2,80,361	3,45,892	4,17,230	
<b>Equity Networth</b>	<b>92,158</b>	<b>1,15,718</b>	<b>1,52,389</b>	<b>1,83,444</b>	<b>2,10,619</b>	<b>2,42,903</b>	<b>2,84,375</b>	<b>3,49,907</b>	<b>4,21,244</b>	
<b>Networth</b>	<b>92,158</b>	<b>1,15,718</b>	<b>1,52,389</b>	<b>1,83,444</b>	<b>2,10,619</b>	<b>2,42,903</b>	<b>2,84,375</b>	<b>3,49,907</b>	<b>4,21,244</b>	
<b>Borrowings</b>	<b>2,68,332</b>	<b>3,71,300</b>	<b>4,59,463</b>	<b>4,98,113</b>	<b>4,97,343</b>	<b>5,87,831</b>	<b>8,98,198</b>	<b>11,82,303</b>	<b>13,01,160</b>	
Change (%)	26.8	38.4	23.7	8.4	-0.2	18.2	52.8	31.6	10.1	
<b>Other Liabilities</b>	<b>20,198</b>	<b>17,578</b>	<b>22,798</b>	<b>23,990</b>	<b>18,236</b>	<b>19,551</b>	<b>29,915</b>	<b>32,907</b>	<b>36,197</b>	
Change (%)	11.4	-13.0	29.7	5.2	-24.0	7.2	53.0	10.0	10.0	
<b>Total Liabilities</b>	<b>3,80,687</b>	<b>5,04,597</b>	<b>6,34,649</b>	<b>7,05,547</b>	<b>7,26,198</b>	<b>8,50,284</b>	<b>12,12,488</b>	<b>15,65,117</b>	<b>17,58,602</b>	
<b>Loans</b>	<b>3,49,329</b>	<b>4,26,042</b>	<b>5,40,634</b>	<b>5,93,842</b>	<b>6,42,649</b>	<b>7,70,014</b>	<b>10,86,810</b>	<b>14,12,853</b>	<b>15,96,523</b>	
Change (%)	18.4	22.0	26.9	9.8	8.2	19.8	41.1	30.0	13.0	
<b>Investments</b>	<b>9,826</b>	<b>14,383</b>	<b>15,903</b>	<b>13,205</b>	<b>13,169</b>	<b>22,683</b>	<b>44,991</b>	<b>49,490</b>	<b>54,439</b>	
Net Fixed Assets	1,867	2,227	2,416	2,637	2,682	3,462	4,892	5,381	5,919	
Other assets	19,666	61,944	75,697	95,863	67,699	54,125	75,796	97,394	1,01,720	
<b>Total Assets</b>	<b>3,80,687</b>	<b>5,04,597</b>	<b>6,34,649</b>	<b>7,05,547</b>	<b>7,26,198</b>	<b>8,50,284</b>	<b>12,12,488</b>	<b>15,65,117</b>	<b>17,58,602</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	21.0	22.1	21.4	19.3	16.8	17.6	18.2	18.8	17.6
Avg Cost of funds	9.3	8.7	8.9	8.0	7.4	8.6	8.7	8.8	8.3
Spreads on loans	11.7	13.4	12.5	11.3	9.3	9.0	9.5	10.0	9.3
NIMs on AUM	14.3	15.2	14.1	12.9	11.0	11.2	11.3	11.6	11.0
<b>Profitability Ratios (%)</b>									
RoE	23.2	29.0	27.8	23.5	17.6	17.9	19.7	24.7	22.3
RoA	5.7	6.8	6.5	5.9	4.9	5.1	5.0	5.6	5.2
RoA on AUM	6.2	8.0	7.9	7.1	5.7	5.8	5.6	6.3	5.8
Cost to Income	33.2	30.0	25.9	25.1	30.9	29.8	26.9	24.5	26.9
Empl. Cost/Op. Exps.	58.3	57.8	56.5	56.4	56.6	58.0	58.7	59.4	60.0
<b>Asset-Liability Profile (%)</b>									
GNPL ratio (%)	2.7	2.2	0.9	3.0	3.8	3.3	3.4	3.0	3.0
Debt/Equity (x)	2.9	3.2	3.0	2.7	2.4	2.4	3.2	3.4	3.1
Average leverage	2.8	3.1	3.1	2.9	2.5	2.4	2.8	3.3	3.2
CAR	26.1	25.5	27.4	30.0	31.8	30.4	23.7	0.0	0.0
<b>Valuations</b>									
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Book Value (INR)	230	289	380	457	525	605	708	872	1,049
<b>Price-BV (x)</b>	<b>10.9</b>	<b>8.7</b>	<b>6.6</b>	<b>5.5</b>	<b>4.8</b>	<b>4.2</b>	<b>3.5</b>	<b>2.9</b>	<b>2.4</b>
EPS (INR)	49.2	75.3	92.8	98.6	86.5	100.9	129.5	195.3	213.7
EPS Growth (%)	10.8	52.9	23.3	6.2	-12.2	16.6	28.4	50.7	9.4
<b>Price-Earnings (x)</b>	<b>51.0</b>	<b>33.4</b>	<b>27.1</b>	<b>25.5</b>	<b>29.0</b>	<b>24.9</b>	<b>19.4</b>	<b>12.9</b>	<b>11.8</b>
Dividend	12.0	15.0	20.0	20.0	22.0	24.0	26.0	32.0	36.0
<b>Dividend Yield (%)</b>	<b>0.5</b>	<b>0.6</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.3</b>	<b>1.4</b>

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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

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