

AAVAS Financiers

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	AAVAS IN
Equity Shares (m)	79
M.Cap.(INRb)/(USD\$)	128.2 / 1.4
52-Week Range (INR)	2238 / 1517
1, 6, 12 Rel. Per (%)	-3/-13/-9
12M Avg Val (INR M)	427

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	10.1	11.9	13.9
PPP	7.6	8.8	10.5
PAT	5.7	6.6	7.9
EPS (INR)	73	84	99
EPS Gr. (%)	17	15	19
BV/Sh. (INR)	551	634	734

Ratios (%)

NIM	5.4	5.3	5.3
C/I ratio	43.8	44.5	43.7
Credit cost	0.18	0.22	0.21
RoA	3.3	3.3	3.3
RoE	14.1	14.1	14.5

Valuation

P/E (x)	22.3	19.4	16.3
P/BV (x)	2.9	2.6	2.2

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	49.0	49.0	26.5
DII	14.1	11.5	25.6
FII	25.9	29.8	35.5
Others	11.0	9.8	12.5

FII includes depository receipts

CMP: INR1,619 TP: INR1,800 (+11%) Neutral

AUM growth remains weak; no weakness in asset quality

Earnings beat driven by higher assignment income; NIM expands ~55bp QoQ

- AAVAS Financiers (AAVAS)'s 2QFY26 PAT grew 11% YoY to ~INR1.6b (~8% beat). PAT in 1HFY26 grew ~11% YoY, and we expect PAT to grow ~19% YoY in 2H. NII in 2QFY26 grew 19% YoY to ~INR2.9b (in line). Other income grew 16% YoY, aided by higher assignment income of ~INR700m (PY: INR585m).
 - Reported NIM improved ~55bp QoQ to ~8.05% in 2QFY26. Spreads rose ~10bp QoQ to 5.2% (v/s ~5.1% in 1QFY26). Opex rose ~26% YoY to INR1.7b (in line). Opex/assets stood at ~3.5% (PY: 3.2% and PQ: ~3.45%). We estimate an opex-to-asset ratio of 3.5%/3.4% in FY26/FY27E (vs. ~3.4% in FY25).
 - Management shared that given the current business momentum, it expects AUM growth of ~18% in FY26. Traction in disbursements and AUM growth are likely to improve in 2H, aided by GST-related benefits and positive sentiment for mortgages amid a declining interest rate environment. This should aid housing demand. We model an AUM growth of ~17%/18% for FY26/FY27.
 - AAVAS reported a stable GS3, and its 1+dpd improved by ~15bp QoQ. The company highlighted that both its core home market and the newer emerging markets are performing well, supported by its cautiously optimistic underwriting approach.
 - Management highlighted that incremental yields continue to be lower than the existing portfolio yields, which may lead to continued moderation in overall yields. The company remains focused on sourcing better-quality customers, even at marginally lower pricing, to sustain healthy risk-adjusted returns over the long term.
 - We raise our FY26/FY27 EPS estimates by 4%/2% to factor in higher assignment income. We estimate AUM and PAT CAGR of ~18% each over FY25-28, with an RoA/ RoE of 3.4%/15% by FY28. AAVAS trades at 2.2x FY27E P/BV. For a re-rating in its current valuation multiples, we believe that the company will need to deliver on its guided AUM growth and exhibit better readiness for an acceleration of its AUM growth from FY27 onwards.
- Reiterate Neutral with a TP of INR1,800 (based on 2.3x Sep'27E BVPS).**

AUM rises ~16% YoY; share of HL in 1H disbursements at ~58%

- AUM grew 16% YOY and ~3% QoQ to ~INR214b. Disbursements rose ~21% YoY to ~INR15.6b. Share of HL in 1HFY26 disbursements stood at ~58%.
- Annualized run-off in the loan book stood at ~18.2% (PY: 16.6% and PQ: ~16.2%). Securitization during the quarter amounted to ~INR4.3b (PY: ~INR4.3b), and the securitization margin improved ~380bp QoQ to 16.4%.

Key highlights from the management commentary

- Only ~1.8% of the AUM is exposed to customers linked to US tariff-affected industries. Stress has also been seen in pockets of Karnataka, eastern MP, and certain segments in Gujarat (notably Surat), but this is not broad-based. The company had proactively tightened credit filters in these micro-markets, which has helped contain the impact.

- CARE has revised the long-term credit rating outlook to Positive from Stable, signaling progress toward a potential upgrade to AA+. This is expected to enhance the company's ability to diversify its liability profile more efficiently and at a lower cost.

Asset quality stable; 1+dpd improves ~15bp QoQ to ~4%

- Asset quality was broadly stable, with GS3/NS3 remaining flat QoQ at 1.25%/0.85%. The company's 1+dpd declined ~15bp QoQ to 4%.
- Credit costs stood at INR80m (v/s est. of ~INR96m) and translated into an annualized credit cost of ~15bp (PY: ~10bp and PQ: ~22bp). We model credit costs of ~22bp/21bp in FY26/FY27.

A sequential ~17bp decline in CoB; spreads rise ~10bp QoQ

- Reported spreads rose ~10bp QoQ to 5.2% (v/s ~5.1% in 1QFY26), while CoF declined ~17bp QoQ at ~7.85%.
- Within AAVAS' bank borrowings, ~36% was linked to EBLR and ~25% was linked to sub-three-month MCLR; hence, ~61% of total borrowings were repriced along with declining interest rates. Management indicated that the cost of borrowings is expected to decline in the coming quarters as the benefit from MCLR-linked borrowings gradually reflects in its weighted average cost of borrowings.
- AAVAS' 2QFY26 core NIM (calc.) improved ~15bp QoQ to ~7%. We model a NIM (as a % of AUM) of 5.3% each in FY26/FY27E.

Valuation and view

- AAVAS posted a mixed performance during the quarter, wherein it reported an earnings beat, driven by higher assignment income, but its AUM growth remained weaker (than expected) as prepayments were elevated. Asset quality held steady, with improvement in 1+dpd supporting lower credit costs. Meanwhile, NIM and spreads continued to expand, aided by a further reduction in its cost of borrowings.
- The company posted RoA/RoE of ~3.4%/~14.3% in 2QFY26. Its continued investments in technology and unwavering focus on asset quality have helped it stand out among peers. Notably, 1+ dpd levels remain well below guidance, supported by prudent underwriting and strong collections.
- The stock trades at 2.2x FY27E P/BV, and any valuation multiple re-rating will depend on stronger AUM growth and delivery of operating efficiencies to further improve the RoA profile. **Reiterate Neutral with a TP of INR1,800 (based on 2.3x Sep'27E BVPS).**

Quarterly performance

Y/E March	FY25				FY26E				FY25 FY26E		2Q FY26E	INR m
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			v/s Est.	
Interest Income	4,797	4,906	5,121	5,353	5,489	5,636	5,839	6,169	20,177	23,134	5,588	1
Interest Expenses	2,352	2,489	2,587	2,647	2,713	2,755	2,828	2,982	10,075	11,280	2,757	0
Net Income	2,446	2,418	2,533	2,705	2,776	2,881	3,011	3,187	10,102	11,854	2,831	2
YoY Growth (%)	8	9	15	14	14	19	19	18	11	17	17	
Other income	628	898	859	1,022	790	1,038	1,046	1,162	3,407	4,036	878	18
Total Income	3,074	3,316	3,392	3,728	3,566	3,919	4,057	4,349	13,509	15,891	3,709	6
YoY Growth (%)	10	13	16	15	16	18	20	17	13	18	12	
Operating Expenses	1,379	1,368	1,447	1,719	1,662	1,727	1,790	1,891	5,912	7,071	1,660	4
YoY Growth (%)	3	5	7	20	21	26	24	10	9	20	21	
Operating Profits	1,695	1,948	1,945	2,009	1,904	2,192	2,266	2,458	7,597	8,820	2,049	7
YoY Growth (%)	16	19	23	10	12	12	17	22	17.1	16.1	5.2	
Provisions	86	48	61	76	113	80	97	93	271	382	96	-17
Profit before Tax	1,609	1,900	1,884	1,932	1,791	2,112	2,169	2,365	7,326	8,438	1,953	8
Tax Provisions	348	421	420	395	399	473	477	476	1,585	1,825	430	10
Profit after tax	1,261	1,479	1,464	1,537	1,392	1,639	1,692	1,889	5,741	6,612	1,524	8
YoY Growth (%)	15	22	26	8	10	11	16	23	17.0	15.2	3.0	
Key Parameters (%)												
Yield on loans	13.08	13.0	13.18	13.13	13.13	13.1			13.5	13.4		
Cost of funds	8.08	8.2	8.24	8.24	8.02	7.9			7.7	7.5		
Spread	5.00	4.89	4.94	4.89	5.11	5.23			5.8	5.9		
NIM		7.78	7.75	8.11	7.48	8.04			5.4	5.3		
Credit cost	0.2	0.11	0.1	0.2	0.2	0.15			0.2	0.2		
Cost to Income Ratio (%)	44.8	41.2	42.7	46.1	46.6	44.1			43.8	44.5		
Tax Rate (%)	21.7	22.2	22.3	20.5	22.3	22.4			21.6	21.6		
Balance Sheet Parameters												
AUM (INR B)	178.4	184.0	192.4	204.2	207.4	213.6	224.0	239.3	204.2	239.3		
Change YoY (%)	21.8	20.1	19.6	17.9	16.2	16.1	16.5	17.2	18	17		
AUM mix (%)												
Home loans	69.0	69.0	69.0	68.0	67.0	67.0			68.0	66.8		
Mortgage loans	14.0	13.0	13.0	13.0	13.0	13.0			32.0	33.2		
Loans (INR B)	144.4	147.1	153.2	162.3	162.3	166.6	175.9	187.9	162.3	187.9		
% of AUM	81.0	80.0	79.6	79.5	78.2	78.0	78.5	78.5	15.9	15.8		
Disbursements (INR B)	12.1	12.9	15.9	20.2	11.5	15.6	19.8	25.1	61.2	71.9		
Change YoY (%)	13.4	2.8	17.0	6.9	-5.4	20.6	24.0	24.0	10	17		
Borrowings (INR B)	126.0	124.8	133.8	139.2	143.9	144.1	153.0	161.2	139.2	161.2		
Change YoY (%)		12.0	16.6	12.3	14.2	15.5	14.4	15.8	13	16		
Borrowings/Loans (%)	87.2	84.8	87.4	85.8	88.7	86.5	87.0	85.8	85.8	85.8		
Debt/Equity (x)	3.2	3.1	3.2	3.2	3.2	3.1	3.2	3.2	3.2	3.2		
Asset Quality (%)												
GS 3 (INR M)	1,466.1	1,601.0	1,757.0	1,763.0	1,987.0	2,081.0						
G3 %	1.01	1.1	1.14	1.08	1.22	1.24						
NS 3 (INR M)	1,043.4	1,142.0	1,233.0	1,191.0	1,360.0	1,418.0						
NS3 %	0.72	0.78	0.80	0.73	0.84	0.85						
PCR (%)	28.8	28.7	29.8	32.4	31.6	31.9						
ECL (%)	0.6	0.6	0.7	0.7	0.7	0.7						
Return Ratios - YTD (%)												
ROA (Rep)	3.0	3.3	3.3	3.3	2.9	3.4						
ROE (Rep)	13.1	14.0	14.1	14.1	12.6	14.3						

E: MOFSL Estimates



Key highlights from the management commentary

Guidance

- Guided an FY26 AUM growth of 18%
- The company will continue to maintain credit costs at <25bp in FY26
- AAVAS plans to open 20-25 branches in 2HFY26 to deepen the penetration in the existing markets, and will also add more branches in its new market, Tamil Nadu
- The company expects 20%+ AUM growth over the next 5 years. ~8% of this growth will be driven by branch expansion, 7-8% from productivity enhancement, and 5% from inflation-led growth
- Expects to bring down opex/assets to ~3% over the medium term.

Credit Rating

- CARE long-term credit rating outlook revised to Positive from Stable, indicating progress toward a potential upgrade to AA+.
- This is expected to help diversify the liability profile more cost-efficiently.
- The outlook revision reflects strong business fundamentals, steady growth, robust asset quality, sustained profitability, strong capital position, and a stable management team.

Branch Expansion

- Entered Tamil Nadu and opened 8 new branches in 1H, and another eight branches will be opened in 2H. Overall, 20-25 branches will be added in 2H to deepen geographic presence.
- With the Tamil Nadu scale-up, Andhra Pradesh and Telangana emerge as the next expansion markets under the same disciplined strategy.

Growth and Housing Demand Outlook

- AUM grew 16% YoY. Given current momentum, FY26 AUM growth of ~18% YoY is expected.
- Expect GST cut benefits, positive market sentiment, and potential rate reduction to support housing demand.
- Government schemes such as PMAY 2.0 interest subsidy continue to aid affordability. Over 2300 customers have availed subsidy benefits amounting to over INR75m.

Financial Performance

- AUM grew to ~INR214b. Post transition to the new disbursement and recognition framework in 1Q, business operations have normalized.
- Disbursements grew 36% QoQ and 21% YoY, indicating strong momentum. Sanction-to-disbursement conversion improved to 80%, reflecting a better conversion ratio.
- PAT grew 11% YoY to INR1.64b, driven by strong NII and improved spreads.
- NIM expanded 56bps QoQ, supported by improved spreads and risk-adjusted pricing. Spreads improved 10bp QoQ.
- Opex rose ~5bp QoQ, while the cost-to-income ratio declined, reflecting efficiency gains.

- Credit cost improved 8bp due to better 1+dpd and declining trends in Stage 2.

Liability Profile and Cost of Funds

- Cost of funds continued to improve, demonstrating balance sheet strength and stability. CoF improved by 17bp during the quarter.
- With potential softening in interest rates ahead, the company shifted a larger share of borrowing to EBLR-linked liabilities over the past few quarters, which delivered tangible benefits.
- AAVAS did incremental borrowings of ~INR13.96b in 2QFY26 with an incremental CoF at 7.82%.
- Total borrowings stood at INR186.8b. The mix stood at: Banks 50%, Assignments 25%, NHB 14%, and Debt Capital Markets 11%.
- ~36% of borrowings are linked to benchmark reference rates (repo, T-bill, MIBOR), and 25% are linked to sub-3-month MCLR; hence, 61% of borrowings will reprice along with declining interest rates.

Yields and Pricing Strategy

- Incremental yields are lower than portfolio yield, which may moderate overall yields ahead.
- Focus is on acquiring better quality customers even at slightly lower pricing to maintain long-term risk-adjusted returns.
- The gap between portfolio yield and incremental yield has largely narrowed. Incremental yields are ~25 bps lower than portfolio yields, while incremental CoF is ~60bps lower YoY.
- The company will focus more on lower ticket size and new-to-credit borrowers, where yields are structurally higher.
- The company is closely tracking the rate environment. The company shared that MCLR cuts from banks are still limited, hence CoF reductions in MCLR-linked borrowings are gradual.
- PLR reduction will be considered once more pronounced benefit on CoF flows through.

Operating Expenses

- Opex elevated due to branch expansion and distribution investments. As disbursements and AUM growth were lower, the ratio appears elevated.
- ESOP reversals last year created a low base. Excluding ESOP expenses, the opex ratio rose ~16bp YoY.
- Cost-to-income ratio improved by 260bps QoQ, indicating the operating structure is stabilizing.
- Expect opex/assets to reduce below 3% over the medium term as operating leverage benefits flow in.

Asset Quality

- Asset quality remains within the guided range of 1+dpd < 5%
- GNPA/NNPA at 1.24% and 0.84%, respectively. Underwriting stance remains cautiously optimistic.
- Rajasthan continues to perform well, with 1+dpd and GNPA below ~4% and ~1.25%.

- Emerging markets remain stable, with 1+dpd and GNPA under ~3.5% and ~1%.
- Some stress was observed in the eastern belt of Madhya Pradesh. However, the company has hired senior talent and implemented corrective measures.
- Bounce rates are stable, and 90+dpd remains controlled. Attrition reduced to 17% in 2Q from 18% last year.
- Only ~1.8% of AUM is towards customers who are exposed to US tariff-related industries. Stress observed in certain pockets of Karnataka, eastern MP, and some segments in Gujarat (primarily Surat), but not portfolio-wide. Credit filters tightened early in impacted geographies.

Disbursements and BT-outs

- The monthly disbursement run-rate over the past five months is around INR5b. Expect INR5b-7b monthly disbursement run-rate in 2H due to seasonal strength.
- BT-outs at 5.3% in 1H, while it stood at ~5.7% in 2Q (v/s ~4.9% in 1Q) due to seasonal factors.
- The company engages with BT-out customers proactively, but sees no structural pressure.
- Repayment rate was higher by ~200bp during the quarter due to higher prepayments, which also reflects better portfolio quality.

Assignments

- Assignment volumes expected to grow 15-20%.
- Last year, the company used to do assignments at 8.5%+ and is currently doing assignments at 7.5%+. Assignment spreads have been higher by ~100bp, and this trend will be sustained.

Growth drivers

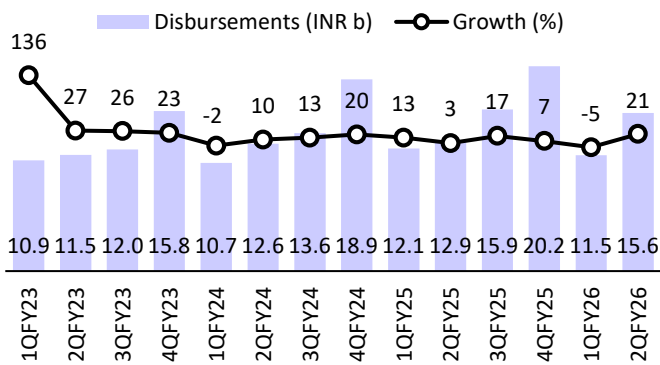
- AUM growth of ~20% over the medium term to be driven by: ~8% from branch expansion and scale, ~7–8% from productivity gains, and ~5% from inflation-led ticket size growth.
- TN, AP, and Telangana will be its new focus states for measured footprint expansion.

Other Points

- The company is retaining capital to support multi-year growth; hence, no dividends are planned.
- CSC and e-Mitra are the company's alternative sourcing channels, in addition to its direct sourcing channel. DSA channel contributes <10% of AAVAS' overall sourcing.
- ~11% of AUM is below INR500K ticket size and ~77% of AUM is below ticket size of INR2.5m.

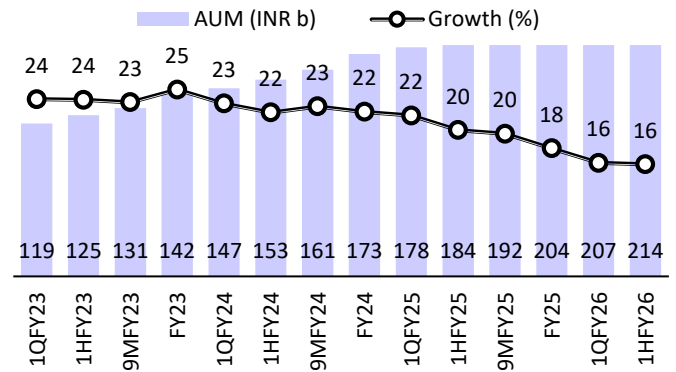
Key exhibits

Exhibit 1: Disbursements rose ~21% YoY



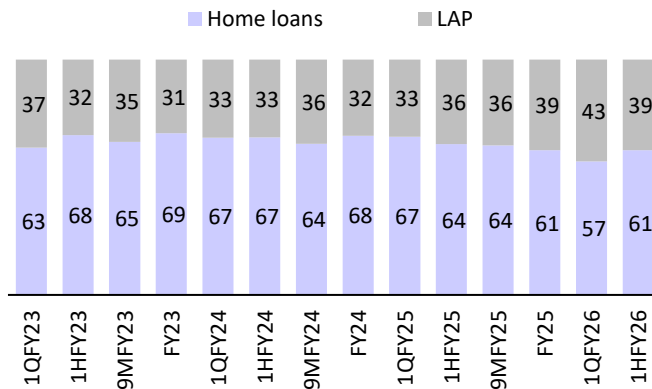
Source: MOFSL, Company

Exhibit 2: AUM grew 16% YoY



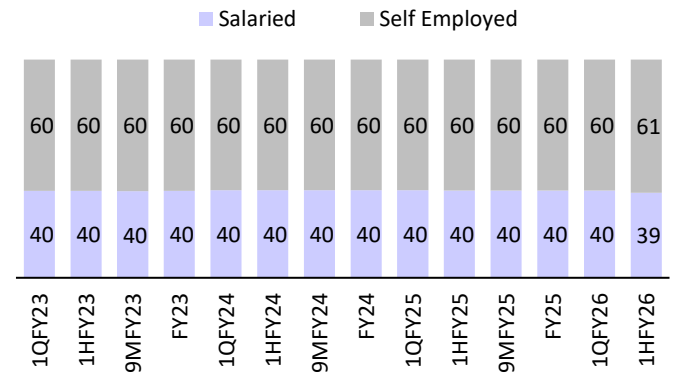
Source: MOFSL, Company

Exhibit 3: Share of home loans in disbursements rose QoQ (%)



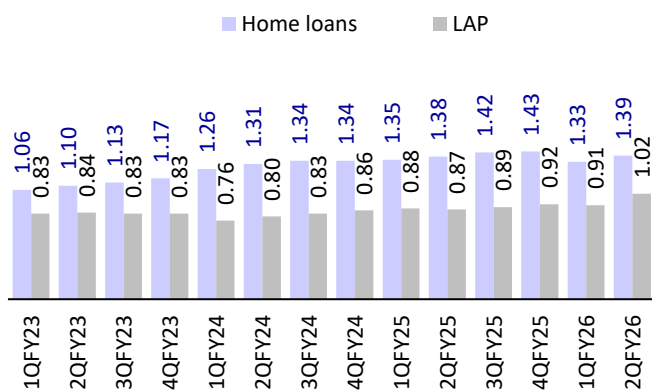
Source: MOFSL, Company

Exhibit 4: Share of salaried mix rose QoQ (%)



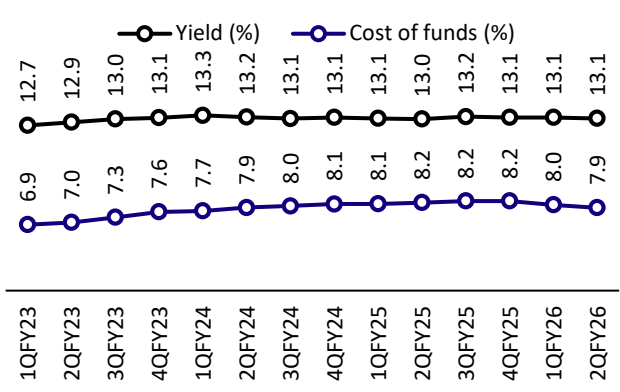
Source: MOFSL, Company

Exhibit 5: ATS in home loans rose QoQ (INR m)



Source: MOFSL, Company

Exhibit 6: Reported spreads rose ~10bp QoQ



Source: MOFSL, Company

Exhibit 7: Opex/avg. AUM rose ~5bp QoQ to ~3.3% (%)

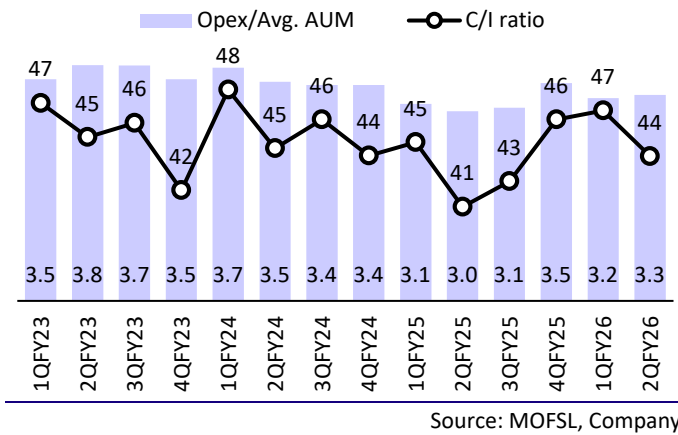


Exhibit 8: GS3 stable QoQ (%)

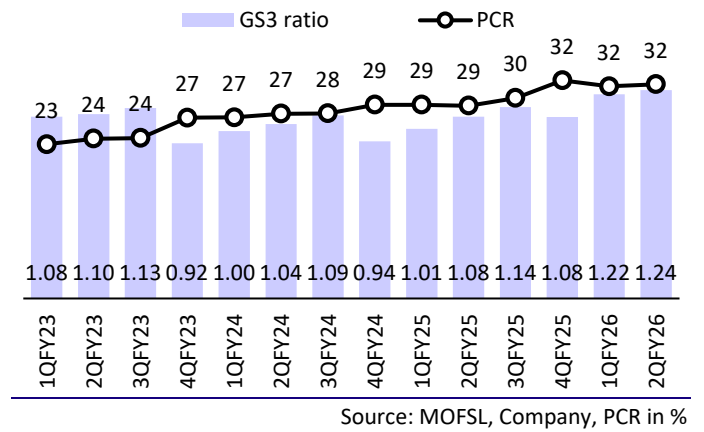


Exhibit 9: 1+dpd declined ~15bp QoQ to ~4%

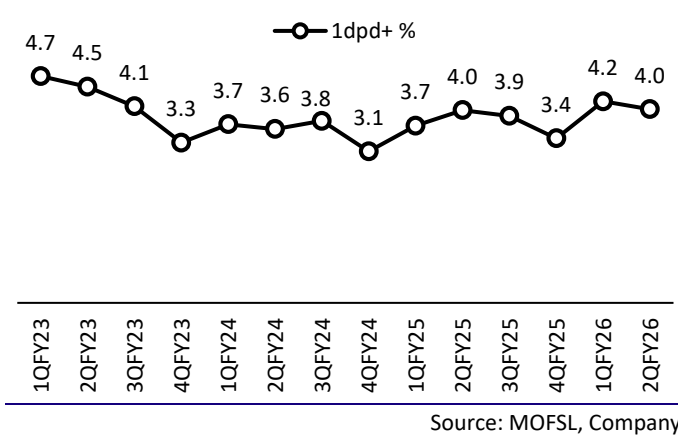


Exhibit 10: 2QFY26 PAT grew 11% YoY

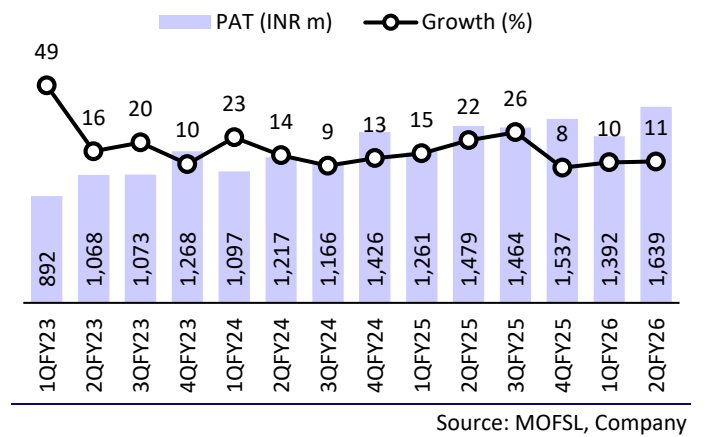
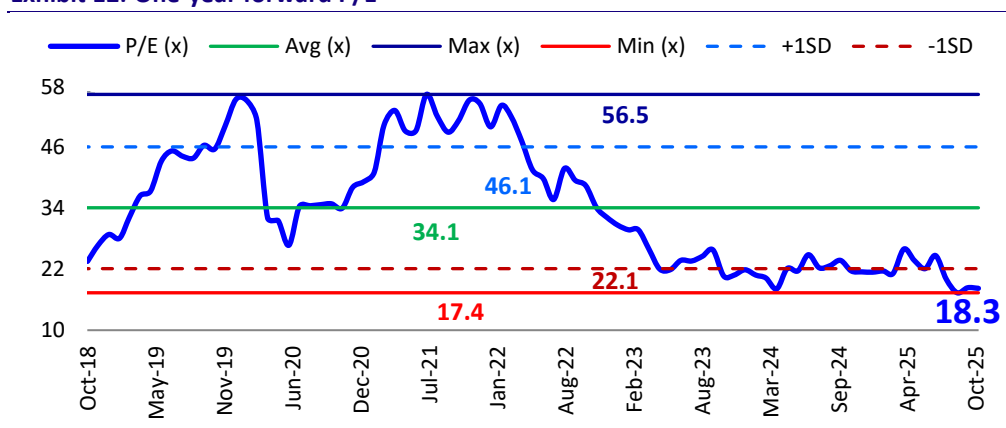


Exhibit 11: We raise our FY26/FY27/FY28 EPS estimates by ~4%/2%/2%, primarily to factor in higher assignment income

INR b	Old Est.			New Est.			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII	11.8	13.9	16.4	11.9	13.9	16.5	0.8	0.4	0.3
Other Income	3.8	4.3	4.9	4.0	4.7	5.3	7.5	8.7	9.1
Total Income	15.5	18.2	21.3	15.9	18.6	21.8	2.4	2.3	2.3
Operating Expenses	7.0	8.0	9.0	7.1	8.1	9.2	0.4	1.8	2.6
Operating Profits	8.5	10.2	12.3	8.8	10.5	12.6	4.1	2.8	2.1
Provisions	0.4	0.3	0.5	0.4	0.4	0.5	4.0	28.4	1.5
PBT	8.1	9.9	11.9	8.4	10.0	12.1	4.1	1.9	2.2
Tax	1.8	2.1	2.6	1.8	2.2	2.6	4.1	1.9	2.2
PAT	6.4	7.7	9.3	6.6	7.9	9.5	4.1	1.9	2.2
AUM	240	283	333	239	282	332	-0.5	-0.5	-0.2
Borrowings	162	195	230	161	194	230	-0.6	-0.3	0.2
NIM (%)	5.3	5.3	5.3	5.3	5.3	5.4			
ROA (%)	3.2	3.3	3.3	3.3	3.3	3.4			
RoE (%)	13.6	14.4	14.9	14.1	14.5	15.1			

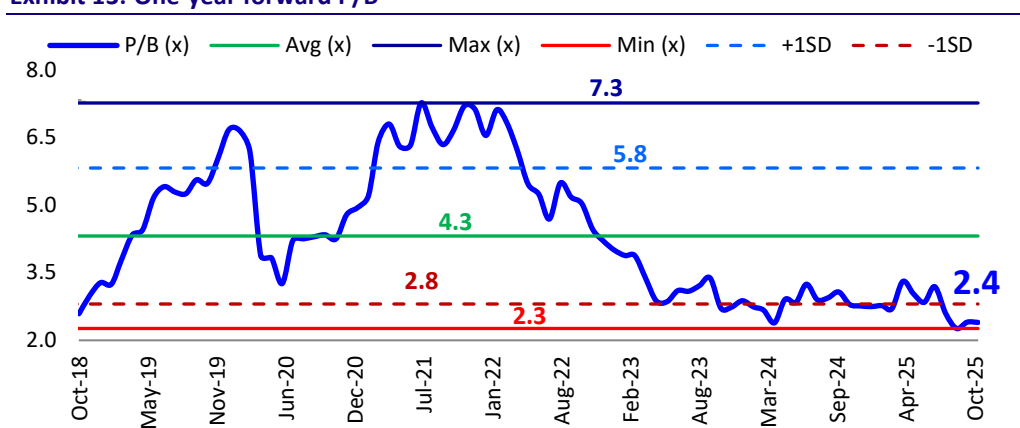
Source: MOFSL, Company

Exhibit 12: One-year forward P/E



Source: MOFSL, Company

Exhibit 13: One-year forward P/B



Source: MOFSL, Company

Financials and valuations

Income statement									INR m
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	7,864	9,764	11,288	13,882	17,347	20,177	23,134	26,975	31,869
Interest Expended	3,561	4,582	4,775	5,910	8,284	10,075	11,280	13,054	15,376
Net Interest Income	4,304	5,182	6,513	7,971	9,063	10,102	11,854	13,921	16,493
Change (%)	27.3	20.4	25.7	22.4	13.7	11.5	17.3	17.4	18.5
Gain on Securitisation	766	864	1,240	1,518	1,795	2,074	2,562	2,946	3,329
Other Operating Income	401	426	539	701	1,061	1,333	1,474	1,729	1,996
Total Income	5,470	6,471	8,293	10,191	11,919	13,509	15,891	18,596	21,818
Change (%)	20.1	18.3	28.2	22.9	17.0	13.3	17.6	17.0	17.3
Operating Expenses	2,296	2,566	3,506	4,577	5,430	5,912	7,071	8,120	9,245
Operating Income	3,174	3,905	4,787	5,614	6,489	7,597	8,820	10,476	12,572
Change (%)	19.1	23.0	22.6	17.3	15.6	17.1	16.1	18.8	20.0
Provisions	153	371	226	124	245	271	382	431	463
PBT	3,020	3,533	4,561	5,490	6,244	7,326	8,438	10,045	12,109
Tax	529	638	981	1,189	1,338	1,585	1,825	2,173	2,620
Tax Rate (%)	17.5	18.1	21.5	21.7	21.4	21.6	21.6	21.6	21.6
PAT	2,491	2,895	3,580	4,301	4,907	5,741	6,612	7,872	9,490
Change (%)	41.6	16.2	23.7	20.1	14.1	17.0	15.2	19.0	20.6

Balance sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Capital	783	785	789	791	791	792	792	792	792
Reserves & Surplus	20,196	23,229	27,297	31,906	36,942	42,817	49,429	57,301	66,791
Net Worth	20,979	24,014	28,086	32,697	37,733	43,608	50,221	58,092	67,582
Borrowings	53,520	63,454	79,725	98,407	1,23,365	1,39,185	1,61,206	1,94,003	2,30,174
Change (%)	46.5	18.6	25.6	23.4	25.4	12.8	15.8	20.3	18.6
Other liabilities	2,081	2,132	2,392	3,002	4,096	3,392	4,070	4,884	5,861
Total Liabilities	76,580	89,600	1,10,204	1,34,105	1,65,195	1,86,185	2,15,497	2,56,980	3,03,617
Loans	61,808	75,233	90,534	1,14,763	1,40,044	1,62,297	1,87,886	2,24,281	2,65,790
Change (%)	30.8	21.7	20.3	26.8	22.0	15.9	15.8	19.4	18.5
Investments	45	45	675	1,231	1,822	2,300	2,990	3,887	4,859
Change (%)	0.0	0.0	1,400.4	82.3	48.0	26.3	30.0	30.0	25.0
Other assets	14,727	14,323	18,994	18,112	23,329	21,587	24,621	28,811	32,968
Total Assets	76,580	89,600	1,10,204	1,34,105	1,65,195	1,86,185	2,15,497	2,56,980	3,03,617

E: MOFSL Estimates

Financials and valuations

Ratios	(%)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Avg Yield on Loan portfolio	13.5	14.1	13.8	13.7	13.6	13.5	13.4	13.2	13.1
Avg. Cost of borrowings	7.9	7.8	6.7	6.6	7.5	7.7	7.5	7.4	7.3
Interest Spread	5.6	6.3	7.1	7.1	6.1	5.8	5.9	5.9	5.9
Net Interest Margin (AUM)	6.3	6.0	6.3	6.2	5.8	5.4	5.3	5.3	5.4
Profitability Ratios (%)									
RoE	12.7	12.9	13.7	14.2	13.9	14.1	14.1	14.5	15.1
RoA	3.8	3.5	3.6	3.5	3.3	3.3	3.3	3.3	3.4
Loans/Equity (x)	2.9	3.1	3.2	3.5	3.7	3.7	3.7	3.9	3.9
Cost/Income	42.0	39.7	42.3	44.9	45.6	43.8	44.5	43.7	42.4
Asset Quality (%)									
Gross NPAs	210	739	904	1,067	1,319	1,763	2,146	2,664	3,050
Gross NPAs to Adv.	0.3	1.0	1.0	0.9	0.9	1.1	1.1	1.2	1.1
Net NPAs	171	538	695	780	939	1,191	1,448	1,811	2,059
Net NPAs to Adv.	0.3	0.7	0.8	0.7	0.7	0.7	0.8	0.8	0.8
VALUATION									
Book Value (INR)	268	306	356	414	477	551	634	734	854
Price-BV (x)	6.0	5.3	4.5	3.9	3.4	2.9	2.6	2.2	1.9
EPS (INR)	31.8	36.9	45.4	54.4	62.0	72.5	83.5	99.4	119.9
EPS Growth YoY	41	16	23	20	14	17	15.2	19.0	20.6
Price-Earnings (x)	50.9	43.9	35.7	29.7	26.1	22.3	19.4	16.3	13.5
Dividend per share (INR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

E: MOFSL Estimates

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