20 January 2026

3QFY26 Result Update | Sector: NBFCs

L&T Finance

Estimate changes	↔
TP change	↑
Rating change	↔

Bloomberg	LTF IN
Equity Shares (m)	2500
M.Cap.(INRb)/(USDb)	751 / 8.3
52-Week Range (INR)	329 / 131
1, 6, 12 Rel. Per (%)	1/45/100
12M Avg Val (INR M)	1552

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Total Income	99.1	122.8	149.9
PPP	67.1	84.7	104.8
PAT	29.2	39.7	50.8
EPS (INR)	11.7	15.9	20.3
EPS Gr. (%)	10.4	35.9	28.0
BV/Sh. (INR)	111	124	141
Ratios			
NIM (%)	9.5	9.5	9.5
C/I ratio (%)	40.1	38.6	37.5
RoAA (%)	2.2	2.6	2.7
RoE (%)	10.9	13.5	15.4
Payout (%)	26.0	25.0	25.0
Valuation			
P/E (x)	25.6	18.9	14.7
P/BV (x)	2.7	2.4	2.1
Div. Yield (%)	1.0	1.3	1.7

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	66.0	66.1	66.3
DII	15.3	14.3	12.2
FII	6.7	6.4	5.3
Others	12.0	13.2	16.3

FII Includes depository receipts

CMP: INR300 TP: INR370 (+23%) Buy

Steady growth with improving credit metrics

Better product mix will help to sustain healthy NIM and RoA improvement

- L&T Finance's (LTF) reported 3QFY26 PAT grew 18% YoY to INR7.4b (in line). Excluding the one-time impact of the new labor code, adj. PAT stood at INR7.6b.
- NII grew ~13% YoY to INR25.4b (in line). Opex grew ~7% YoY to ~INR11.4b (in line). Cost-income ratio was broadly stable QoQ at ~39.4%. 3Q opex included a one-time expense related to the new labor code amounting to INR290m (pre-tax). PPoP grew ~18% YoY to ~INR17.4b.
- Credit costs stood at INR7.5b (~10% higher than est.). Reported credit costs (before macro) fell ~15bp QoQ to 2.83% (PQ: 2.98%). LTF did not utilize any macro-prudential provisions during 3QFY26; however, management reiterated its intent to rebuild these buffers at the earliest.
- Credit costs also included a one-time impact of INR230m on account of prudential provisions on co-borrower exposures. Excluding this, the core credit cost stood at 2.74%, down 24bp QoQ. Consol. RoA/RoE (including exceptional expenses) stood at ~2.3%/11.1%.
- LTF expects growth momentum to remain intact across segments, aided by a balanced approach that optimizes yields while containing credit costs. Margins are expected to remain steady, supported by an improving portfolio mix and lower interest reversals. High-yield segments such as micro LAP, personal loans, SME, and gold loans are likely to drive NIM expansion, even as the company has guided for its MFI business to grow at a relatively moderate pace of ~15-20% going forward.
- LTF has guided for a CI ratio of ~40% in the near term, as it will continue to invest in technology, branch expansion, gold loan infrastructure and the rollout of the Sampoorna branch network.
- We estimate a CAGR of ~22% in loan book and ~32% in PAT over FY26-FY28E, with consolidated RoA/RoE of 2.7%/~15.4% in FY28E. We expect LTF to deliver a structural improvement in profitability and RoA from FY27 onward. **Reiterate BUY with a TP of INR370 (based on 2.7x Dec'27E BVPS).**

Consol NIMs + fees rise ~20bp QoQ; CoB largely stable

- Reported NIMs rose ~15bp QoQ to 8.6%. However, consol. NIMs + fees rose ~20bp QoQ to ~10.4%, driven by the focus on yield improvement, better treasury management and higher fee income.
- CoB declined ~5bp QoQ to 7.25% in 3QFY26.
- Management has guided for NIM + fees to remain in the range of 10-10.5%. We expect LTF to deliver stable NIMs of ~9.5% over FY26-28E.

Asset quality broadly stable; retail GS3 stands at ~2.8%

- Consol. GS3 declined ~10bp QoQ to ~3.2% and NS3 declined ~5bp QoQ to 0.9%. PCR rose 165bp QoQ to ~72%. Retail GS3 fell 10bp QoQ to 2.8%.

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- Management expects Cyclops to materially enhance ECL outcomes by reducing PDs and LGDs, with Cyclops-seasoned portfolios translating into structurally lower credit costs across two-wheeler, farm and rural segments by 4QFY27.
- We expect credit costs for LTF to decline gradually from ~2.7% in FY26E to ~2.4% in FY28E.

Disbursements rise ~49% YoY, driven by festive season and GST cuts

- Disbursements grew 49% YoY to INR227b in 3QFY26. GST 2.0 and robust festive demand resulted in all-time high disbursements in 2W finance at INR32.2b and Farmer Finance at INR28b, which grew ~33% YoY and ~12% YoY, respectively. Personal loan disbursements stood at INR35.8b, with an increased focus on big tech partnerships.
- Total loan book grew ~20% YoY and ~7% QoQ to ~INR1.15t. Wholesale loans declined to ~INR23b.
- Retail assets contributed ~98% to the loan mix. Retail loans grew ~21% YoY, led by healthy growth in 2W, farm, SME, LAP, gold and personal loans. Personal loans witnessed robust growth of ~18% QoQ and 64% YoY. Rural business loans (MFI) grew ~6% QoQ, while 2W grew ~7% QoQ.

MFI collection efficiency continues to improve

- Only ~2.4% (PQ: ~3.6%) of LTF customers have loans from 4 or more lenders (including LTF). There was an improvement across PAR1-30, PAR31-60 and PAR61-90.
- Overall 0 DPD CE monthly has improved steadily from 99.35% in Jun'25 to 99.50% (Sep'25), 99.57% (Oct'25), 99.62% (Nov'25) & 99.70% (Dec'25). Karnataka 0 DPD CE monthly improved substantially from 96.3% in Feb'25 (lowest) to 99.6% in Dec'25.

Highlights from management commentary

- Macro-prudential provisions will be rebuilt across unsecured assets, beyond just the MFI portfolio. Management aims to rebuild these buffers at the earliest, with CGMFU guarantees already being taken and SR recoveries earmarked for macro-provision creation. The company is also considering CGMFU cover for unsecured MSME loans to enhance downside protection.
- Focus on prime PL segment where the bounce rate is <2% for LTF (vs. 3-4% industry average).

Valuation and view

- LTF delivered a steady 3QFY26 performance, with PAT growing ~18% YoY, supported by healthy NII growth and stable operating efficiency. The company is well positioned to capitalize on robust retail demand, aided by GST-led consumption recovery and improving rural cash flows after a healthy monsoon.
- Asset quality trends continue to improve, with credit costs gradually normalizing on the back of improving collection efficiency and disciplined underwriting. Ongoing investments in process automation, digital customer journeys, and large-scale partnerships should support sustainable retail growth and enhance profitability over the medium term.
- LTF currently trades at 2.4x FY27E P/B. We estimate a CAGR of ~22% in loan book and ~32% in PAT over FY26-28E, with consolidated RoA/RoE of 2.7%/15.4% in FY28E. We expect LTF to deliver a structural improvement in profitability and RoA from FY27 onward. **Reiterate BUY with a TP of INR370 (based on 2.7x Dec'27E BVPS).**

Quarterly performance **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26	3Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest Income	34,526	36,544	38,064	37,499	39,145	40,374	42,401	44,869	1,46,633	1,66,789	41,545	2
Interest Expenses	13,514	14,763	15,692	15,998	16,357	16,343	17,030	17,992	59,968	67,723	16,850	1
Net Interest Income	**21,012**	**21,781**	**22,371**	**21,501**	**22,788**	**24,031**	**25,371**	**26,877**	**86,665**	**99,066**	**24,695**	**3**
Change YoY (%)	19.9	18.1	14.6	8.2	8.4	10.3	13.4	25.0	15.0	14.3	10.4	
Other Operating Income	3,318	3,649	2,912	2,730	3,451	2,983	3,382	3,824	12,610	12,688	4,050	-16
Net Operating Income	**24,330**	**25,431**	**25,283**	**24,231**	**26,238**	**27,015**	**28,753**	**30,701**	**99,275**	**1,11,755**	**28,745**	**0**
Change YoY (%)	30.8	34.6	16.0	3.7	7.8	6.2	13.7	26.7	21.0	12.6	13.7	
Other income	2	47	76	43	0	0	32	143	167	176	49	-34
Total Income	**24,332**	**25,477**	**25,359**	**24,274**	**26,239**	**27,015**	**28,785**	**30,844**	**99,442**	**1,11,930**	**28,794**	**0**
Change YoY (%)	20.9	18.1	13.8	3.6	7.8	6.0	13.5	27.1	14.6	12.6	13.5	
Operating Expenses	9,656	9,578	10,578	10,034	10,486	10,680	11,350	12,325	39,846	44,841	11,847	-4
Change YoY (%)	24.1	11.4	18.9	2.4	8.6	11.5	7.3	22.8	13.6	12.5	12.0	
Operating Profits	**14,676**	**15,899**	**14,781**	**14,240**	**15,753**	**16,335**	**17,435**	**18,519**	**59,597**	**67,090**	**16,947**	**3**
Change YoY (%)	18.9	22.5	10.5	4.6	7.3	2.7	18.0	30.1	15.3	12.6	14.7	
Provisions	5,453	6,504	6,542	6,185	6,320	6,446	7,513	7,580	24,684	27,859	6,854	10
Profit before Tax	**9,223**	**9,396**	**8,239**	**8,055**	**9,432**	**9,889**	**9,922**	**10,940**	**34,913**	**39,230**	**10,093**	**-2**
Tax Provisions	2,370	2,429	1,983	1,697	2,424	2,540	2,542	2,538	8,478	10,043	2,422	5
Profit after tax	**6,855**	**6,967**	**6,257**	**6,358**	**7,008**	**7,349**	**7,380**	**8,402**	**26,434**	**29,187**	**7,671**	**-4**
Change YoY (%)	29	17	-2	15	2	5	18	32	14	10	23	
Key Operating Parameters (%)												
Rep. Net Income (% of Avg Assets)	11.08	10.86	10.33	10.15	10.22	10.22	10.41					
Rep. Cost of funds (%)	7.85	7.80	7.83	7.84	7.68	7.32	7.25					
Cost to Income Ratio	39.7	37.6	41.7	41.3	40.0	39.5	39.4					
Rep Credit Cost	2.37	2.59	2.49	2.54	2.23	2.41	2.83					
Tax Rate	25.7	25.9	24.1	21.1	25.7	25.7	25.6					
Balance Sheet Parameters												
Gross Customer Assets (INR B)	887	930	951	978	1,023	1,071	1,143					
Change YoY (%)	12.9	18.1	16.3	14.3	15.3	15.1	20.1					
Borrowings (INR B)	803	849	862	922	938	977	1,026					
Change YoY (%)	6.5	10.9	13.4	20.5	16.8	15.1	19.0					
Customer Assets /Borrowings (%)	110	110	110	106	109	110	111					
Asset Quality Parameters (%)												
GS 3 (INR B)	27.9	29.6	30.8	32.2	33.9	35.2	36.5					
Gross Stage 3 (%)	3.14	3.19	3.23	3.29	3.30	3.29	3.19					
NS 3 (INR B)	6.9	8.7	9.1	9.3	9.9	10.5	10.2					
Net Stage 3 (%)	0.79	0.96	0.97	0.97	0.96	0.98	0.92					
PCR (%)	75.3	70.6	70.6	71.1	70.8	70.3	71.9					
Return Ratios (%)												
ROAA	2.7	2.6	2.3	2.2	2.4	2.4	2.4					
ROAE	11.6	11.7	10.2	10.1	10.9	11.3	11.1					

E: MOFSL Estimates

CONFERENCE CALL

Highlights from the management commentary

Guidance

- Core retail franchise remains resilient, with management confident that momentum built over recent quarters will sustain through 4QFY26 and continue into FY27, alongside continued improvement in asset quality.
- Management has guided for NIM and fee income to remain around 10–10.5%.
- The company has guided for cost-to-income (CI) ratio of ~40%. Over the medium term, it would look to bring this down below 40%.
- Guided for credit costs to decline to 2.0-2.2% by 4QFY27.
- Secured-to-unsecured loan mix is expected to stabilize at 60:40 over the next couple of years.
- Steady-state growth for MFI business projected at ~15-20%, with yield optimization from other high-yield segments compensating for slower MFI growth.

Segment-wise Updates

Gold Loans

- Disbursements stood at INR14.1b in 3QFY26.
- Added 64 new gold branches, focusing on areas with high cross-sell potential.
- By end-FY26, distribution is expected to exceed 330 gold loan branches.

MFI Business

- Showed early signs of recovery with improved disbursement volumes and collection efficiency.
- Karnataka 0dpd CE improved by ~40bp (Sep'25: 99.18% to Dec'25: 99.56%).
- Overall 0 DPD CE steadily improved from 99.35% (Jun'25) to 99.5% (Sep'25) to 99.7% (Dec'25).

Two-Wheeler Finance

- Quarterly disbursements up 33% YoY, driven by GST 2.0 reforms and festive season demand.
- Focus on quality: 87%+ of disbursements to Prime segment vs. 53% in Mar'24.

Farmer Finance

- Quarterly disbursements of INR27.8b, up 12% YoY and 68% QoQ.
- Loan book reached INR162b, driven by GST 2.0 and favorable monsoon conditions.

Personal Loans

- Quarterly disbursement of INR35.7b (+118% YoY), with loan book growing 64% YoY/18% QoQ due to big-tech partnerships (GPay, Amazon).

Housing

- Housing growth supported by new partnerships and strong distribution channels.

Strategic and operational initiatives

- **Project Cyclops:** Implemented in PL business; full rollout expected by 4QFY26. Reduced net non-starters in 2W and farm business. Expects to improve portfolio quality and reduce credit cost.
- **Project Nostradamus:** Proprietary AI portfolio management engine for 2W finance in Beta mode.

- **Project Helios:** Processed 5,000 cases, reducing TAT by 30%; to be extended to other businesses.
- **Project Orion:** Automated portfolio monitoring for real-time vintage credit assessment in 2W business.

Asset quality and credit costs

- Credit costs gradually reduced from 3.8% at peak to 2.8% in 3QFY26.
- S3 PCR increase in 3QFY26 was more to do with higher provisions done on Stage 3 assets. It also had to do provisions on co-borrower exposures where the provision cover was higher than existing Stage 3 assets.
- Benefits of Cyclops will start flowing in and the ECL models will also churn out lower PD/LGD.
- Forward flows expected to decline as more portfolios are created using Cyclops.
- MFI credit cost expected at ~3% given its current 0 dpd CE of ~99.7%; 2W expected below 3%, with the weighted average credit cost of the portfolio to be in the range of 2–2.2%.
- By 4QFY27, seasoned portfolios under Cyclops underwriting should result in better credit cost across 2W, Farm, and rural segments.
- Macro-prudential provisions to be rebuilt across unsecured assets (not exclusively towards the MFI business as done previously).
- Total write-offs in 3QFY26 stood at INR4.7b (largely from MFI).
- LTF shared that the objective is to rebuild Macro-prudential Provisions as fast as possible and it has started taking CGMFU guarantee on its portfolio as well. As SR portfolios get resolved, they will be utilized for creating macro provisions.
- Looking to take the CGMFU guarantee on the unsecured MSME loans as well, so that there is some additional cover.

Digital partnerships

- Disbursements continue to increase; portfolio quality steadily improving.
- Focus on prime PL segment where the bounce rate is sub-2% for LTF (vs. 3-4% industry average).
- Cyclops applied to digital partnerships, ensuring stable credit quality.
- Rapid scale-up expected in next 6-9 months in personal loan segment, stabilizing after initial growth from partnerships with GPay, Amazon, etc.

NIMs and fees

- NIMs and fees improved due to better portfolio composition and lower interest reversals.
- QoQ improvement in funding cost to ~7% and further rate transmission may support NIMs in upcoming quarters.
- **NIM guidance:** 10-10.5% (in a favorable environment at the upper end of the guided range, while in a stressed environment tending to the lower end of this range).
- Fee income will grow with higher disbursements and expected introduction of certain fee-income products.
- High-yield segments such as micro LAP, PL, SME, and gold loans to further support NIM expansion.

Opex

- Cost-to-income ratio expected to remain ~40% (in the near term) as LTF invests in technology, new branches, gold loans, and Sampoorna branch network.
- Focus remains on top-line growth, which will eventually improve the CI ratio.

PCR and prudential coverage

- MFI loans PCR at 100% for 90+ DPD loans and the future adjustments would be done based on cyclops early indicators and ECL model.
- Expects the PCR to decline in the subsequent quarters (even after the ECL review, which is taken up at the end of 4Q every fiscal).

Five pillars of execution

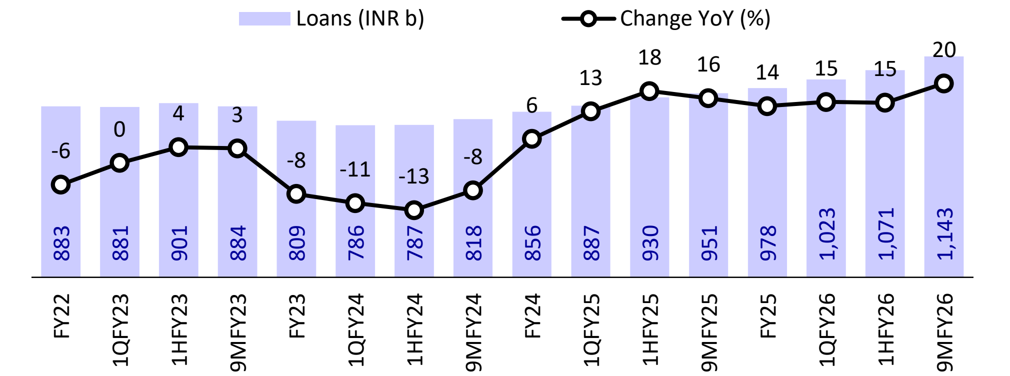
- **Enhance Customer Acquisition**: Expand customer base, deepen reach in existing segments, broaden geographic presence, and strengthen digital footprint. Onboarded 0.7m new customers (up from 0.6m).
- **Sharper Credit Underwriting**: Improve Cyclops engine across mortgage and rural finance verticals.
- **Futuristic Digital Architecture**: Full-stack Nostradamus implementation by Mar'26; Planet 3.0 app with 220m downloads offering multilingual, real-time dealer services.
- **Heightened Branch Visibility**: Participation in expos and campaigns for 2W and Farmer Finance.
- **Capability Building**: Integrating multi-product Sampoorna branch networks; 11 new gold branches opened in Sampoorna format.

Other Highlights

- Tailwinds could reduce credit cost to 2% before 4QFY27; conservative guidance is 2–2.2%.
- CP in the borrowing mix is currently 8–9% and the company's ALM has headroom to increase it to 14–15%.
- LTF is not looking to give out individual consumption loans. It will look at some pilots (in FY27) for individual micro business loans (something on the lines of micro LAP) but will be looking to build this very gradually.
- Lakshya 2031 plans to be shared with investors/analysts along with 4QFY26 results.
- LTF scaled up Micro-LAP book size to ~INR10b.
- Any compression in NIM + fees will be offset by a reduction in credit costs.

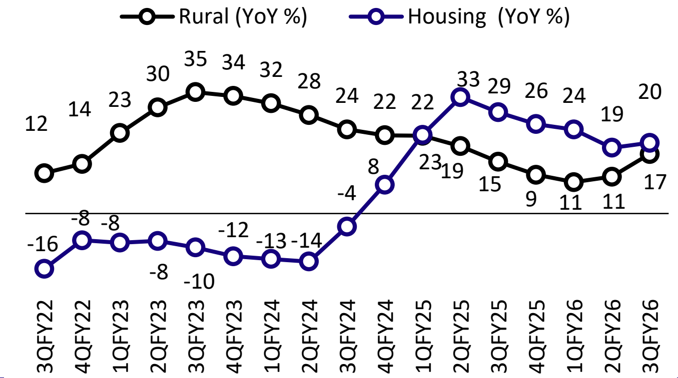
Key exhibits

Exhibit 1: Loan book grew 20% YoY/ 7% QoQ



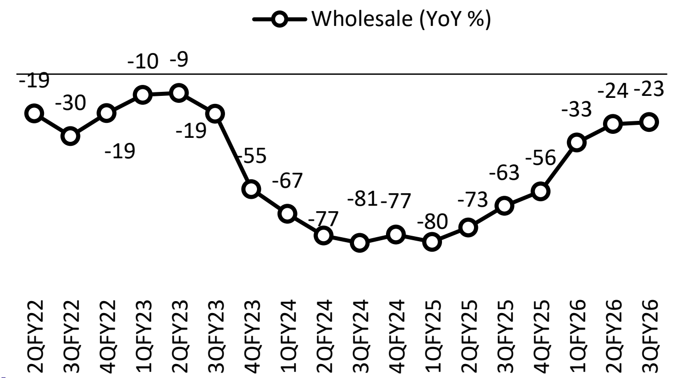
Source: MOFSL, Company

Exhibit 2: Housing finance book (including wholesale RE) grew ~20% YoY



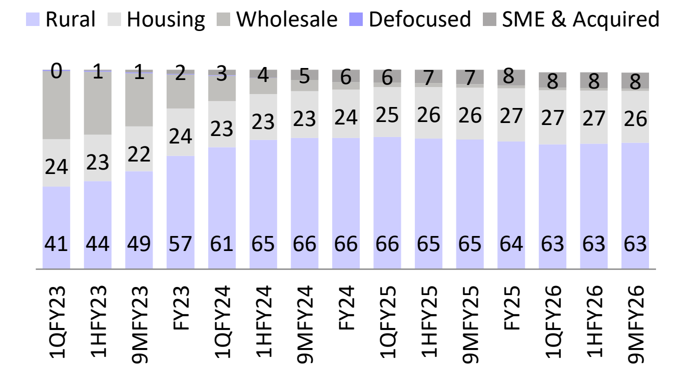
Source: MOFSL, Company

Exhibit 3: Wholesale book declined 23% YoY



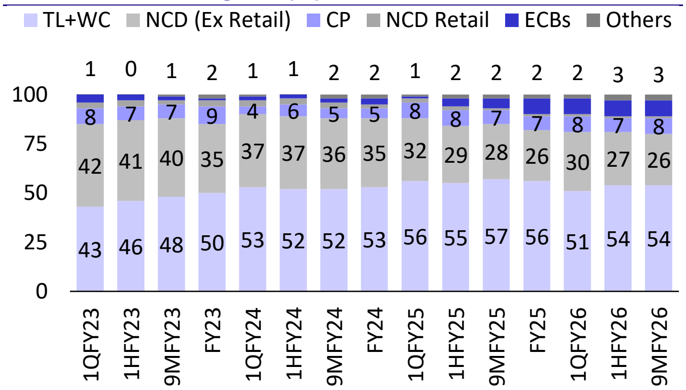
Source: MOFSL, Company

Exhibit 4: Rural finance in the loan mix remained stable QoQ



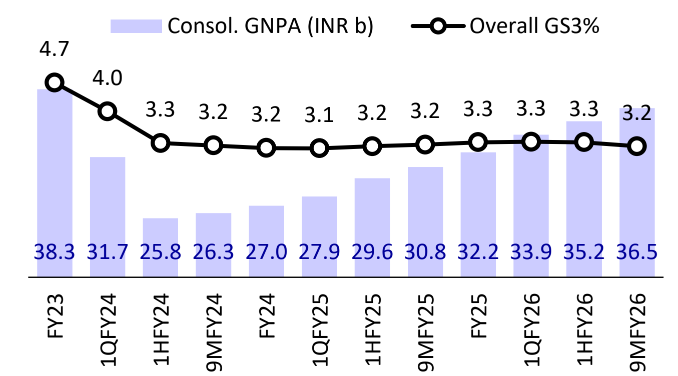
Source: MOFSL, Company

Exhibit 5: Borrowing mix (%)



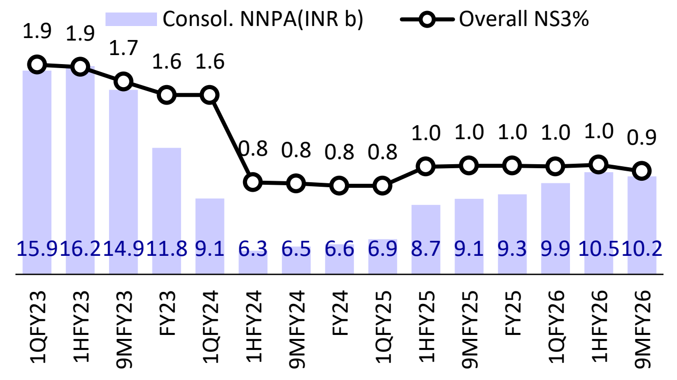
Source: MOFSL, Company

Exhibit 6: GS3 decline ~10bp QoQ (%)



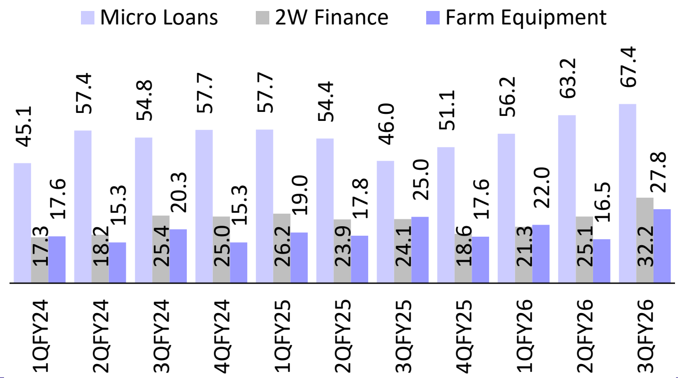
Source: MOFSL, Company

Exhibit 7: NS3 also declined ~10bp QoQ (%)



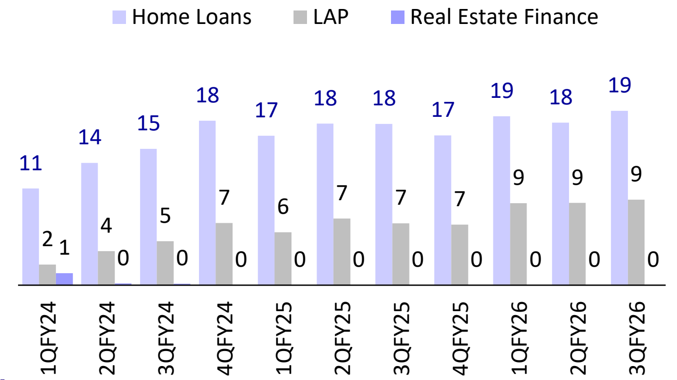
Source: MOFSL, Company

Exhibit 8: Micro loan disbursements improved QoQ (INR b)



Source: MOFSL, Company

Exhibit 9: Home loan disbursements improved QoQ (INR b)

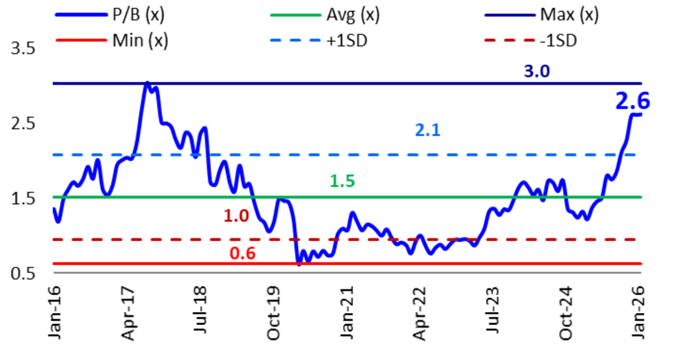


Source: MOFSL, Company

Exhibit 10: Our EPS estimates are broadly unchanged

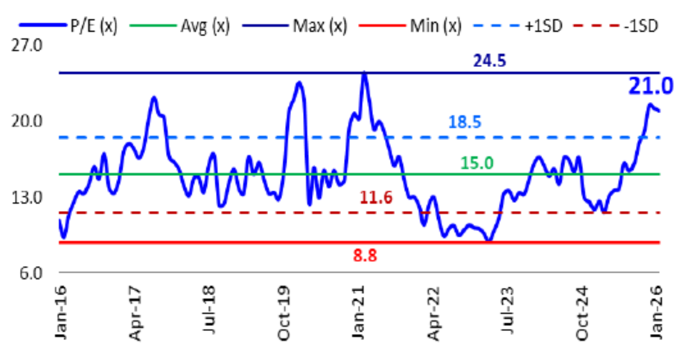
INR b	Old estimates			New estimates			% change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total Income	**111.1**	**138.5**	**167.8**	**111.9**	**137.9**	**167.6**	**0.7**	**-0.4**	**-0.1**
Operating Expenses	45.4	53.1	62.0	44.8	53.2	62.8	-1.3	0.3	1.2
Operating Profits	**65.7**	**85.4**	**105.8**	**67.1**	**84.7**	**104.8**	**2.2**	**-0.9**	**-1.0**
Provisions	26.9	32.9	39.5	27.9	32.3	37.7	3.5	-1.8	-4.4
PBT	**38.7**	**52.6**	**66.3**	**39.2**	**52.4**	**67.1**	**1.3**	**-0.3**	**1.1**
Tax	9.4	12.8	16.1	10.0	12.7	16.3	6.7	-0.3	1.1
PAT	**29.3**	**39.8**	**50.2**	**29.2**	**39.7**	**50.8**	**-0.5**	**-0.3**	**1.1**
Loan book	1,149	1,400	1,707	1,157	1,426	1,719	0.7	1.8	0.7
Borrowings	1,091	1,333	1,625	1,099	1,360	1,638	0.7	2.0	0.8

Exhibit 11: One-year forward P/B



Source: MOFSL, Company

Exhibit 12: One-year forward P/E



Source: MOFSL, Company

Financials and Valuation

Income statement									(INR M)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Interest Income	1,32,447	1,31,049	1,17,042	1,25,651	1,29,139	1,46,633	1,66,789	2,03,244	2,45,873
Interest Expended	75,136	71,999	57,494	57,972	53,772	59,968	67,723	80,412	95,930
Net Interest Income	**57,311**	**59,049**	**59,548**	**67,679**	**75,367**	**86,665**	**99,066**	**1,22,832**	**1,49,943**
Change (%)	19.89	3.0	0.8	13.7	11.4	15.0	14.3	24.0	22.1
Other Operating Income	8,594	5,732	6,053	3,569	6,667	12,610	12,688	14,888	17,407
Net Operating Income	**65,905**	**64,782**	**65,601**	**71,248**	**82,034**	**99,275**	**1,11,755**	**1,37,720**	**1,67,350**
Change (%)	7.5	-1.7	1.3	8.6	15.1	21.0	12.6	23.2	21.5
Other Income	3,726	6,276	3,928	5,268	4,745	167	176	193	213
Net Income	**69,632**	**71,058**	**69,529**	**76,515**	**86,779**	**99,442**	**1,11,930**	**1,37,913**	**1,67,563**
Change (%)	8.1	2.0	-2.2	10.0	13.4	14.6	12.6	23.2	21.5
Operating Expenses	19,785	19,749	23,946	28,732	35,079	39,846	44,841	53,238	62,766
Operating Profits	**49,846**	**51,309**	**45,582**	**47,783**	**51,701**	**59,597**	**67,090**	**84,675**	**1,04,797**
Change (%)	10.3	2.9	-11.2	4.8	8.2	15.3	12.6	26.2	23.8
Provisions/write offs	23,046	36,357	30,833	25,404	21,410	24,684	27,859	32,281	37,730
PBT	**26,801**	**14,952**	**14,750**	**22,379**	**30,290**	**34,913**	**39,230**	**52,393**	**67,067**
Tax	9,798	5,463	4,256	6,464	7,119	8,478	10,043	12,732	16,297
Tax Rate (%)	36.6	36.5	28.9	28.9	23.5	24.3	25.6	24.3	24.3
PAT before pref dividend	**17,003**	**9,489**	**10,494**	**15,915**	**23,171**	**26,434**	**29,187**	**39,662**	**50,770**
Change (%)	-23.8	-44.2	10.6	51.7	45.6	14.1	10.4	35.9	28.0
Preference Dividend	0	0	0	0	0	0	0	0	0
PAT to equity shareholders (incl. extraordinary items)	**17,003**	**9,489**	**10,704**	**16,216**	**23,171**	**26,434**	**29,187**	**39,662**	**50,770**
Change (%)	-24	-44	13	52	43	14	10	36	28
Proposed Dividend	**2,093**	**0**	**1,237**	**4,959**	**6,222**	**6,861**	**7,589**	**9,915**	**12,692**

Balance sheet									(INR M)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	20,048	24,695	24,740	24,797	24,889	24,949	24,949	24,949	24,949
Reserves & Surplus	1,26,876	1,63,038	1,74,737	1,90,487	2,09,495	2,30,692	2,53,018	2,85,091	3,25,946
Borrowings	**9,38,945**	**8,85,558**	**8,52,012**	**8,30,435**	**7,65,409**	**9,22,469**	**10,99,106**	**13,59,988**	**16,37,813**
Change (%)	2.6	-5.7	-3.8	-2.5	-7.8	20.5	19.1	23.7	20.4
Other liabilities	9,577	16,427	17,533	17,903	27,383	25,984	27,250	28,579	29,974
Total Liabilities	**10,95,447**	**10,89,717**	**10,69,022**	**10,63,621**	**10,27,176**	**12,04,094**	**14,04,323**	**16,98,606**	**20,18,682**
Loans	**9,14,625**	**8,70,303**	**8,24,694**	**7,51,546**	**8,13,594**	**9,37,731**	**11,56,954**	**14,25,563**	**17,18,587**
Change (%)	0.2	-4.8	-5.2	-8.9	8.3	15.3	23.4	23.2	20.6
Investments	**59,793**	**88,721**	**1,19,169**	**1,43,662**	**1,23,849**	**1,18,760**	**1,24,698**	**1,30,933**	**1,37,479**
Change (%)	-30.8	48.4	34.3	20.6	-13.8	-4.1	5.0	5.0	5.0
Net Fixed Assets	11,621	11,621	5,306	5,573	5,550	6,860	7,203	7,563	7,941
Other assets	1,09,408	1,19,071	1,19,852	1,62,841	84,183	1,40,744	1,15,469	1,34,548	1,54,675
Total Assets	**10,95,447**	**10,89,717**	**10,69,022**	**10,63,621**	**10,27,176**	**12,04,094**	**14,04,323**	**16,98,606**	**20,18,682**

E: MOFSL Estimates

AUM Mix									(%)
AUM Details	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Asset Under Management	**9,83,850**	**9,40,140**	**8,83,400**	**8,08,930**	**8,55,640**	**9,77,620**	**12,11,470**	**14,92,737**	**17,99,567**
Change (%)	-0.7	-4.4	-6.0	-8.4	5.8	14.3	23.9	23.2	20.6
Rural	28.1	32.0	39.0	58.5	70.3	70.6	72.4	73.9	73.8
Housing	27.0	25.2	24.8	23.7	24.3	26.7	25.6	24.9	25.5
Focused - Wholesale	39.5	39.9	34.5	17.0	3.7	1.4	0.9	0.5	0.0
Defocused - Wholesale	5.3	2.9	1.7	0.4	0.0	0.0	0.0	0.0	0.0

Ratios									(%)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Spreads Analysis (%)									
Avg. Yield on Loans	14.5	14.7	13.8	15.9	16.5	16.7	15.9	15.7	15.6
Avg. Cost-Int. Bear. Liab.	8.1	7.9	6.6	6.9	6.7	7.1	6.7	6.5	6.4
Loan Spreads	6.4	6.8	7.2	9.1	9.8	9.6	9.2	9.2	9.2
NIM on loans	6.3	6.6	7.0	8.6	9.6	9.9	9.5	9.5	9.5
Profitability Ratios (%)									
Int. Expended/Int.Earned	56.7	54.9	49.1	46.1	41.6	40.9	40.6	39.6	39.0
Other Inc./Net Income	17.7	16.9	14.4	11.5	13.2	12.8	11.5	10.9	10.5
Op. Exps./Net Income	28.4	27.8	34.4	37.6	40.4	40.1	40.1	38.6	37.5
Empl. Cost/Op. Exps.	53.7	51.0	47.5	49.1	51.5	55.6	56.6	58.2	59.7
Provisions/PPoP (%)	46.2	70.9	67.6	53.2	41.4	41.4	41.5	38.1	36.0
Asset Quality (%)									
Gross NPAs	50,370	45,040	35,430	38,320	26,980	32,180	35,587	41,866	48,367
Gross NPAs to Adv.	5.3	5.0	4.2	4.7	3.2	3.3	3.0	2.9	2.8
Net NPAs	20,780	13,770	16,780	11,780	6,610	9,290	8,478	9,966	11,603
Net NPAs to Adv.	2.3	1.6	2.0	1.5	0.8	1.0	0.7	0.7	0.7
PCR (%)	58.7	69.4	52.6	69.3	75.5	71.1	76.2	76.2	76.0
ECL/EAD (%)									
Return ratios and Capitalisation (%)									
RoE	12.1	5.7	5.5	7.8	10.3	10.8	10.9	13.5	15.4
RoA	1.6	0.9	1.0	1.5	2.2	2.4	2.2	2.6	2.7
Debt to Equity (x)	6.4	4.7	4.3	3.9	3.3	3.6	4.0	4.4	4.7
Average Assets/Equity (x)	7.7	6.5	5.6	5.1	4.6	4.6	4.9	5.3	5.6

VALUATION	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Book Value (INR)	73.3	76.0	80.6	86.8	94.2	102.5	111.4	124.3	140.6
Price-BV (x)	**4.1**	**3.9**	**3.7**	**3.5**	**3.2**	**2.9**	**2.7**	**2.4**	**2.1**
EPS (INR)	8.5	3.8	4.3	6.5	9.3	10.6	11.7	15.9	20.3
EPS Growth YoY	-24.1	-54.7	12.6	51.2	42.4	13.8	10.4	35.9	28.0
Price-Earnings (x)	**35.4**	**78.1**	**69.3**	**45.9**	**32.2**	**28.3**	**25.6**	**18.9**	**14.7**
Dividend per share (INR)	0.9	0.0	0.5	2.0	2.5	2.8	3.0	4.0	5.1
Dividend yield (%)	**0.3**	**0.0**	**0.2**	**0.7**	**0.8**	**0.9**	**1.0**	**1.3**	**1.7**

E: MOFSL Estimates

NOTES

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