

## MAS Financial Services

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	MASFIN IN
Equity Shares (m)	181
M.Cap.(INRb)/(USDb)	58.2 / 0.6
52-Week Range (INR)	350 / 220
1, 6, 12 Rel. Per (%)	5/0/13
12M Avg Val (INR M)	52

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Total income	10.2	12.6	15.2
PPP	6.5	8.1	9.8
PAT	3.6	4.5	5.5
EPS (INR)	20.0	25.0	30.2
EPS Gr. (%)	18.5	24.9	21.0
BVPS (INR)	158	181	208

### Ratios (%)

NIM	6.6	6.6	6.8
C/I ratio	36.5	35.9	35.6
RoA	2.7	2.9	2.9
RoE	13.4	14.7	15.5
Payout	9.2	9.0	8.5

### Valuations

P/E (x)	16	12.9	10.6
P/BV (x)	2.0	1.8	1.5
Div. yield (%)	0.6	0.7	0.8

### Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter (%)	66.6	66.6	66.6
DII (%)	20.2	20.2	20.0
FII (%)	3.1	3.2	3.0
Others (%)	10.0	10.0	10.3

FII Includes depository receipts

**CMP: INR321**

**TP: INR395 (+23%)**

**Buy**

### Steady quarter; gradual re-acceleration in loan growth

#### NIM expanded QoQ; operating expenses slightly elevated

- MAS Financial Services' (MASFIN) 3QFY26 PAT grew ~16% YoY to INR903m (in line). Net total income rose 28% YoY to INR2.6b (in line). Opex grew ~49% YoY to INR1b (7% higher than est.). This included provisions of ~INR42m towards employee benefits on account of the new labor codes.
- PPOP stood at INR1.62b (in line) and grew 17% YoY. Credit costs stood at INR393m (in line), translating into annualized credit costs of 1.2% (PQ and PY: 1.2%). RoAUM was largely stable QoQ at ~2.9%.
- Management stated that despite healthy business momentum in 3QFY26, it is adopting a calibrated approach to near-term growth acceleration, allowing AUM to scale gradually over the next 2 to 3 quarters. The growth is expected to be primarily led by the MSME and Wheels segments, complemented by the salaried personal loan business. Additionally, ongoing geographic expansion across the northern and southern regions is likely to further strengthen growth traction.
- Management reiterated its commitment to a disciplined strategy, targeting AUM growth in the range of ~20-25%, while prioritizing risk management and profitability over headline expansion.
- The company shared that technology investments will remain a key lever for it to improve operating efficiency and scalability. The company is enhancing its underwriting framework through data-driven scorecards and back-tested models to enable faster credit decisions and lower TAT, with deployments prioritized in data-rich segments (2W and SME).
- Asset quality indicators have remained broadly stable, with early delinquency buckets showing improvement. Management attributed the improved performance in the 30+ dpd and 60+ dpd buckets to strengthened borrower cash flows and repayment behavior.
- MASFIN is positioned for steady, risk-managed growth, with AUM expansion to be led by the MSME and Wheels segments and gradual geographic expansion. Management also highlighted its focus on delivering an RoA of ~2.75-3% by calibrating margins across segments, enhancing operational efficiency, and further improving asset quality. Technology and data-driven underwriting are expected to support efficiency and faster credit decision-making.
- We estimate an AUM/PAT CAGR of 19%/23% over FY26-28, with an RoA/RoE of ~2.9%/16% in FY28E. **Reiterate BUY with a TP of INR395 (based on 2x Dec'27E BV).**

#### AUM grows ~18% YoY; MSME segment drives growth

- Standalone AUM stood at ~INR138b and rose ~18% YoY/6% QoQ. Within this, AUM of Micro-enterprise/ SME/ 2W/ CV loans was up 19%/ 15%/ 26%/ 9% YoY. Salaried PL grew ~29% YoY to ~INR11.9b.

- Avg. ticket size of micro-enterprise loans declined to ~INR82k (PQ: ~INR88k), while SME loans increased to ~INR3.1m (PQ: ~INR2.6m).
- Around ~34% of the underlying assets in the standalone AUM were through partner NBFCs. The MSME segment contributed 73% in the incremental YoY AUM growth, while other segments also contributed meaningfully.
- Salaried Personal Loan (PL) segment's growth is expected to remain at ~22–25%, but the product will be capped at ~10% of AUM.
- Management has guided for an AUM CAGR of ~20-25%, and we model MASFIN's AUM to expand at a CAGR of ~20% over FY26–28.

### NIM expands ~10bp QoQ

- Yields (calc.) declined ~20bp QoQ to 14.35%, while CoF (calc.) remained largely stable QoQ at ~9.2%. This resulted in ~20bp QoQ contraction in spreads to ~5.2%. NIM (calc.) expanded ~10bp QoQ to ~7.8%.
- We expect MAS to deliver NIMs of ~6.6%/6.8% for FY27/28E.

### Asset quality broadly stable

- GNPA (basis AUM) rose ~5bp QoQ to 2.6%, while NNPA was stable at 1.7%.
- Management does not foresee any stress in asset quality, and we model credit costs of ~1.3% each in FY27/28E for MASFIN.

### Other highlights

#### HFC subsidiary

- MAS Housing reported AUM of ~INR8.6b, which grew ~22% YoY.
- GNPA/NNPA in the housing segment remained stable QoQ at ~0.97%/0.67%, respectively.
- Long-term growth potential is seen at ~30–35% for the housing finance segment, though growth was moderated in 3QFY26 due to overlap with stressed MFI borrowers.

### Key highlights from the management commentary

- CV growth, which was deliberately slowed due to stress in certain pockets, is now expected to recover over the next two quarters
- The textile sector is exhibiting green shoots in Gujarat, Rajasthan, and Maharashtra, while South India remains weak.

### Valuation and view

- MASFIN reported in-line earnings for 3QFY26, with AUM growing ~18% YoY. Asset quality and credit costs remained stable. Going forward, while operating expenses are expected to remain elevated due to ongoing investments in distribution and technology, management remains focused on delivering an RoA of ~2.75–3%, balancing growth with efficiency and asset quality.
- We estimate an AUM/ PAT CAGR of 19%/23% over FY26-28, with an RoA/RoE of ~2.9%/16% in FY28E. **Reiterate BUY with a TP of INR395 (based on 2x Dec'27E BV).**

# Quarterly Performance

(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	3QFY26E	Act. v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue from Operations</b>	<b>3,465</b>	<b>3,670</b>	<b>3,901</b>	<b>4,169</b>	<b>4,438</b>	<b>4,586</b>	<b>4,816</b>	<b>5,115</b>	<b>15,205</b>	<b>18,955</b>	<b>4,816</b>	<b>0</b>
Interest Income	2,952	3,078	3,332	3,535	3,687	3,760	3,892	4,127	12,896	15,466	3,930	-1
Gain on assignments	304	375	356	396	430	534	597	628	1,431	2,189	587	2
Other operating Income	210	217	213	239	320	292	327	360	877	1,299	299	9
Interest expenses	1,714	1,754	1,845	1,910	2,062	2,116	2,191	2,426	7,224	8,795	2,243	-2
<b>Total income</b>	<b>1,751</b>	<b>1,916</b>	<b>2,056</b>	<b>2,259</b>	<b>2,376</b>	<b>2,471</b>	<b>2,625</b>	<b>2,689</b>	<b>7,981</b>	<b>10,160</b>	<b>2,573</b>	<b>2</b>
Growth Y-o-Y (%)	27	26	31	34	36	29	28	19	31	27	25	
Operating Expenses	567	632	673	744	827	897	1,002	982	2,615	3,708	933	7
<b>Operating Profits</b>	<b>1,183</b>	<b>1,284</b>	<b>1,383</b>	<b>1,516</b>	<b>1,549</b>	<b>1,574</b>	<b>1,623</b>	<b>1,707</b>	<b>5,366</b>	<b>6,453</b>	<b>1,641</b>	<b>-1</b>
Growth Y-o-Y (%)	25	24	25	35	31	23	17	13	27	20	19	
Provisions	239	263	332	427	424	371	393	418	1,261	1,607	383	3
<b>Profit before tax</b>	<b>944</b>	<b>1,021</b>	<b>1,051</b>	<b>1,089</b>	<b>1,124</b>	<b>1,202</b>	<b>1,230</b>	<b>1,289</b>	<b>4,104</b>	<b>4,846</b>	<b>1,258</b>	<b>-2</b>
Growth Y-o-Y (%)	25	28	24	20	19	18	17	18	24	18	20	
Tax Provisions	240	255	270	281	285	305	327	303	1,045	1,221	315	4
<b>Net Profit</b>	<b>704</b>	<b>766</b>	<b>781</b>	<b>808</b>	<b>839</b>	<b>897</b>	<b>903</b>	<b>985</b>	<b>3,059</b>	<b>3,625</b>	<b>944</b>	<b>-4</b>
Growth Y-o-Y (%)	23	28	25	19	19	17	16	22	23	18	21	
<b>Key Operating Parameters (%)</b>												
Yield on loans (Cal)	14.76	14.66	14.77	14.82	14.85	14.56	14.35	14.4				
Cost of funds (Cal)	9.61	9.37	9.31	9.12	9.32	9.18	9.20	9.16				
Spreads (Cal)	5.1	5.3	5.5	5.7	5.5	5.4	5.2	5.3				
NIM on AUM (Cal)	6.83	7.16	7.25	7.60	7.73	7.75	7.84	7.6				
Credit Cost (%)	0.9	1.0	1.2	1.4	1.4	1.2	1.2	1.2				
Cost to Income Ratio	32.4	33.0	32.7	32.9	34.8	36.3	38.2	36.5				
Tax Rate	25.4	25.0	25.0	25.8	25.4	25.4	26.6	25.0				
<b>Balance Sheet Parameters</b>												
<b>Standalone AUM (INR B)</b>	<b>103.8</b>	<b>110.2</b>	<b>116.8</b>	<b>121.0</b>	<b>125.0</b>	<b>130.0</b>	<b>137.8</b>	<b>144.6</b>				
Change YoY (%)	23.4	21.8	20.7	19.5	20.4	18.0	18.0	19.5				
<b>Disbursements (INR B)</b>	<b>27.3</b>	<b>30.2</b>	<b>31.6</b>	<b>30.9</b>	<b>31.9</b>	<b>32.0</b>	<b>36.0</b>	<b>37.1</b>				
Change YoY (%)	19.5	21.0	18.6	10.7	17.1	5.8	13.9	20.1				
<b>Borrowings (INR B)</b>	<b>71.9</b>	<b>77.9</b>	<b>80.6</b>	<b>87.0</b>	<b>89.9</b>	<b>94.5</b>	<b>96.1</b>	<b>115.9</b>				
Change YoY (%)	20.1	16.1	18.6	22.9	25.1	21.3	19.3	33.1				
Debt/Equity (x)												
<b>Asset liability Mix</b>												
<b>AUM Mix (%)</b>												
Micro Enterprises	43.6	43.1	40.3	39.6	40.1	40.1	40.6					
SME loans	36.4	36.1	36.6	37.2	36.2	35.6	35.7					
2W loans	6.4	6.5	6.9	6.5	7.0	7.1	7.4					
CV loans	7.9	8.2	8.3	8.1	7.7	8.1	7.7					
<b>Borrowings Mix (%)</b>												
Direct Assignment	24.4	22.9	22.1	21.3	21.2	22.0	22.0					
Cash Credit	11.3	14.6	13.2	11.6	10.1	9.9	9.7					
Term Loan	52.9	50.6	50.4	51.1	51.6	50.5	49.3					
NCD	8.1	8.9	11.3	13.3	14.4	15.1	16.1					
Sub Debt	3.3	3.1	3.0	2.8	2.7	2.6	2.5					
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	2,043	2,235	2,423	2,480	2,620	2,663	2,891					
GS 3 (%)	2.29	2.36	2.41	2.44	2.49	2.53	2.56					
NS 3 (INR m)	1,243	1,361	1,505	1,483	1,541	1,563	1,736					
NS 3 (%)	1.52	1.57	1.62	1.62	1.63	1.69	1.72					
PCR (%)	39.1	39.1	37.9	40.2	41.2	41.3	39.9					
<b>Return Ratios (%)</b>												
ROA	3.0	3.0	2.9	2.9	2.8	2.9	2.9					
Tier I ratio	25.4	23.8	23.1	22.6	23.2	22.7	21.5					

E: MOFSL estimates



## Highlights from the management commentary

### Guidance

- Management has guided for AUM growth of ~20-25%, with calibrated execution depending on market conditions.
- RoA guidance is maintained at ~2.75–3.0%, to be achieved through a balanced mix of margins, operating efficiency, and credit costs.

### Business Updates

- Ground-level conditions continue to improve, with management tracking recovery through eligible demand rather than headline growth.
- AUM growth in 3QFY26 was supported by festive demand. However, management remains cautious about accelerating growth immediately. Growth is expected to gradually improve over the next ~2-3 quarters, aligning with the targeted ~20-25% AUM growth trajectory.
- Risk and profitability are prioritized over AUM growth, with management willing to moderate growth in specific products if conditions warrant.
- Asset quality remains stable and benign across businesses, including the housing finance subsidiary.
- The company continues to benefit from its multi-product model, allowing growth in some segments to offset temporary headwinds in others.

### Operational Highlights

- Branch network has been stabilized at ~208 branches, with focus on sweating existing branches before incremental expansion.
- Workforce stands at ~4,500 employees. Management is focused on improving productivity per employee to support RoE expansion.
- Technology continues to be a strategic priority, with a dedicated team of ~100 professionals.
- Standalone disbursements stood at ~INR36b, while consolidated disbursements were ~INR36.6b during the period.
- Capital adequacy remains comfortable with CRAR at ~22.8% and Tier 1 at ~21.5%.
- Debt-to-equity stood at ~3.35x
- Average CoB stood at ~9.53%, while incremental CoB is lower at ~9.0-9.25%.

### Housing (MAS Housing)

- Housing AUM stood at ~INR8.6b, growing ~22% YoY.
- Long-term growth potential is seen at 30–35%, though growth was moderated this quarter due to overlap with stressed MFI borrowers.
- ATS is ~INR800–900k, with strong asset quality despite sector headwinds.
- Growth is expected to pick up sequentially from next quarter.

### Growth Strategy and Outlook

- Management plans to grow at ~20-25%, while recognizing that growth is driven both by market opportunity and execution capability. Management remains open to growing faster than guidance if risk-adjusted opportunities improve, given adequate capital and resources.
- MSME and Wheels are expected to be the key growth drivers, with higher-ticket SME loans scaling (as they have better asset quality).
- Salaried PL has scaled meaningfully and is expected to grow ~22–25%, but will remain capped at ~10% of AUM.

- CV growth, which was deliberately slowed due to stress in certain pockets, is expected to recover over the next two quarters.
- Expansion plans include North and South India, with ~5–6 branches planned in UP and deeper penetration in southern markets as teams stabilize.

### Asset Quality and Collections

- In NBFCs, 90+ DPD does not automatically imply loss, with provisioning done strictly under the ECL framework based on 5-year historical recovery data. No excess provisioning is taken beyond ECL, given the recoverable nature of the book.
- Improvements are visible in 30dpd and 60dpd buckets, supported by better borrower intent, improved collections, and tighter underwriting.
- New lending has been undertaken prudently, and eligible demand is showing early signs of revival.

### Opex and Fintech Partnerships

- The company works with several fintech partners across 4–5 products, following a revenue-sharing model.
- Interest income is booked upfront, while fintech revenue share is recognized as opex, leading to an increase in opex.

### Technology and Digital Initiatives

- LOS is fully operational across all products, and BRE engines are live for major products.
- Scorecards are being fine-tuned using back-testing and historical data, with a green–yellow–red channel framework to improve TAT and approval efficiency.
- 2W lending has seen real-time approvals and disbursements, while SME scorecards are under active development.
- Technology deployment is prioritized in products where data availability is high, enabling faster scaling with controlled risk.

### Segment-wise Performance

#### MSME (MEL & SME)

- MSME growth remains strong, with SME secured lending and MEL continuing to scale steadily.
- MEL origination is feet on street led, with 200–300 identified clusters. The customers are sourced directly and the loan amount is disbursed post understanding the requirement of the client.
- MEL is unsecured due to smaller ticket size but covered under CGFMU, and the ATS is further expected to increase to ~INR300–400k.
- Embedded finance has also been introduced with an ATS of ~INR150k under the MSME umbrella.
- Segment-wise GNPA: MEL GS3 stood at 2.87% and SME GS3 stood at 1.49%.

#### Two-Wheelers (2W)

- Strong growth observed, supported by festive demand and GST-related momentum.
- 2W GNPA stood at ~3.35%.

#### Commercial Vehicles (CV)

- The company focuses on small-ticket, used CVs.
- Stress is visible in Rajasthan and MP, leading to deliberately slower growth in these regions.

- Collection efficiency for CV stands at ~88–89%, with GNPA at ~4.14%.
- Growth in CV is expected to recover gradually over the next two quarters.

#### **Salaried Personal Loans (SPL)**

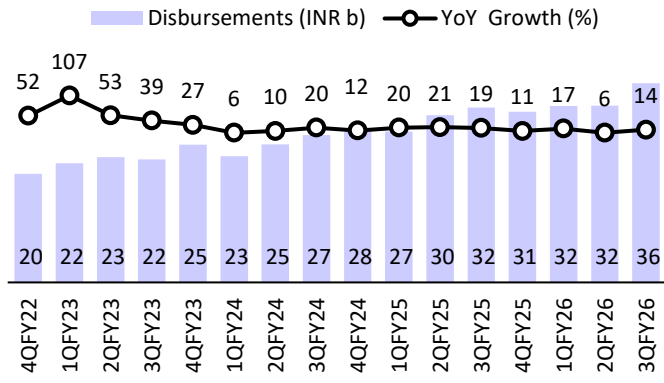
- SPL growth is expected to remain at ~22–25%, but the product will be capped at ~10% of AUM.
- GNPA stood at ~3.45%.

#### **Other Highlights**

- Approval ratios have improved meaningfully from ~14–15% during stressed periods to ~20% currently (enquiry-to-sanction).
- Textile sector shows green shoots in Gujarat, Rajasthan, and Maharashtra, while South India remains weak.
- The FMCG segment remains under stress. Agro is facing a temporary cycle in select geographies like MP, with no structural concerns.
- Gems and jewelry financing has been discontinued for a prolonged period.
- Dividend payout policy remains unchanged at ~10% of PAT. Dividend of INR1.25/share has been declared.

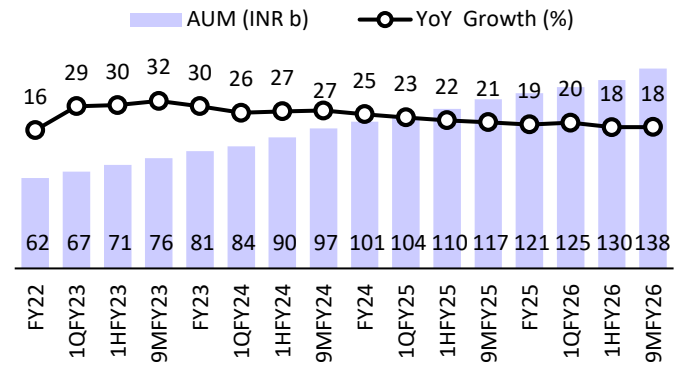
## Key exhibits

**Exhibit 1: Disbursements grew 14% YoY...**



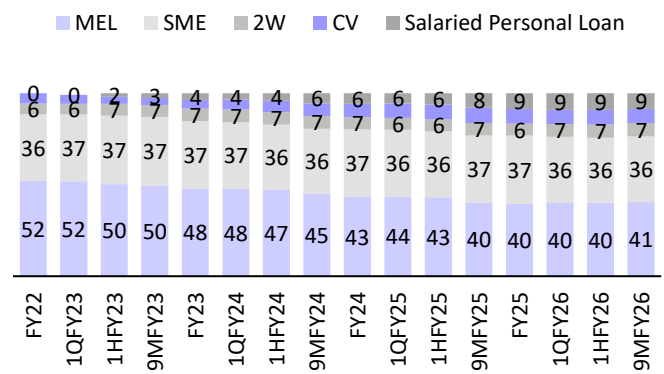
Source: MOFSL, Company

**Exhibit 2: ...leading to AUM growth of ~18% YoY**



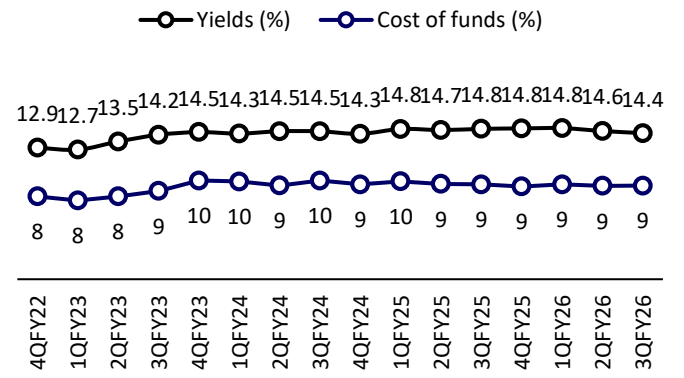
Source: MOFSL, Company

**Exhibit 3: Share of salaried PL remained stable QoQ (%)**



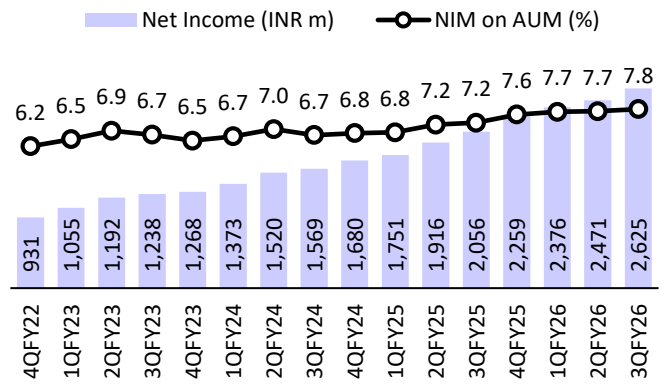
Source: MOFSL, Company

**Exhibit 4: Spreads (calculated) declined ~20bp QoQ (%)**



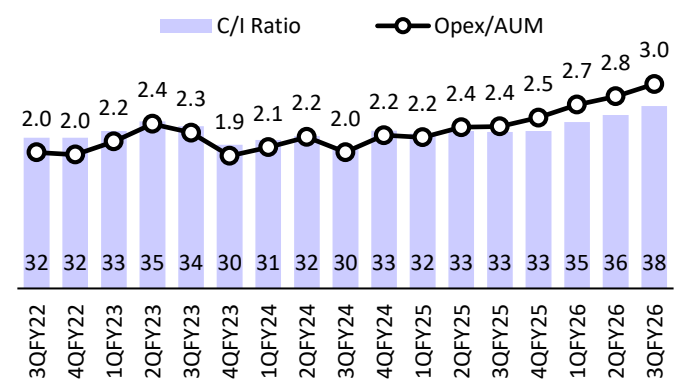
Source: MOFSL, Company

**Exhibit 5: NIM expanded ~10bp QoQ**



Source: MOFSL, Company; Note: Including upfront assignment income

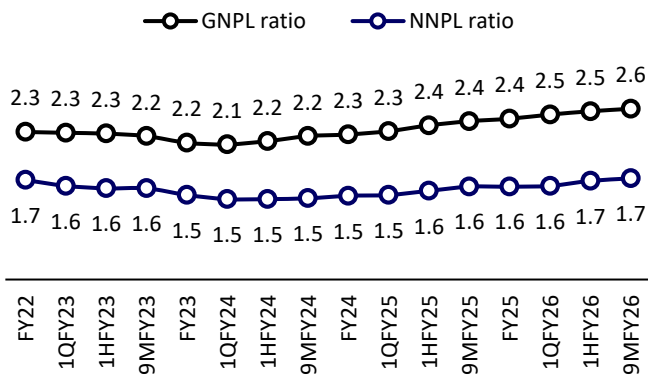
**Exhibit 6: Opex-to-AUM rose ~20bp QoQ to ~3%**



Source: MOFSL, Company

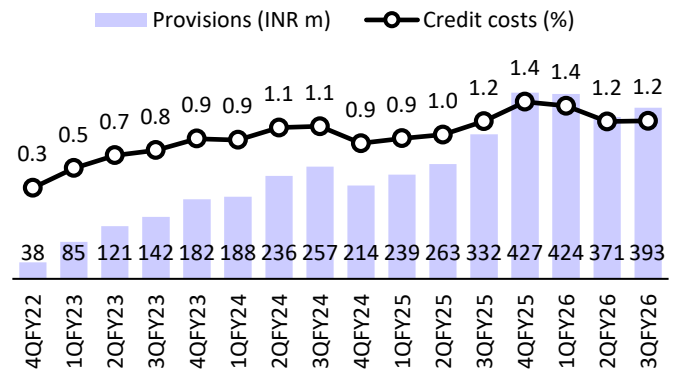


**Exhibit 7: GNPL rose ~5bp QoQ (%)**



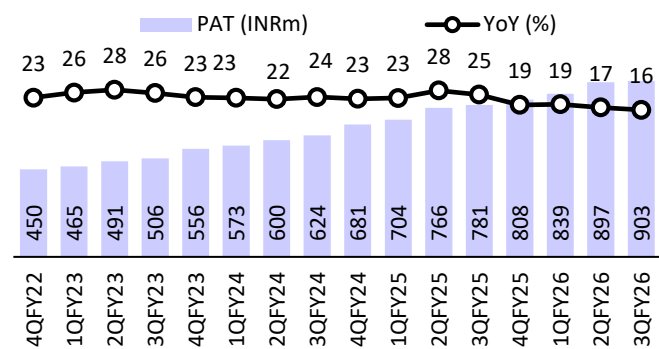
Source: MOFSL, Company

**Exhibit 8: Credit costs remained steady QoQ**



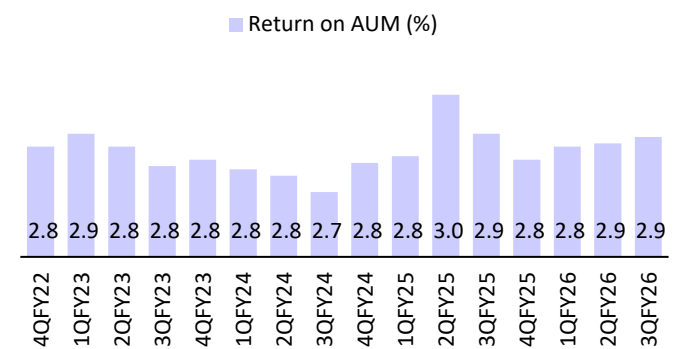
Source: MOFSL, Company

**Exhibit 9: PAT rose 16% YoY**



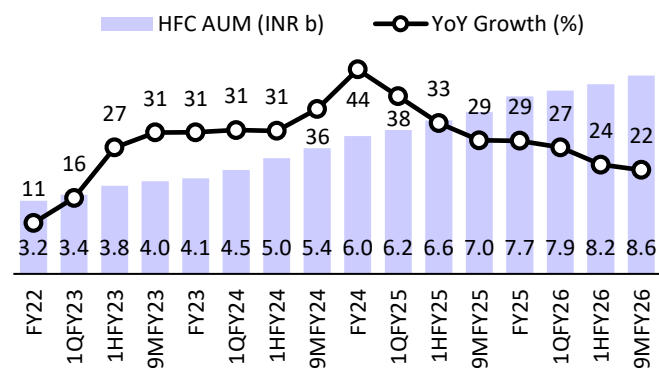
Source: MOFSL, Company

**Exhibit 10: Return on AUM (%)**



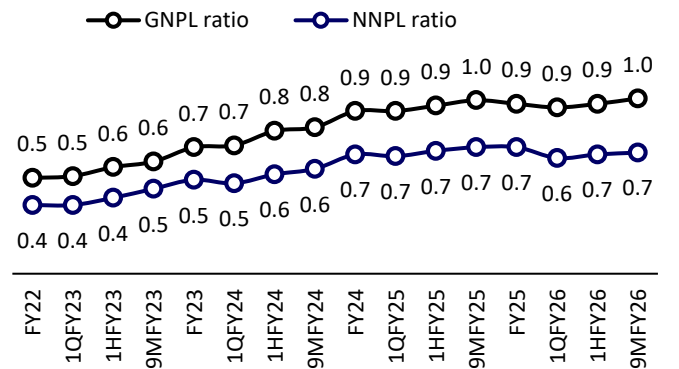
Source: MOFSL, Company. Reported RoA

**Exhibit 11: HFC subsidiary's AUM grew 22% YoY....**



Source: MOFSL, Company

**Exhibit 12: Asset quality broadly stable (%)**

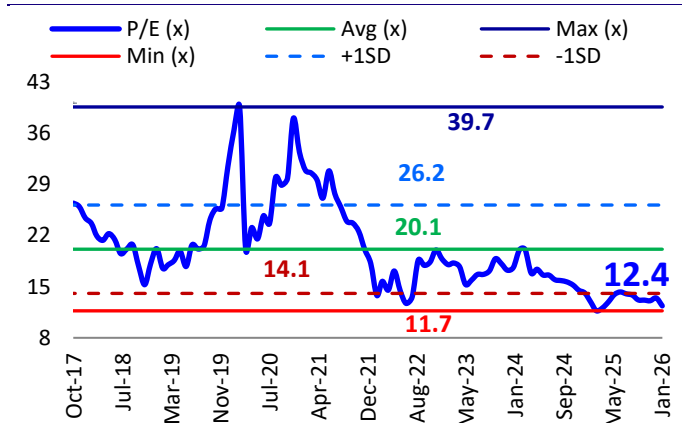
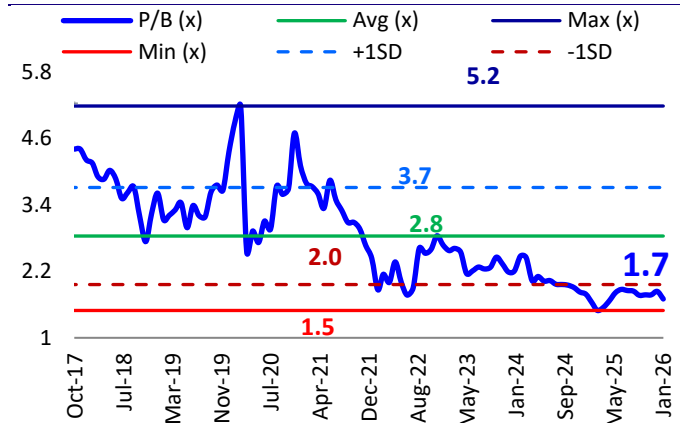


Source: MOFSL, Company



**Exhibit 13: We keep our estimates broadly unchanged**

INR b	Old Est.			New Est.			Change(%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII	6.6	8.4	10.2	6.7	8.4	10.2	0.5	0.4	0.3
Other Income	3.5	4.2	5.0	3.5	4.2	5.0	-0.7	-0.7	-0.7
<b>Total Income</b>	<b>10.1</b>	<b>12.6</b>	<b>15.2</b>	<b>10.2</b>	<b>12.6</b>	<b>15.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>
Operating Expenses	3.6	4.4	5.3	3.7	4.5	5.4	2.2	2.2	2.2
<b>Operating Profits</b>	<b>6.5</b>	<b>8.2</b>	<b>9.9</b>	<b>6.5</b>	<b>8.1</b>	<b>9.8</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.2</b>
Provisions	1.6	2.1	2.5	1.6	2.0	2.5	1.0	-1.1	0.3
<b>PBT</b>	<b>4.9</b>	<b>6.1</b>	<b>7.5</b>	<b>4.8</b>	<b>6.1</b>	<b>7.3</b>	<b>-1.7</b>	<b>-1.1</b>	<b>-1.8</b>
Tax	1.2	1.5	1.9	1.2	1.5	1.8	-1.7	-1.1	-1.8
<b>PAT</b>	<b>3.7</b>	<b>4.6</b>	<b>5.6</b>	<b>3.6</b>	<b>4.5</b>	<b>5.5</b>	<b>-1.7</b>	<b>-1.1</b>	<b>-1.8</b>
<b>AUM</b>	<b>144</b>	<b>172</b>	<b>205</b>	<b>145</b>	<b>173</b>	<b>205</b>	<b>0.3</b>	<b>0.5</b>	<b>0.1</b>
<b>NIM (%)</b>	<b>5.0</b>	<b>5.3</b>	<b>5.4</b>	<b>5.0</b>	<b>5.3</b>	<b>5.4</b>			
<b>ROAA (%)</b>	<b>2.8</b>	<b>2.8</b>	<b>3.0</b>	<b>2.7</b>	<b>2.8</b>	<b>2.9</b>			
<b>RoAE (%)</b>	<b>13.6</b>	<b>14.8</b>	<b>15.7</b>	<b>13.4</b>	<b>14.7</b>	<b>15.5</b>			

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

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


## Financials and valuations

INCOME STATEMENT								INR m	
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	5,551	4,831	5,611	8,066	10,223	12,896	15,466	19,162	22,678
Interest Expense	2,722	2,645	3,195	4,748	6,142	7,224	8,795	10,732	12,430
<b>Net Financing income</b>	<b>2,829</b>	<b>2,186</b>	<b>2,416</b>	<b>3,318</b>	<b>4,081</b>	<b>5,673</b>	<b>6,672</b>	<b>8,430</b>	<b>10,248</b>
Change (%)	9.7	-22.7	10.5	37.3	23.0	39.0	17.6	26.4	21.6
Gains on Assignment	1,012	806	639	680	1,170	1,431	2,189	2,627	3,153
<b>NII incl assignment income</b>	<b>3,841</b>	<b>2,992</b>	<b>3,054</b>	<b>3,998</b>	<b>5,251</b>	<b>7,104</b>	<b>8,861</b>	<b>11,058</b>	<b>13,401</b>
Change (%)	9.1	-22.1	2.1	30.9	31.3	35.3	24.7	24.8	21.2
Fees and Others	165	302	321	745	853	877	1,299	1,559	1,798
<b>Total Income</b>	<b>4,005</b>	<b>3,294</b>	<b>3,375</b>	<b>4,743</b>	<b>6,104</b>	<b>7,981</b>	<b>10,160</b>	<b>12,617</b>	<b>15,199</b>
Change (%)	9.5	-17.8	2.5	40.5	28.7	30.7	27.3	24.2	20.5
<b>Operating Expenses</b>	<b>899</b>	<b>616</b>	<b>921</b>	<b>1,566</b>	<b>1,894</b>	<b>2,615</b>	<b>3,708</b>	<b>4,531</b>	<b>5,415</b>
Change (%)	16.0	-31.4	49.5	69.9	21.0	38.0	41.8	22.2	19.5
<b>Operating Profits</b>	<b>3,106</b>	<b>2,678</b>	<b>2,454</b>	<b>3,177</b>	<b>4,210</b>	<b>5,366</b>	<b>6,453</b>	<b>8,085</b>	<b>9,784</b>
Change (%)	7.7	-13.8	-8.4	29.5	32.5	27.5	20.3	25.3	21.0
<b>Total Provisions</b>	<b>825</b>	<b>749</b>	<b>341</b>	<b>530</b>	<b>896</b>	<b>1,261</b>	<b>1,607</b>	<b>2,033</b>	<b>2,458</b>
% to operating income	26.5	28.0	13.9	16.7	21.3	23.5	24.9	25.1	25.1
<b>PBT</b>	<b>2,282</b>	<b>1,929</b>	<b>2,113</b>	<b>2,647</b>	<b>3,314</b>	<b>4,104</b>	<b>4,846</b>	<b>6,053</b>	<b>7,326</b>
Tax	616	494	538	637	837	1,045	1,221	1,525	1,846
Tax Rate (%)	27.0	25.6	25.5	24.1	25.2	25.5	25.2	25.2	25.2
<b>PAT</b>	<b>1,666</b>	<b>1,435</b>	<b>1,575</b>	<b>2,010</b>	<b>2,478</b>	<b>3,059</b>	<b>3,625</b>	<b>4,527</b>	<b>5,480</b>
Change (%)	9.5	-13.8	9.7	27.6	23.3	23.5	18.5	24.9	21.0
Proposed Dividend	437	82	164	197	248	306	335	409	466

BALANCE SHEET								INR m	
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	547	547	547	547	1,640	1,815	1,815	1,815	1,815
Reserves & Surplus (Ex OCI)	8,807	10,724	12,404	14,056	15,595	23,588	26,878	30,996	36,010
<b>Networth (Ex OCI)</b>	<b>9,354</b>	<b>11,271</b>	<b>12,951</b>	<b>14,602</b>	<b>17,234</b>	<b>25,403</b>	<b>28,693</b>	<b>32,811</b>	<b>37,825</b>
OCI	455	455	455	455	455	455	455	455	455
<b>Networth (Incl OCI)</b>	<b>9,809</b>	<b>11,726</b>	<b>13,406</b>	<b>15,057</b>	<b>17,690</b>	<b>25,858</b>	<b>29,148</b>	<b>33,266</b>	<b>38,280</b>
Change (%)	10.7	19.5	14.3	12.3	17.5	46.2	12.7	14.1	15.1
Minority Interest	0	1	0	0	0	0	0	0	0
Other Capital Instruments	0	0	0	0	0	0	0	0	0
<b>Borrowings</b>	<b>34,870</b>	<b>39,264</b>	<b>46,896</b>	<b>61,432</b>	<b>73,026</b>	<b>87,018</b>	<b>1,15,854</b>	<b>1,36,655</b>	<b>1,59,304</b>
Change (%)	27.1	12.6	19.4	31.0	18.9	19.2	33.1	18.0	16.6
<b>Other liabilities</b>	<b>1,038</b>	<b>786</b>	<b>341</b>	<b>291</b>	<b>377</b>	<b>3,769</b>	<b>4,146</b>	<b>4,560</b>	<b>5,017</b>
Change (%)	41.0	-24.3	-56.7	-14.6	29.6	899.7	10.0	10.0	10.0
<b>Total Liabilities</b>	<b>45,718</b>	<b>51,775</b>	<b>60,642</b>	<b>76,780</b>	<b>91,092</b>	<b>1,16,645</b>	<b>1,49,148</b>	<b>1,74,481</b>	<b>2,02,600</b>
<b>Loans</b>	<b>33,485</b>	<b>38,051</b>	<b>45,538</b>	<b>59,102</b>	<b>72,648</b>	<b>86,139</b>	<b>1,15,507</b>	<b>1,38,295</b>	<b>1,64,083</b>
Change (%)	4.0	13.6	19.7	29.8	22.9	18.6	34.1	19.7	18.6
<b>Investments</b>	<b>375</b>	<b>2,350</b>	<b>5,381</b>	<b>8,261</b>	<b>7,877</b>	<b>15,938</b>	<b>15,938</b>	<b>15,938</b>	<b>15,938</b>
Net Fixed Assets	603	609	647	730	897	1,160	1,253	1,353	1,420
Other assets	11,255	10,765	9,077	8,687	9,670	13,409	16,451	18,896	21,159
<b>Total Assets</b>	<b>45,718</b>	<b>51,776</b>	<b>60,642</b>	<b>76,780</b>	<b>91,092</b>	<b>1,16,645</b>	<b>1,49,148</b>	<b>1,74,481</b>	<b>2,02,600</b>

E: MOFSL Estimates

## Financials and valuations

Assumptions	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM (INR M)	59,663	53,724	62,468	80,926	1,01,257	1,20,998	1,44,587	1,73,032	2,05,101
Change (%)	11.8	-10.0	16.3	29.5	25.1	19.5	19.5	19.7	18.5
On Balance Sheet	55.7	75.4	81.4	81.0	77.8	80.4	81.3	81.3	81.3
Off Balance Sheet	44.3	24.6	18.6	19.0	22.2	19.6	20.1	20.1	20.0

E: MOFSL Estimates

### RATIOS (%)

Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
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#### Spreads Analysis (%)

Yield on loans	16.9	13.5	13.4	15.4	15.5	16.2	15.3	15.1	15.0
Cost of Funds	8.7	7.1	7.4	8.8	9.1	9.0	8.7	8.5	8.4
Spreads (On books)	8.2	6.4	6.0	6.6	6.4	7.2	6.7	6.6	6.6
NIMs (On Books)	8.6	6.1	5.8	6.3	6.2	7.1	6.6	6.6	6.8

#### Profitability Ratios (%)

RoE	18.8	13.9	13.0	14.6	15.6	14.4	13.4	14.7	15.5
RoA	4.0	2.9	2.8	2.9	3.0	2.9	2.7	2.8	2.9
RoA (on AUM)	2.9	2.5	2.7	2.8	2.7	2.8	2.7	2.9	2.9
Op. Exps./Net Income	22.4	18.7	27.3	33.0	31.0	32.8	36.5	35.9	35.6
Empl. Cost/Op. Exps.	58.3	48.2	45.8	39.9	46.0	43.9	40.9	42.2	43.0

#### Asset-Liability Profile (%)

Net NPAs to Adv.	1.4	1.0	1.2	1.2	1.5	1.5	1.4	1.4	1.4
Debt/Equity (x) - On BS	3.7	3.5	3.6	4.2	4.2	3.4	4.0	4.2	4.2
Average leverage	3.5	3.6	3.6	3.9	4.2	3.8	3.8	4.1	4.2
CAR	31.0	26.9	26.4	25.3	24.1	24.7	28.0	26.7	25.9

### Valuations

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	57	69	79	89	105	140	158	181	208
Price-BV (x)	5.6	4.7	4.1	3.6	3.1	2.3	2.0	1.8	1.5
Adjusted BV (INR)	55	67	76	86	100	134	150	171	197.7
Price-ABV (x)	5.8	4.8	4.2	3.7	3.2	2.4	2.1	1.9	1.6
EPS (INR)	10.2	8.8	9.6	12.3	15.1	16.9	20.0	25.0	30.2
EPS Growth (%)	9	-14	10	28	23	12	18	25	21
Price-Earnings (x)	32	37	33	26	21	19	16	13	11
Dividend per share	8.0	1.5	3.0	3.0	1.5	1.7	1.8	2.3	2.6
Dividend yield (%)	0.8	0.2	0.3	0.3	0.5	0.5	0.6	0.7	0.8

E: MOFSL Estimates

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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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