

Five Star Business Finance

Estimate changes	↔
TP change	↑
Rating change	↔

Bloomberg	FIVESTAR IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	159.5 / 1.7
52-Week Range (INR)	698 / 338
1, 6, 12 Rel. Per (%)	9/10/-18
12M Avg Val (INR M)	916

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	23.9	27.1	32.4
PPoP	16.8	18.4	21.9
PAT	11.0	11.8	14.3
EPS (INR)	37	40.0	48
EPS Growth (%)	2	7	21
BVPS (INR)	250	288	334

Ratios (%)

NIM	19.4	18.9	18.3
C/I ratio	33.1	35.5	35.5
Credit Costs	1.7	1.8	1.6
RoAA	7.3	6.8	6.7
RoAE	16.1	14.9	15.5
Dividend Payout	5.4	6.2	5.2

Valuation

P/E (x)	14.5	13.5	11.2
P/BV (x)	2.2	1.9	1.6
Div. Yield (%)	0.4	0.5	0.5

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	18.6	18.6	21.5
DII	22.4	17.6	9.5
FII	44.0	48.5	58.1
Others	15.1	15.3	10.9

FII Includes depository receipts

CMP: INR540

TP: INR670 (+24%)

Buy

Rebuilding momentum; on track for asset quality stabilization

Early delinquencies improved with moderation in 1+ dpd and 30+dpd

- Five Star Business Finance's (FIVESTAR) 1QFY27 PAT grew 2% YoY to INR2.7b (in line). NII grew ~10% YoY to INR6.4b (in line). Other income rose 17% YoY to INR311m (~8% beat).
- Opex grew 21% YoY to INR2.4b (~5% higher than est.). PPoP rose ~5% YoY to INR4.2b (in line). Credit costs stood at INR618m (in line). Annualized credit costs (as a % of AUM) stood at ~1.84% (PQ: ~1.85% and PY: ~1.6%).
- Disbursements rose ~16% YoY/~23% QoQ to ~INR15b and AUM grew 10% YoY/4% QoQ to ~INR137b. Management exuded confidence in achieving ~20% AUM growth in FY27, supported by a pickup in disbursement momentum and improvement in asset quality and collection trends. We model AUM growth of ~21% in FY27 and AUM CAGR of ~23% over FY26-28.
- FIVESTAR shared that slippages during the quarter remained stable despite weak seasonality. However, it expects slippages and NPA levels to decline in subsequent quarters. Collection trends have also been steadily improving and moving closer to pre-stress levels, indicating a gradual improvement in the operating environment. Management has guided for credit costs of 1.7-1.9% in FY27 and ~1.6-1.7% in FY28. We model credit costs of ~1.8% in FY27E.
- FIVESTAR continues to focus on promoting responsible credit behavior, which should strengthen portfolio resilience over the medium term. The ~60bp QoQ improvement in 1+ dpd indicates stabilization in early-bucket delinquencies and, if sustained, should provide management with greater confidence to accelerate business momentum in the coming quarters.
- **We estimate FIVESTAR to deliver a CAGR of ~23%/~14% in AUM/PAT over FY26-28, with FY28E RoA/RoE of 6.7%/15.5%. Reiterate BUY with a revised TP of INR670 (based on 2x Mar'28E BV).**

NIM contracts ~10bp QoQ; incremental CoB declines ~20bp QoQ

- Reported yields declined ~12bp QoQ to 22.5%, while CoB declined ~15bp QoQ to 8.8%, resulting in spreads rising ~5bp QoQ to 13.7%. Reported NIM (as a % of AUM) contracted ~10bp QoQ to ~20%.
- Management expects yields to settle at ~22.25%, with a further 10-15bp moderation possible over the next couple of quarters. Incremental CoF declined ~20bp QoQ to ~8.35%. With incremental CoF remaining below the average cost of liabilities, the company expects a 10-15bp reduction in overall CoF in FY27, assuming no adverse policy changes.
- 1QFY27 RoAUM/RoE stood at 8.1%/14.5%, respectively. Capital adequacy stood at ~51% as of Jun'26.

Early delinquencies improve; PCR on stage 2 declines ~40bp QoQ

- GS3/NS3 rose ~10bp QoQ each to 3.45% and 2.1%, respectively. PCR on stage 3 declined ~125bp QoQ to ~40%. Stage 2 PCR declined ~40bp QoQ to 3.05% (PQ: 3.47% and PY: 5.1%).
- 30+ dpd declined ~30bp QoQ to 12.4%, and 1+dpd declined ~60bp QoQ to 16.7%. Overall collection efficiency and unique customer collection efficiency in 1QFY27 stood at 99.2% and 97.9%, respectively. Slippage ratio remained stable QoQ at 0.7% (PQ: 0.7% and PY: 0.8%).
- Cash proportion in collections declined to ~14% (PQ: ~16% and PY: ~19%).

Highlights from the management commentary

- FIVESTAR does not expect significant benefits from lower write-offs in FY27, given the sizeable 61-90 dpd pool. Write-offs are expected to remain elevated at ~INR2.25-2.4b in FY27.
- Management highlighted that salary revisions and higher performance-linked incentives, amid rising competition, are likely to keep employee costs elevated. As a result, meaningful operating leverage is unlikely in FY27, with benefits expected to start emerging from FY28 onwards.
- The company shared that underlying demand remains healthy, with the recent moderation in growth primarily driven by internal risk-control measures rather than any weakness in demand.

Valuation and view

- FIVESTAR appears on track to regain its mojo with a healthy pick-up in disbursement volumes and AUM growth. Early-stage delinquencies improved meaningfully, driven by a decline in 1+ dpd and 30+ dpd, while slippages and credit costs remained broadly stable sequentially. With the business now on a stronger footing, the company is well-positioned to build from here, supported by healthy underlying demand, strong asset quality, and improving productivity.
- The stock currently trades at 1.9x FY27E P/BV. We estimate FIVESTAR to post a CAGR of ~23%/~14% in AUM/PAT over FY26-28, with an RoA/RoE of 6.7/15.5% in FY28. Reiterate BUY with a revised TP of INR670 (based on 2x Mar'28E BV).

Quarterly Performance

(InR M)

Y/E March	FY26				FY27E				FY26	FY27E	1Q FY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	7,647	7,731	7,959	7,955	8,076	8,375	8,768	9,217	31,291	34,437	8,145	-1
Interest Expenses	1,873	1,800	1,885	1,814	1,715	1,753	1,879	2,039	7,372	7,386	1,883	-9
Net Interest Income	5,774	5,931	6,073	6,141	6,361	6,622	6,890	7,178	23,919	27,051	6,263	2
YoY Growth (%)	19.6	14.9	12.5	9.8	10.2	11.6	13.4	16.9	14.0	13.1	8.5	
Other Income	265	334	264	306	311	339	369	415	1,168	1,435	289	8
Total Income	6,039	6,265	6,337	6,447	6,672	6,961	7,258	7,594	25,088	28,486	6,552	2
YoY Growth (%)	18.1	15.4	13.2	10.3	10.5	11.1	14.5	17.8	14.1	13.5	8.5	
Operating Expenses	2,012	1,936	2,078	2,271	2,435	2,494	2,539	2,658	8,296	10,126	2,319	5
Operating Profit	4,027	4,330	4,259	4,175	4,238	4,467	4,719	4,936	16,792	18,360	4,233	0
YoY Growth (%)	13.5	13.9	9.7	5.3	5.2	3.2	10.8	18.2	10.5	9.3	5.1	
Provisions & Loan Losses	478	510	571	604	618	638	663	691	2,163	2,611	616	0
Profit before Tax	3,550	3,819	3,688	3,571	3,620	3,829	4,056	4,245	14,629	15,749	3,617	0
Tax Provisions	886	958	918	879	905	950	1,006	1,076	3,641	3,937	897	1
Net Profit	2,663	2,861	2,770	2,693	2,714	2,879	3,050	3,168	10,988	11,812	2,720	0
YoY Growth (%)	6	7	1	-4	2	1	10	18	2.5	7.5	2.1	
Key Parameters (%)												
Yield on loans	25.1	24.4	24.7	24.3	24.0	23.8	23.8	23.7				
Cost of funds	9.5	8.9	9.1	8.8	8.5	8.6	8.5	8.5				
Spread	15.7	15.6	15.6	15.5	15.4	15.3	15.2	15.2				
NIM	19.0	18.8	18.8	18.8	18.9	18.8	18.7	18.4				
Credit cost	1.57	1.61	1.77	1.85	1.84	1.82	1.80	1.78				
Cost to Income Ratio (%)	33.3	30.9	32.8	35.2	36.5	35.8	35.0	35.0				
Tax Rate (%)	25.0	25.1	24.9	24.6	25.0	24.8	24.8	25.4				
Performance ratios (%)												
AUM/Branch (INR m)	162	160.6	155.3	156.7	160							
Balance Sheet Parameters												
AUM (INR B)	124.6	128.5	129.6	132.2	137.2	143.8	151.5	160.0				
Change YoY (%)	20.4	17.6	16.0	11.3	10.1	12.0	16.9	21.0				
Disbursements (INR B)	12.9	12.0	9.8	12.1	15.0	16.4	17.6	19.1				
Change YoY (%)	-2.1	-4.4	3.8	-16.9	16.0	37.0	80.0	57.5				
Borrowings (INR B)	78.7	83.8	82.0	82.0	78.7	84.9	91.7	100.6				
Change YoY (%)	17.1	21.8	11.4	3.5	-0.1	1.3	11.8	22.7				
Borrowings/Loans (%)	63.2	65.2	63.2	62.0	57.3	59.0	60.5	62.9				
Debt/Equity (x)	1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.2				
Asset Quality (%)												
GS 3 (INR M)	3,070	3,388	4,119	4,461	4,752							
G3 %	2.46	2.6	3.2	3.4	3.46							
NS 3 (INR M)	1,534	1,857	2,478	2,614	2,845							
NS3 %	1.3	1.5	1.9	2.0	2.1							
PCR (%)	50.0	45.2	39.8	41.4	40.1							
ECL (%)	1.9	1.9	1.8	1.8	1.8							
Return Ratios (%)												
ROAUM (Rep)	8.8	0.0	8.5	8.4	8.1							
ROE (Rep)	16.57	0.0	15.8	15.1	14.46							

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- Management remains confident of achieving ~20% AUM growth in FY27, supported by strong disbursement momentum, with FY27 disbursement target of ~INR65-68b.
- Management has guided for FY27 credit costs (as a % of AUM) of 1.7-1.9%, trending towards ~1.7%, which is expected to moderate to ~1.6-1.7% in FY28. It expects write-offs to stand at ~INR2.25-2.5b in FY27.
- Slippages and NPAs are expected to trend down as collections improve.
- Management is targeting ~91-92% Stage 1 assets, 6-7% Stage 2 assets, and sub-3% Stage 3 assets, with a steady-state GNPA of ~2.5%.
- Yields are expected to settle at ~22.25%, with 10-15bp moderation possible.
- Incremental CoF is expected at ~8.5%, while overall CoF is expected to decline 10-15bp in FY27.
- Opex is expected to grow ~20-21% YoY, with opex/avg. assets at ~5.75% in FY27 and gradually declining towards 5.25-5.5%.
- The company targets to add ~50-60 every year.
- Leverage is expected to increase gradually over the next 6-8 quarters. RoA is expected to moderate towards 6.0%-6.5% as leverage rises, while RoE could reach ~18-20% at ~3x leverage.

Opening Remarks

- 1QFY27 was broadly in line with expectations, with the company benefiting from corrective actions taken over the past few quarters.
- Disbursements grew 23% QoQ and 16% YoY, reaching a historical high, while AUM stood at INR137b, up 4% QoQ.
- Strong disbursement momentum indicates that FIVESTAR is back on a growth trajectory, with management confident of comfortably achieving 20% AUM growth guidance in FY27.
- Collections remained robust despite the seasonally weak quarter, with unique customer collection efficiency at 97.9% and X-bucket efficiency at 99.2% vs. 99.3% in 4QFY26.
- Slippages remained stable at 0.7%, while credit costs declined to 1.85%.
- Cost of funds declined from 8.95% to 8.8%, largely offsetting the impact of lower yields and supporting spreads.
- Management expects continued improvement across growth, profitability, and asset quality in the coming quarters.

Financial Highlights

- Active loan customers crossed 500k as of Jun'26. The company added 12 branches during the quarter, largely in Maharashtra, while continuing expansion into newer states.
- Yields declined ~12bp QoQ, offset by lower cost of funds; NIMs contracted 10bp QoQ.
- RoAUM stood at 8.1% and RoE at 14.5%.
- 1+ dpd and 30+ dpd improved by 60bp and 30bp QoQ, respectively, despite the seasonally weak 1QFY27.

- Stage 3 PCR remained healthy at >40%, while overall provision coverage (ECL/EAD) stood at ~1.8%.
- Management believes the company has moved past the most challenging phase of the last four quarters and remains confident of achieving its stated guidance.

Asset Quality & Collections

- Management remains comfortable with the collection outlook, with trends improving consistently over the past 7-8 months and moving towards pre-crisis levels.
- Customer cash flows remain broadly intact, and the company currently sees no meaningful stress on collections.
- The focus remains on preventing forward flows rather than relying on rollbacks from higher DPD buckets.
- Slippages remained flat at 0.7% in 1QFY27 due to seasonal factors but are expected to decline in the coming quarters.
- Recoveries from written-off accounts increased to INR350m vs. INR260-270m in the previous quarter.
- Management expects NPAs to trend down as collection efficiency continues to improve.
- Credit costs are reported at gross levels, with recoveries from written-off accounts reflected under other income.
- Management does not expect significant write-off benefits in FY27, given the sizeable 61–90 DPD pool. Write-offs are primarily technical in nature, undertaken for tax benefits and to appropriately reflect GNPA levels.

Growth & Disbursement Momentum

- Underlying demand remains healthy, with recent growth moderation driven by internal risk-control measures rather than weak demand.
- The company had tightened approval rates and moderated disbursements over the past 3-4 quarters, prioritizing asset quality.
- Strong disbursement growth in 1QFY27 indicates a clear recovery in business momentum.
- June'26 disbursements reached INR6.7b, highlighting the improving run-rate.
- Logins and overall business volumes remain healthy, while improving sanction-to-MoD conversion should support disbursements.
- Management expects FY27 disbursements of ~INR65-68b, comfortably supporting ~20% AUM growth.
- New products are expected to provide incremental growth over and above the existing guidance.

Yields and Margins

- Yield moderated ~12bp QoQ and was largely offset by lower cost of funds, protecting spreads.
- Yields are expected to settle at ~22.25%, with another 10-15bp moderation possible over the next couple of quarters.
- Incremental cost of funds is expected at ~8.5%, with a further 20-30bp compression possible over time. Overall cost of funds is expected to decline 10–15bp in FY27.

- The company expects to avail another ADB tranche, though timing will be managed considering ECB hedging costs.
- Spreads are expected to remain broadly stable, barring any adverse policy actions. Any increase in repo rates could, however, lead to higher funding costs.

Opex and productivity

- Salary revisions and higher performance-linked incentives are expected to keep employee costs elevated amid increasing competition.
- Management does not expect meaningful operating leverage in FY27.
- Opex is expected to grow ~20-21% YoY, with a significant portion of increments and appraisals already absorbed in 1QFY27.
- Operating leverage is expected to emerge from FY28 onwards.
- Attrition remains broadly stable, with management expecting better retention going forward.
- Branch additions will remain at a normalized pace of ~50-60 annually.
- The company added 12 branches in 1QFY27, largely in Maharashtra.
- Productivity gains from the business-collections split should support higher sourcing and disbursements without proportional employee additions.
- AUM and disbursements per employee are expected to continue improving.

Diversification & New Products

- Management is evaluating 2-3 additional products to diversify the portfolio and reduce concentration risk.
- The company sees significant opportunity in micro-LAP but believes diversification is important to manage risk through cycles.
- The housing product launched recently received limited focus as management prioritized stabilizing micro-LAP.
- New products are expected to provide incremental growth and improve capital utilization.
- Strong capital availability provides scope to increase leverage and maximize shareholder returns.

Ticket Size & Portfolio Mix

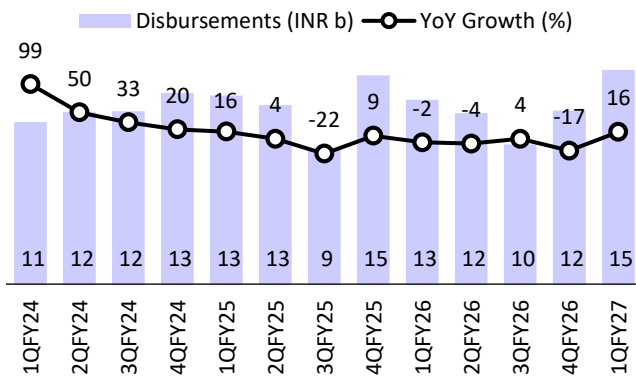
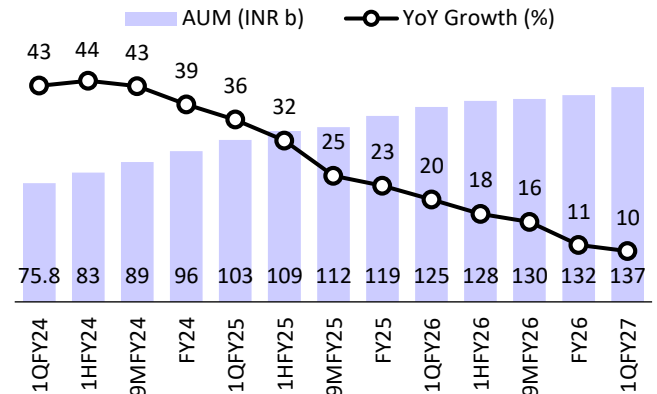
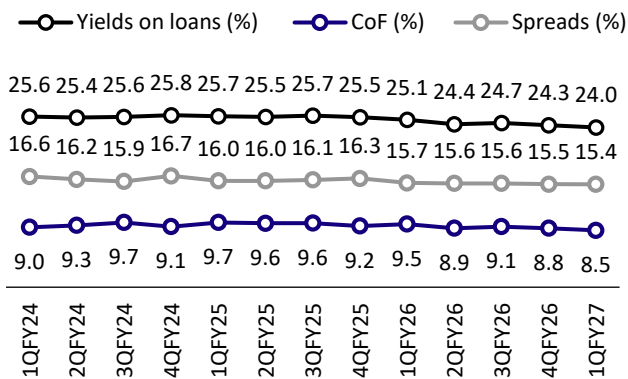
- The company is gradually diversifying its ticket-size mix to manage its portfolio risk. Target mix is ~25% at <INR300k ticket size, 50% at INR500k and 25% at INR500k-INR1m ticket sizes.
- Average ticket size is expected to remain around INR400-500k, with average ticket size on disbursements expected at ~INR500k for FY27.
- Around 85-90% of loans carry a seven-year tenure.

Others

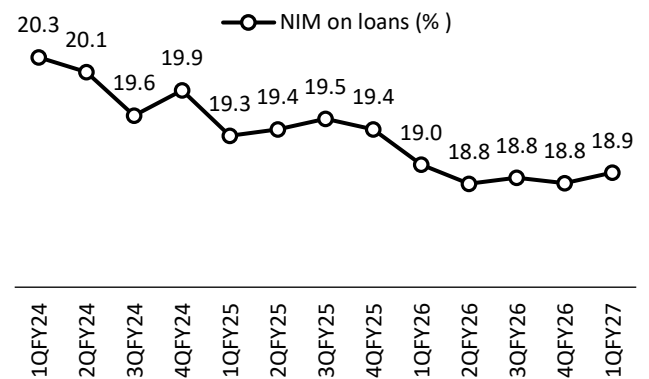
- Segregation of business and collections teams has improved productivity, allowing sales teams to focus on sourcing while specialized teams manage stressed accounts.
- Business teams continue to handle collections from current accounts for a defined vintage, retaining accountability for early-stage collections.
- Incentives remain linked to both collection efficiency and business growth.

- Higher repayment rates reflect improving collection efficiency after subdued repayments over the past year.
- The company has revised its policy to allow top-ups for strong repeat customers without requiring full prepayment of existing loans. This should help reduce customer migration and normalize repayment behavior.
- Repayment rates are expected to normalize towards ~27–28% vs. ~30% currently, implying a behavioral tenure of ~4.0–4.5 years.

Key Exhibits

Exhibit 1: Disbursements grew ~16% YoY

Exhibit 2: AUM grew ~10% YoY and 3.8% QoQ

Exhibit 3: Spreads (calc.) were broadly stable QoQ (%)


Sources: Company; MOFSL

Exhibit 4: NIM (calc.) rose ~10bp QoQ (%)


Sources: Company; MOFSL

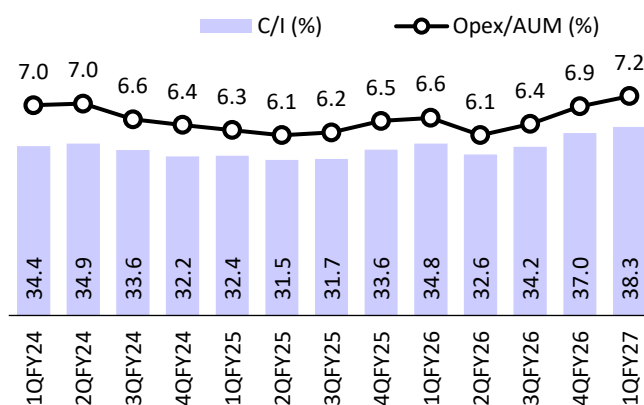
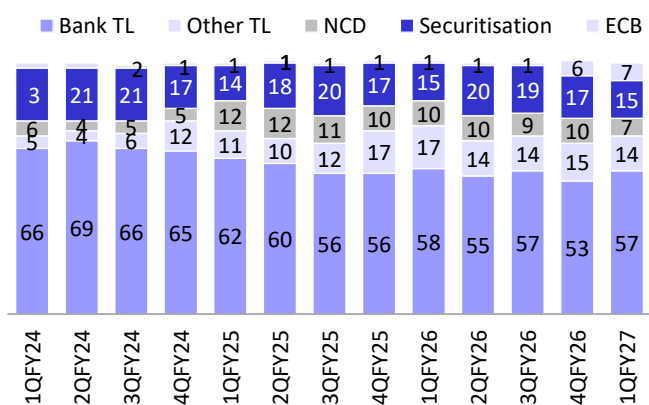
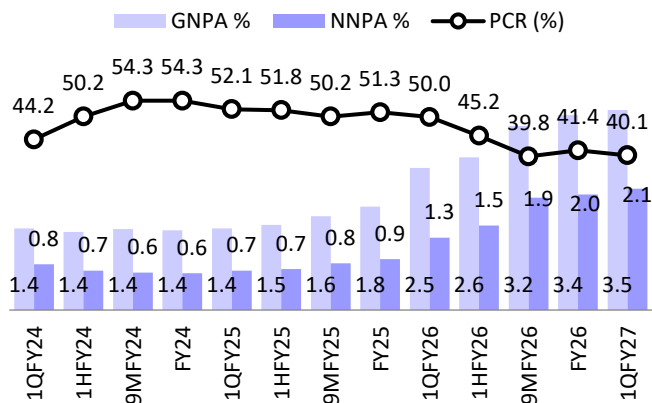
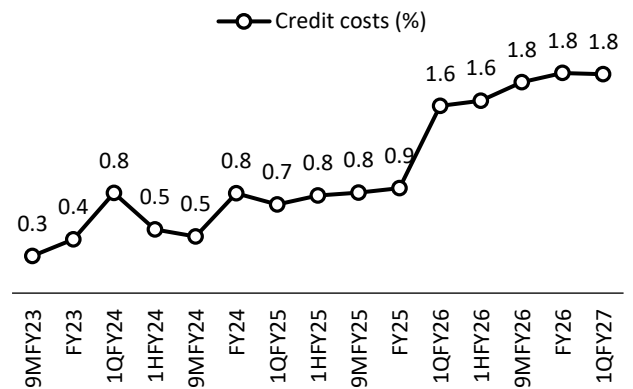
Exhibit 5: Opex/AUM rose ~30bp QoQ (%)

Exhibit 6: Share of bank borrowings rose ~4pp QoQ (%)


Exhibit 7: GS3 rose ~10bp QoQ (%)



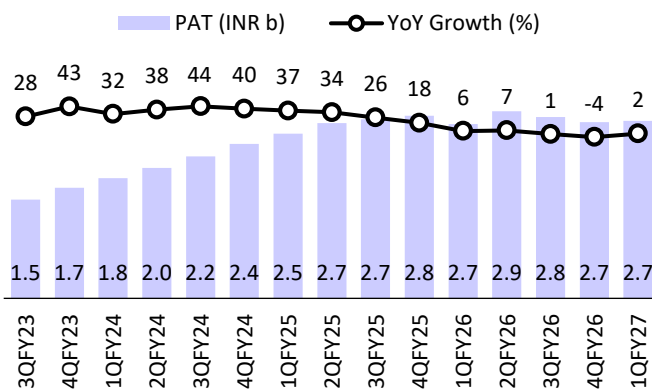
Sources: Company; MOFSL

Exhibit 8: Credit costs were stable QoQ



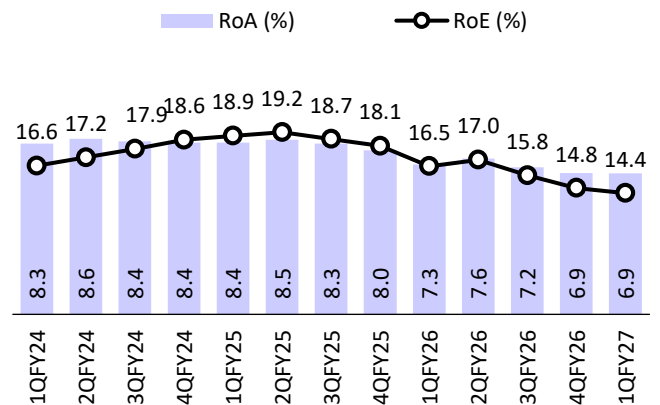
Sources: Company; MOFSL

Exhibit 9: PAT grew ~2% YoY to INR2.7b



Sources: Company; MOFSL

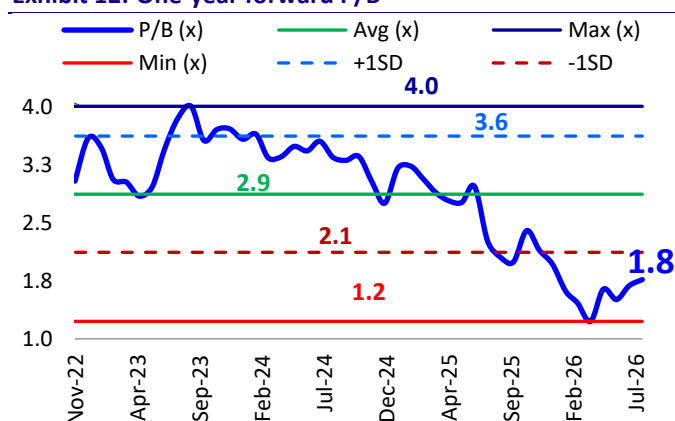
Exhibit 10: RoA/RoE of 6.9%/14.4% in 1QFY27



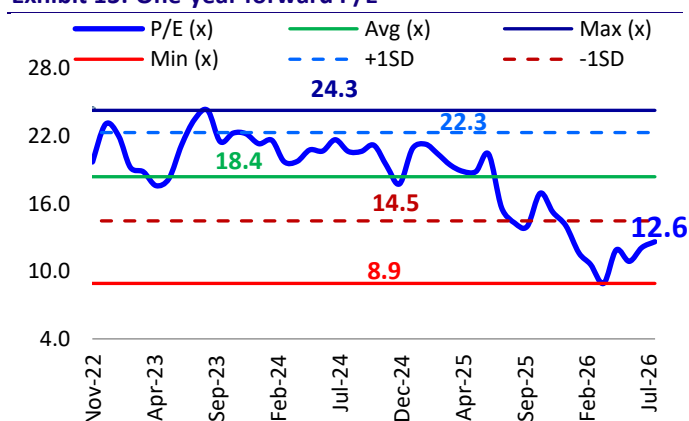
Sources: Company; MOFSL

Exhibit 11: We keep our FY27/FY28 EPS estimates largely unchanged

INR B	Old Est.		New Est.		Change (%)	
	FY27	FY28	FY27	FY28	FY27	FY28
NII	26.4	31.7	27.1	32.4	2.4	2.1
Other Income	1.4	1.5	1.4	1.5	3.3	2.6
Total Income	27.8	33.2	28.5	33.9	2.4	2.1
Operating Expenses	9.9	11.6	10.1	12.0	2.2	4.2
Operating Profits	17.9	21.6	18.4	21.9	2.5	1.0
Provisions	2.4	2.7	2.6	2.9	10.7	5.7
PBT	15.6	18.9	15.7	19.0	1.2	0.3
Tax	3.9	4.7	3.9	4.8	1.2	0.3
PAT	11.7	14.2	11.8	14.3	1.2	0.3
AUM	160	196	160	201	0.2	2.3
Borrowings	102	129	101	132	-1.4	2.6
RoA	6.7	6.8	6.8	6.7	1.6	-0.2
RoE	14.7	15.5	14.9	15.5	1.1	0.2

Exhibit 12: One-year forward P/B


Source: MOFSL, Company

Exhibit 13: One-year forward P/E


Source: MOFSL, Company

DuPont Analysis

%	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	22.3	20.0	19.8	19.9	20.8	21.2	20.7	19.9	19.9
Interest Expended	6.5	6.5	5.0	3.5	4.6	5.1	4.9	4.3	4.6
Net Interest Income	15.8	13.5	14.9	16.4	16.2	16.1	15.8	15.6	15.3
Other Income	1.2	0.7	0.9	0.4	0.8	0.8	0.8	0.8	0.7
Total Income	17.0	14.3	15.7	16.8	16.9	16.8	16.6	16.4	16.0
Operating Expenses	5.1	4.2	5.0	5.8	5.4	5.2	5.5	5.8	5.7
Operating Profit	11.9	10.1	10.7	11.0	11.5	11.6	11.1	10.6	10.3
Provisions	1.5	0.7	0.8	0.3	0.5	0.7	1.4	1.5	1.3
PBT	10.4	9.4	10.0	10.7	10.9	11.0	9.7	9.1	9.0
Tax	2.6	2.3	2.5	2.7	2.7	2.7	2.4	2.3	2.2
Tax Rate (%)	25.0	24.7	24.9	25.0	25.1	25.0	24.9	25.0	25.0
PAT	7.8	7.1	7.5	8.0	8.2	8.2	7.3	6.8	6.7
Leverage	2.0	2.4	2.0	1.9	2.1	2.3	2.2	2.2	2.3
RoE	15.8	16.8	15.0	15.0	17.5	18.7	16.1	14.9	15.5

E: MOFSL Estimates

Financials and Valuation

Income statement

INR m

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	7,468	10,149	12,038	14,988	21,166	27,663	31,291	34,437	42,132
Interest Expended	2,174	3,279	3,006	2,663	4,685	6,680	7,372	7,386	9,768
Net Interest Income	5,295	6,870	9,032	12,325	16,481	20,983	23,919	27,051	32,364
Change (%)	69	30	31	36	34	27	14	13	20
Fees & Commissions (Legal and Tech. Fees)	297	217	294	138	219	322	465	612	617
Net gain on fair value changes	102	132	209	83	443	494	425	391	410
Non Oper. Inc. (incl. recovery of bad debts)	6	15	21	81	123	182	278	432	518
Other Income	405	364	524	301	785	997	1,168	1,435	1,545
Net Income	5,700	7,234	9,556	12,627	17,266	21,980	25,088	28,486	33,909
Change (%)	72	27	32	32	37	27	14	14	19
Employees Cost	1,271	1,637	2,361	3,464	4,286	5,211	6,299	7,748	9,142
Depreciation	101	114	122	173	246	304	370	426	502
Others	342	367	575	741	1,021	1,270	1,627	1,953	2,402
Operating Expenses	1,713	2,118	3,058	4,378	5,553	6,785	8,296	10,126	12,046
Operating Profit (PPoP)	3,986	5,116	6,497	8,249	11,713	15,196	16,792	18,360	21,863
Change (%)	76	28	27	27	42	30	11	9	19
Provisions/write offs	493	352	455	201	554	890	2,163	2,611	2,855
PBT	3,493	4,764	6,042	8,048	11,160	14,306	14,629	15,749	19,008
Tax	874	1,174	1,507	2,012	2,800	3,581	3,641	3,937	4,752
Tax Rate (%)	25.0	24.7	24.9	25.0	25.1	25.0	24.9	25.0	25.0
Reported PAT	2,620	3,590	4,535	6,035	8,359	10,725	10,988	11,812	14,256
Change (%)	67	37	26	33	39	28	2	7	21
Proposed Dividend (incl. tax)	0	0	0	0	0	589	590	738	738

Balance sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Capital	254	255	291	291	292	294	295	295	295
Reserves & Surplus	19,190	22,925	36,812	43,104	51,669	62,752	73,506	84,728	98,246
Net Worth	19,444	23,180	37,104	43,395	51,962	63,046	73,802	85,023	98,541
Borrowings	23,637	34,252	25,588	42,473	63,158	79,220	82,004	1,00,581	1,31,992
Change (%)	146	45	-25	66	49	25	4	23	31
Other liabilities	451	504	739	1,160	1,768	1,940	2,092	2,928	3,953
Total Liabilities	43,532	57,936	63,431	87,028	1,16,888	1,44,206	1,57,897	1,88,532	2,34,486
Loans	38,308	43,587	51,024	68,222	96,851	1,16,868	1,29,848	1,57,157	1,97,002
Change (%)	83	14	17	34	42	21	11	21	25
Investments	0	0	2,482	1,446	1,077	2,122	2,271	2,498	2,748
Change (%)				-42	-26	97	7	10	10
Net Fixed Assets	279	249	328	449	643	1,487	1,546	1,932	2,415
Other assets	4,945	14,100	9,597	16,914	18,317	23,728	24,233	26,944	32,320
Total Assets	43,532	57,936	63,431	87,030	1,16,888	1,44,206	1,57,897	1,88,532	2,34,486

E: MOFSL Estimates

Financials and Valuation

AUM Mix (%)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM	38,922	44,454	50,671	69,148	96,406	1,18,770	1,32,246	1,60,009	2,00,724
YoY Growth (%)	84	14	14	36	39	23	11	21	25
Disbursements	24,087	12,451	17,562	33,915	48,814	49,697	46,757	68,031	82,318
YoY Growth (%)	63	-48	41	93	44	2	-6	46	21

Ratios

Growth %	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM	84	14	14	36	39	23	11	21	25
Disbursements	63	-48	41	93	44	2	-6	46	21
Total Assets	85	33	9	37	34	23	9	19	24
NII	69	30	31	36	34	27	14	13	20
PPOP	76	28	27	27	42	30	11	9	19
PAT	67	37	26	33	39	28	2	7	21
EPS	57	37	10	33	38	27	2	7	21

(%) (%)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)									
Yield on loans	25.2	24.8	25.4	25.1	25.6	25.9	25.4	24.0	23.8
Cost of funds	13.1	11.3	10.0	7.8	8.9	9.4	9.1	8.1	8.4
Spread	12.1	13.5	15.4	17.3	16.8	16.5	16.2	15.9	15.4
Net Interest Margin	17.6	16.5	19.0	20.6	19.9	19.6	19.4	18.9	18.3

Profitability Ratios & Capital

Structure (%)									
Debt-Equity ratio	1.2	1.5	0.7	1.0	1.2	1.3	1.1	1.2	1.3
Capital adequacy - CRAR	52.9	58.9	75.2	67.2	50.5	50.1	45.0	42.3	38.6
Leverage	2.2	2.5	1.7	2.0	2.2	2.3	2.1	2.2	2.4
Int. Expended/Int.Earned	29.1	32.3	25.0	17.8	22.1	24.1	23.6	21.4	23.2
RoA	7.8	7.1	7.5	8.0	8.2	8.2	7.3	6.8	6.7
RoE	15.8	16.8	15.0	15.0	17.5	18.7	16.1	14.9	15.5

Cost/Productivity Ratios (%)

Cost/Income	30.1	29.3	32.0	34.7	32.2	30.9	33.1	35.5	35.5
Op. Exps./Avg Assets	5.1	4.2	5.0	5.8	5.4	5.2	5.5	5.8	5.7
Op. Exps./Avg AUM	5.7	5.1	6.4	7.3	6.7	6.3	6.6	6.9	6.7
Other Inc./Net Income	7.1	5.0	5.5	2.4	4.5	4.5	4.7	5.0	4.6
AUM/employee (INR m)	10.4	11.3	8.9	9.4	10.3	10.0	9.3	11.5	13.3
AUM/ branch (INR m)	154.5	169.7	168.9	185.4	185.4	158.8	156.7	173.2	199.9
Empl. Cost/Op. Exps. (%)	74.2	77.3	77.2	79.1	77.2	76.8	75.9	76.5	75.9

Asset Quality

Gross NPAs (INR m)	532	452	530	939	1,328	2,123	4,461	4,914	5,490
Gross NPA (%)	1.4	1.0	1.0	1.4	1.4	1.8	3.4	3.1	2.7
Net NPAs (INR m)	438	371	345	476	608	1,034	2,614	2,801	3,020
Net NPA (%)	1.1	0.8	0.7	0.7	0.6	0.9	2.0	1.8	1.5
PCR (%)	17.7	18.0	34.9	49.3	54.3	51.3	41.4	43.0	45.0
Credit costs (% of gross loans)	1.6	0.8	1.0	0.3	0.67	0.83	1.72	1.79	1.58

VALUATION

Book Value (INR)	77	91	127	149	178	214	250	288	334
Price-BV (x)	7.1	5.9	4.2	3.6	3.0	2.5	2.2	1.9	1.6
EPS (INR)	10	14	16	21	29	36	37	40	48
EPS Growth YoY	57	37	10	33	38	27	2	7	21
Price-Earnings (x)	52	38	35	26	19	15	15	13	11
DPS (INR)	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.5	2.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.5	0.5

E: MOFSL Estimates

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