

## On a strong footing

13 February 2025

Muthoot Finance (MUTH IN) is in a sweet spot with strong tailwinds underpinned by continued gold price traction, full adherence to regulatory norms and risk aversion to unsecured loans propelling gold loan demand. Q3 earnings were another testimony to the outperformance underscored by the highest consol AUM growth of 34% YoY, and superior productivity gains (customer count uptick 1.8% QoQ, and loan per branch uptick 8% QoQ) positioning MUTH favorably to ride on the upcycle for the next 12 months. The underlying price rally of 27.5% in the past 6 months compels us to revise rating to **Accumulate** with a higher TP of INR 2,551 on 2.5x FY27E PABV.

**Healthy PL on strong core, rising productivity and demand:** PAT at INR 13.6bn was in line with our estimates, up 9% QoQ and 32.7% YoY, on robust business and margin. NIM improved 6bp QoQ and 72bp YoY, led by lower cost of funds (COF) and stable yield. The cost-income ratio rose 36bp QoQ to 26% due to festival rewards and growth initiatives. Average gold loan per branch rose 8% QoQ and 32% YoY, with loan accounts up 3%. Muthoot Homefin faced PAT pressure from higher borrowing cost but remains resilient, led by cross-selling. NIM is set to witness a slight decline as yield remains stable. Fundamentals have played a key role in earnings growth for 9MFY25.

**Gold loan traction sustains; upward revision in guidance:** Q3 loan growth was robust, bolstered by the festival season and strategic transformation of Muthoot Money branches to facilitate gold loan disbursement. This was reflected in 34.3% YoY and 7.9% QoQ growth in gold loans alongside 34.5% YoY and 6.7% QoQ expansion in consolidated book fueled by robust customer acquisition of 1.5mn in Q3, aggressive branch expansion, a digital-first strategy, and customer-centric initiatives. Further strengthening the growth trajectory are tailwinds from rising asset appreciation, favorable macros, partnerships with *GPay & PhonePe* and regulatory alignment. While management remains prudent with 15% growth with room for upward revision. We expect AUM growth at 35% YoY for FY25E with an AUM CAGR of 25% during FY24-27E.

**Steady asset quality, ECL spikes; auction last resort:** Stage 3 stood at ~4.2%, down from 4.3% in Q2. Technical NPA are not a concern for concern, and auction of INR 600mn in Q3 are considered the last resort, as MUTH prioritizes customer relationships. Belstar MFI Stage 3 improved from ~3.5% in Q2 to ~2.9% as the MFI book runs down, although PAR 0 stands at 90.5%. With MFI forming a mere 8% of consolidated AUM, gold loans comprises 84% of overall mix, security receipts declining, and non-gold NPA peaking, asset quality remains under control. NPA is set to settle at 2.5% during FY25-27E.

**Revise to Accumulate with higher TP of INR 2,551:** Favorable market positioning underpinned by subsiding competition and conformation with regulatory norms coupled with underlying sustained asset price momentum continue to aid earnings. We pare down FY25 EPS by 1.7% to factor in higher provision but raise our EPS by an average of 4% for FY26E and FY27E on continued robust growth and superior returns. MUTH is likely to post a 25% loan CAGR during FY24-27E and despite factoring in higher ECL, expect a superior return profile at 5% ROA and 18% ROE during FY24-27E. A 27.5% price rally in the past 6 months compel us to revise to **Accumulate** from Buy with a higher TP of INR 2,551 from INR 2,266 on 2.5x as we rollover to FY27E core PABV.

### Key financials

YE March	FY23	FY24	FY25E	FY26E	FY27E
NII (INR mn)	66,695	77,928	98,107	121,445	142,658
YoY (%)	(6.3)	16.8	25.9	23.8	17.5
PPOP (INR mn)	47,270	56,466	74,543	93,097	107,892
YoY (%)	(13.0)	19.5	32.0	24.9	15.9
PAT (INR mn)	34,735	40,497	50,116	62,767	74,379
YoY (%)	(12.2)	16.6	23.8	25.2	18.5
EPS (INR)	86.5	100.9	124.8	156.3	185.3
Core ROE (%)	16.5	16.7	17.6	18.5	18.3
ROA (%)	4.9	5.1	5.1	5.1	5.1
P/E (x)	26.8	23.0	18.6	14.8	12.5
P/ABV (x)	4.8	4.1	3.4	2.8	2.3

Note: Pricing as on 13 February 2025; Source: Company, Elara Securities Estimate

Rating: **Accumulate**

Target Price: **INR 2,551**

Upside: **10%**

CMP: **INR 2,316**

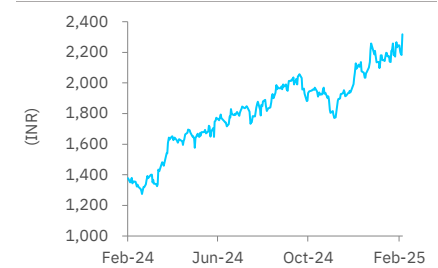
As on 13 February 2025

### Key data

Bloomberg	MUTH IN
Reuters Code	MUTT. NS
Shares outstanding (mn)	401
Market cap (INR bn/USD mn)	931/10710
Enterprise Value (INR bn/USD mn)	0/0
Avg daily volume 3M (INR mn/USD mn)	1053/12
52 week high/low	2335/1262
Free float (%)	27

Note: as on 13 February 2025; Source: Bloomberg

### Price chart



Source: Bloomberg

Shareholding (%)	Q4	Q1	Q2	Q3
	FY24	FY25	FY25	FY25
Promoter	73.4	73.4	73.4	73.4
% Pledged	-	-	-	-
FII	8.3	8.7	9.8	10.3
DII	14.9	14.5	13.3	12.9
Others	3.4	3.4	3.5	3.4

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(2.2)	(4.6)	5.9
Muthoot Finance	30.9	25.1	69.5
NSE Midcap	(5.4)	(10.5)	6.4
NSE Smallcap	(8.5)	(12.2)	2.1

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## Financials (YE March)

Income statement (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
NII	66,695	77,928	98,107	121,445	142,658
Other income	1,751	2,465	2,465	1,232	493
Gross Income	68,446	80,393	100,572	122,677	143,151
Operating expenses	21,177	23,927	26,029	29,581	35,259
<b>PPOP</b>	<b>47,270</b>	<b>56,466</b>	<b>74,543</b>	<b>93,097</b>	<b>107,892</b>
Provisions	605	1,978	7,113	8,644	7,816
<b>PBT</b>	<b>46,664</b>	<b>54,488</b>	<b>67,430</b>	<b>84,452</b>	<b>100,076</b>
Tax	11,929	13,991	17,315	21,685	25,697
<b>PAT</b>	<b>34,735</b>	<b>40,497</b>	<b>50,116</b>	<b>62,767</b>	<b>74,379</b>
Balance Sheet (INR bn)	FY23	FY24	FY25E	FY26E	FY27E
Capital	4,014	4,015	4,015	4,015	4,015
Reserves and Surplus	206,605	238,888	280,975	335,713	401,741
Net worth	210,619	242,903	284,990	339,727	405,756
Borrowings	497,343	587,831	758,072	946,697	1,088,845
Other liabilities	18,236	19,551	55,116	57,411	62,139
<b>Total Liabilities</b>	<b>726,198</b>	<b>850,284</b>	<b>1,098,177</b>	<b>1,343,835</b>	<b>1,556,740</b>
Fixed assets	3,392	4,384	5,775	6,708	8,163
Loans	642,649	770,014	993,018	1,240,102	1,426,306
Investments	13,169	22,683	32,891	47,692	69,153
Cash and bank balances	64,612	50,459	61,162	43,506	46,627
Other assets	2,377	2,744	5,332	5,828	6,491
<b>Total Assets</b>	<b>726,198</b>	<b>850,284</b>	<b>1,098,177</b>	<b>1,343,835</b>	<b>1,556,740</b>
Per Share data & Valuation Ratios	FY23	FY24	FY25E	FY26E	FY27E
EPS- (INR)	87	101	125	156	185
BVS (INR)	525	605	710	846	1,011
ABVS (INR)	484	566	686	816	1,011
P/E- (x)	26.8	23.0	18.6	14.8	12.5
P/ABV-(x)	4.8	4.1	3.4	2.8	2.3
Yield and Cost (%)					
Yield on advances	17.1	18.0	17.9	17.5	17.4
Interest Income/ Average assets	14.5	15.8	16.3	16.4	16.4
Interest Expense/ Avg. assets	5.2	5.9	6.2	6.4	6.5
Net Interest Margin (%)	11.0	11.0	11.1	10.9	10.7
Asset Quality (%)					
Gross NPA	3.8	3.3	2.5	2.5	2.5
Net NPA	2.6	2.0	0.9	0.9	0.9
% coverage of NPA	31.9	37.6	62.2	62.2	62.2
Credit cost (calc)	0.1	0.3	0.8	0.8	0.6
Capital Adequacy (x)					
Tier 1	31.0	29.6	20.9	20.0	20.5
CAR	31.8	30.4	21.7	20.7	21.3
Growth Rates (%)					
Loan growth	8.2	19.8	29.0	24.9	15.0
Earnings growth	(12.2)	16.6	23.8	25.2	18.5
Business Ratios					
RoAA (%)	4.9	5.1	5.1	5.1	5.1
Core RoE (%)	16.5	16.7	17.6	18.5	18.3
Leverage (x)	3.4	3.2	3.4	3.6	3.6

Note: Pricing as on 12 February 2025; Source: Company, Elara Securities Estimate

**Quarterly financials**

YE March (INR mn)	Q3FY25	Q2FY25	Q3FY24	YoY (%)	QoQ (%)	Q3FY25E	Var (%)
NII	27,214	25,180	19,057	42.8	8.1	27,798	(2.1)
Operating profit	20,593	19,150	13,942	47.7	7.5	20,805	(1.0)
PAT	13,631	12,511	10,273	32.7	9.0	13,710	(0.6)

Source: Company, Elara Securities Estimate

**Exhibit 1: Q3FY25 results**

P&L (INR mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Comments
Income from Operations	43,690	31,176	40.1	40,685	7.4	
Interest Expenses	16,476	12,119	35.9	15,505	6.3	
<b>Net Interest Income</b>	<b>27,214</b>	<b>19,057</b>	<b>42.8</b>	<b>25,180</b>	<b>8.1</b>	NII of INR 27.2bn was a slight miss on estimates of INR 27.8bn but still robust growing by 8.1% QoQ and 42.8% YoY
Other Income	622	581	7.1	577	7.8	
<b>Total Income</b>	<b>27,836</b>	<b>19,638</b>	<b>41.7</b>	<b>25,758</b>	<b>8.1</b>	
Total Operating Expenses	7,243	5,696	27.2	6,608	9.6	Opex for the quarter was INR 7,243mn, up 9.6% QoQ and 27.2% YoY
<b>Operating Profit (PPOP)</b>	<b>20,593</b>	<b>13,942</b>	<b>47.7</b>	<b>19,150</b>	<b>7.5</b>	PPoP for the quarter was INR 20.5bn, slightly below our estimates of INR 20.8bn, reflecting 7.5% QoQ and 47.7% YoY growth
Provisions & Write Offs	2,088	137	1,419.2	2,071	0.8	Provisions stood at INR 2,088mn, well below our estimates of INR 2,278mn, down 0.8% QoQ but up 1,419% YoY
<b>PBT</b>	<b>18,505</b>	<b>13,805</b>	<b>34.1</b>	<b>17,079</b>	<b>8.4</b>	
Tax	4,874	3,532	38.0	4,568	6.7	
<b>Reported Profit</b>	<b>13,631</b>	<b>10,273</b>	<b>32.7</b>	<b>12,511</b>	<b>9.0</b>	PAT of INR 13.6bn was in line with our estimates, up 9% QoQ and 32.7% YoY, driven by strong business momentum and margin
Balance Sheet (INR mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	
Borrowings	786,639	580,212	35.6	723,954	8.7	
AUM	974,872	711,820	37.0	901,965	8.1	
Asset Quality						
Gross NPAs	41,179	25,767	59.8	38,807	6.1	
Gross NPA (%)	4.22	3.62	60bps	4.30	(8)bps	Asset quality improved as GNPA came off by 8bp QoQ
ROE (%)	20.70	18.09	261bps	19.99	71bps	ROE up sequentially by 71bp this quarter
ROA (%)	5.81	5.86	(5)bps	5.74	7bps	ROA also up 7bp this quarter
<b>NIM - calc</b>	<b>11.60</b>	<b>10.88</b>	<b>72bps</b>	<b>11.54</b>	<b>6bps</b>	Calculated NIM was up by 6bp QoQ
Standalone AUM (INR mn)						
Gold Loan	929,636	692,214	34.3	861,636	7.9	Gold AUM growth remains strong, up 7.9% QoQ and 34.3% YoY, driven by festival demand, enhanced marketing efforts, and improved operational efficiency
Other Loans	45,236	19,606	130.7	40,329	12.2	
AUM mix (%)						
Gold Loan	95.36	97.25	(189)bps	95.53	(17)bps	
Other Loan	4.64	2.75	189bps	4.47	17bps	

Source: Company, Elara Securities Research

**Conference call: key takeaways**
**Business update**

- ▶ Gold loan demand picked up on the back of the festival season
- ▶ The HFC arm disbursed INR 8.8bn in 9MFY25, while MFI disbursements softened due to a focus on collections. This is seen as a transitory issue, with resolution expected in the next few quarters.
- ▶ Management expects growth in Q4 as well but it did not put a number to it. The firm had revised growth target from 15% to 24% and overachieved it but it is not revising the numbers further
- ▶ There was communication from the regulator regarding irregularities in gold finance, but it was just a routine hygiene check with no incremental changes introduced
- ▶ The partnership with *GPay* and *PhonePe* involves lead generation for gold and home loans, for which they will be paid a fee

- ▶ The MFI business of MUTH differs from the SHG MFI model, as customers visit branches to make repayments, giving them the experience of a bank
- ▶ Gold loan branch approvals should come through soon. This year, it added 800 branches of Muthoot Money and transformed it into a gold loan company with close to 1,000 branches currently
- ▶ The vehicular loan business was previously conducted through these branches, but it has been phased out, and gold loans have been increased through these branches
- ▶ This quarter, there were no approvals pending for new branches
- ▶ There will be sizeable new customer additions in Q4, and the momentum will continue
- ▶ There are no new regulatory developments in MFI
- ▶ MFI customers may overlap with gold loan customers, and they may also have MFI loans from other NBFC
- ▶ It targets 15% guidance for FY26 and will revisit this in the next quarter
- ▶ The ticket size distribution is as follows: up to INR 0.1mn accounts at 30%, INR 0.1–0.3mn constitutes 32%, and the remaining is above INR 0.3mn in gold loans

#### **Financial performance**

- ▶ Employee base has not grown, but employee expenses have increased QoQ and YoY due to festival season bonuses and usual business activity
- ▶ Leverage has increased from 2.24 last year, with better capital utilization expected
- ▶ There are no discussions regarding dividend payout
- ▶ Further loans can be availed when the underlying loan asset is repriced, but within Loan-to-Value (LTV) norms
- ▶ Interest of INR 18,510mn has accrued on the book
- ▶ 0.41-0.43mn customers are banked quarterly

#### **Margin analysis**

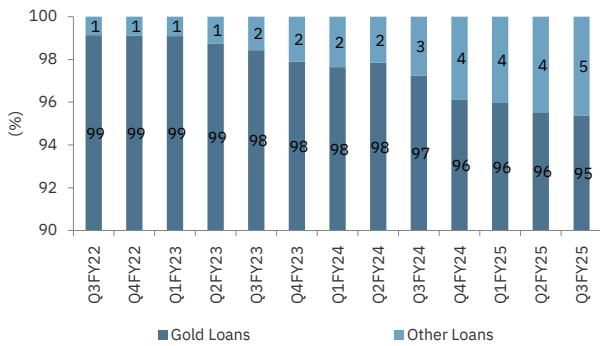
- ▶ Around 20% of bank loans are short term and reset upon maturity, while the remaining are long term. Long-term loans are reset annually
- ▶ Majority of loans are linked to Marginal Cost of Funds-Based Lending Rate (MCLR) with annual reset while loans linked to the repo rate are negligible
- ▶ External Commercial Borrowings account for 13% in addition to the usual borrowings
- ▶ Cost of borrowing is expected to be around 9% in FY25

#### **Asset quality snapshot**

- ▶ Stage 3 is at ~4.2%, down from 4.3% in the previous quarter
- ▶ Around INR 3,000mn of NPA is non-gold, which represents the peak in terms of percentage
- ▶ SR have declined significantly, and collections will be booked as income
- ▶ There is a tendency to avoid gold auctions, prioritizing a customer-friendly approach. Whenever MUTH is in the money, more time is given to customers with renegotiated terms
- ▶ Technical NPA on the books are not cause for concern, and auctions are considered last resort
- ▶ PAR 0 on MFI stands at INR 78,500mn, representing ~ 90.5% of the portfolio
- ▶ There are discussions regarding regulatory changes in Karnataka, but MUTH has minimal exposure in the State of around INR 9,000mn
- ▶ Gold auctions for the quarter amounted to INR 600mn, with 9MFY25 at INR 3,820mn

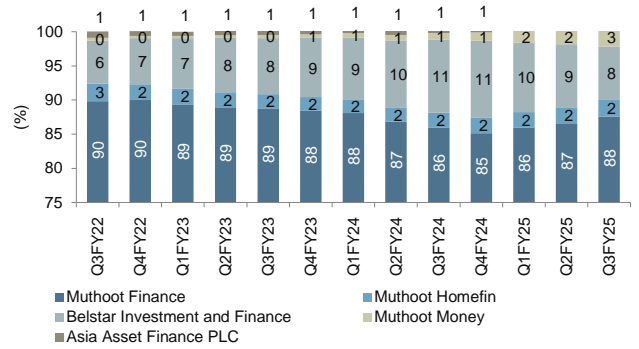
- ▶ NPA numbers will come off by March
- ▶ Around 1% of provisioning for standard assets, with NPA this is ~10% and credit cost will be function of book growth as well as management of NPA
- ▶ Non-gold NPA is ~INR 3,000mn only in total NPA

**Exhibit 2: GOLD loan AUM mix decreases 17bp QoQ to 95.4%**



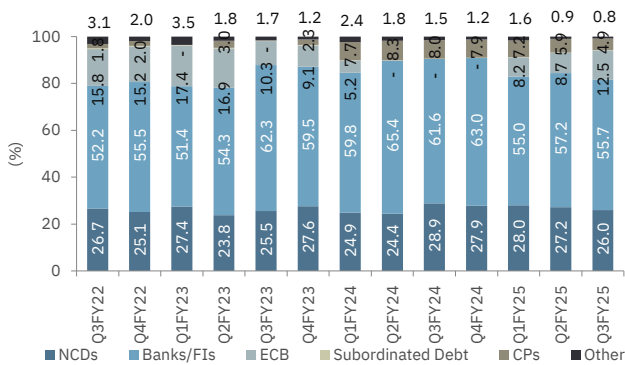
Source: Company, Elara Securities Research

**Exhibit 3: AUM reducing for Belstar as MFI book runs down**



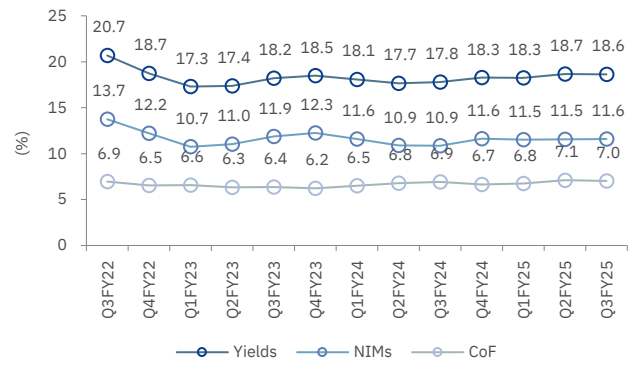
Source: Company, Elara Securities Research

**Exhibit 4: ECB replaces NCD and banks & FI in borrowing mix**



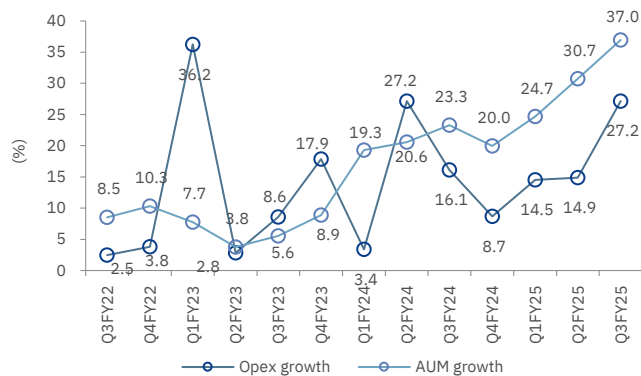
Source: Company, Elara Securities Research

**Exhibit 5: NIM remains steady and is likely to sustain**



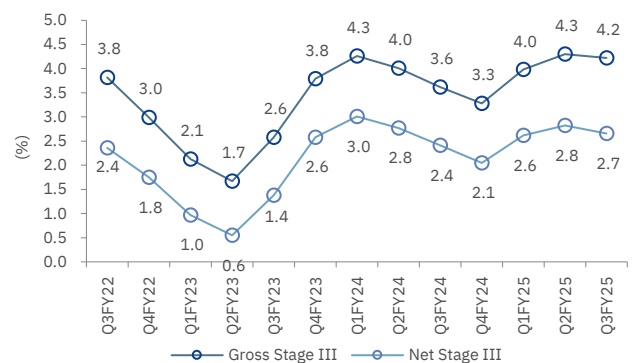
Source: Company, Elara Securities Research

**Exhibit 6: AUM growth at 37% despite rise in operating expense**



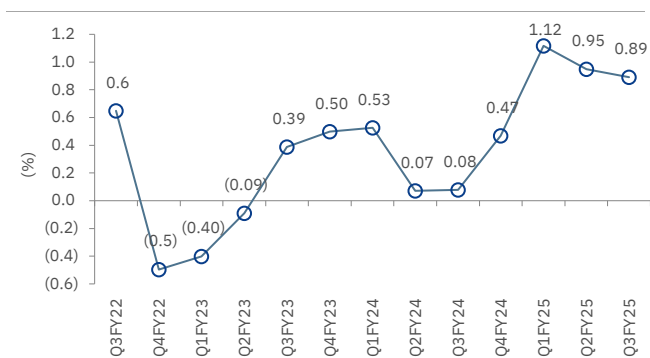
Source: Company, Elara Securities Research

**Exhibit 7: Asset quality improves by 8bp QoQ to 4.2%**



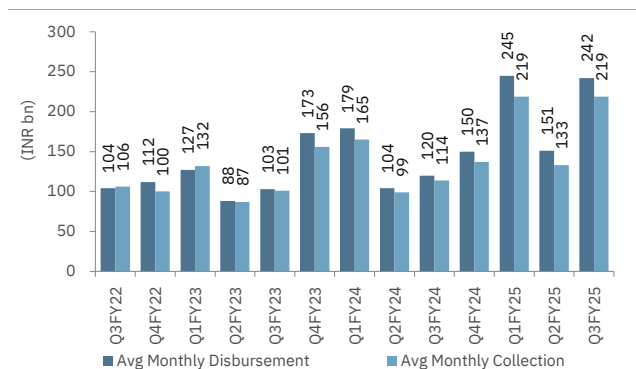
Source: Company, Elara Securities Research

**Exhibit 8: Credit cost declines 6bp QoQ to 0.89%**



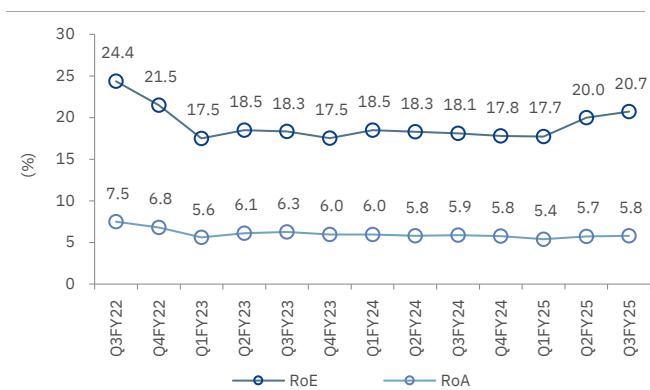
Source: Company, Elara Securities Research

**Exhibit 9: Average monthly disbursement and collections pick up pace after a quarter of slump**



Source: Company, Elara Securities Research

**Exhibit 10: Strong return metrics as ROA up by 7bp QoQ and ROE up by 71bp QoQ**



Source: Company, Elara Securities Research

**Exhibit 11: Stage 3 decreases by 8bp QoQ to 4.2%; Stage 3 stock up 6%**

(INR mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Stage 3 assets	20,908	17,372	12,078	9,558	14,896	23,986	28,789	27,639	25,767	24,845	33,532	38,807	41,179
<b>Stage 3 assets (%)</b>	<b>3.8</b>	<b>3.0</b>	<b>2.1</b>	<b>1.7</b>	<b>2.6</b>	<b>3.8</b>	<b>4.3</b>	<b>4.0</b>	<b>3.6</b>	<b>3.3</b>	<b>4.0</b>	<b>4.3</b>	<b>4.2</b>
ECL provision on gross loan assets	7,997	7,219	6,594	6,426	6,950	7,658	8,468	8,532	8,588	9,350	11,459	13,373	15,211
ECL provision as % of gross loan assets	1.5	1.2	1.2	1.1	1.2	1.2	1.3	1.2	1.2	1.2	1.4	1.5	1.6
Excess Provision outstanding in books	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954
Bad Debts Written Off	63	58	53	40	40	36	47	63	68	87	128	160	243
<b>As a % of gross loan assets</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>

Source: Company, Elara Securities Research

**Exhibit 12: Active customers up 1.8% QoQ**

(no)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
<b>Active customers</b>	<b>5,342,269</b>	<b>5,316,246</b>	<b>5,173,166</b>	<b>5,216,519</b>	<b>5,233,973</b>	<b>5,323,362</b>	<b>5,412,660</b>	<b>5,502,779</b>	<b>5,553,823</b>	<b>5,677,274</b>	<b>5,910,268</b>	<b>6,138,997</b>	<b>6,247,628</b>
QoQ (%)	(1.5)	(0.5)	(2.7)	0.8	0.3	1.7	1.7	1.7	0.9	2.2	4.1	3.9	1.8

Source: Company, Elara Securities Research

**Exhibit 13: Customer accretion down to 1.5mn for the quarter**

Particulars	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
<b>Customer count (mn)</b>	<b>1.6</b>	<b>1.6</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>	<b>1.5</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>
<b>Customer accretion (QoQ %)</b>	2.40	(1.00)	(7.64)	(2.45)	(5.06)	4.38	8.36	1.00	(5.91)	5.64	8.71	(2.16)	(8.42)
<b>Fresh Loan to Inactive customers</b>													
No. of customers	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>
<b>Customer accretion (QoQ %)</b>	(7.1)	(0.1)	(8.1)	2.4	(5.2)	5.2	2.6	3.9	(4.5)	7.2	5.7	(4.3)	(16.0)
% of customers	8.0	8.0	8.0	8.0	7.0	8.0	8.0	8.0	7.0	8.0	8.0	7.0	6.0
<b>Fresh Loan to New customers</b>													
No. of customers	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>
<b>Customer accretion (QoQ %)</b>	(2.4)	6.5	(15.7)	2.7	(4.4)	8.3	6.5	1.4	(7.1)	11.4	22.8	(5.2)	(3.9)
% of customers	7.0	7.0	6.0	6.0	6.0	6.0	7.0	7.0	6.0	7.0	8.0	7.0	7.0
<b>Fresh loan with new collateral to existing customers</b>													
No. of customers	0.8	0.8	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
<b>Customer accretion (QoQ %)</b>	10.8	(4.8)	(3.5)	(7.2)	(5.3)	2.0	12.8	(0.8)	(6.1)	1.9	3.2	1.1	(6.6)
% of customers	15.0	14.0	14.0	13.0	12.0	12.0	14.0	14.0	12.0	12.0	12.0	12.0	11.0
<b>Customer mix (%)</b>	<b>Q3FY22</b>	<b>Q4FY22</b>	<b>Q1FY23</b>	<b>Q2FY23</b>	<b>Q3FY23</b>	<b>Q4FY23</b>	<b>Q1FY24</b>	<b>Q2FY24</b>	<b>Q3FY24</b>	<b>Q4FY24</b>	<b>Q1FY25</b>	<b>Q2FY25</b>	<b>Q3FY25</b>
Fresh Loan to Inactive customers	27.1	27.3	27.2	28.6	28.5	28.8	27.2	28.0	28.4	28.9	28.1	27.4	25.2
Fresh Loan to New customers	22.2	23.8	21.8	22.9	23.1	23.9	23.5	23.6	23.3	24.6	27.7	26.9	28.2
Fresh loan with new collateral to existing customers	50.7	48.8	51.0	48.5	48.4	47.3	49.2	48.4	48.3	46.6	44.2	45.7	46.6

Source: Company, Elara Securities Research

**Exhibit 14: SOTP valuation**

Metrics	% share in overall business	Multiple FY27E (x)	Per share (INR)
Muthoot Finance		<b>86</b>	<b>2.5</b>
Home Finance		<b>2</b>	<b>0.5</b>
Belstar Micro		<b>8</b>	<b>1.3</b>
Muthoot Money		<b>0</b>	<b>0.1</b>
Asia Asset (Sri Lanka)		<b>1</b>	<b>0.1</b>
<b>Total value of ventures</b>			<b>42</b>
Less: 20% holding discount			8.88
Value of Key ventures			<b>34</b>
<b>Target price (INR)</b>			<b>2,551</b>
CMP (INR)			2,316
<b>Upside (%)</b>			<b>10.1</b>

Note: pricing as on 13 February 2025; Source: Elara Securities Estimate

**Exhibit 15: Standalone valuation**

<b>Fair price - EVA (INR)</b>	<b>1009</b>
Fair price - P/ABV (INR)	4022
<b>Average of the two (INR)</b>	<b>2515</b>
Target P/ABV (x)	2.5
Target P/E (x)	13.6
Upside (%)	9%
Dividend yield (%)	1%
Total return (%)	9%
CMP (INR)	2316.0

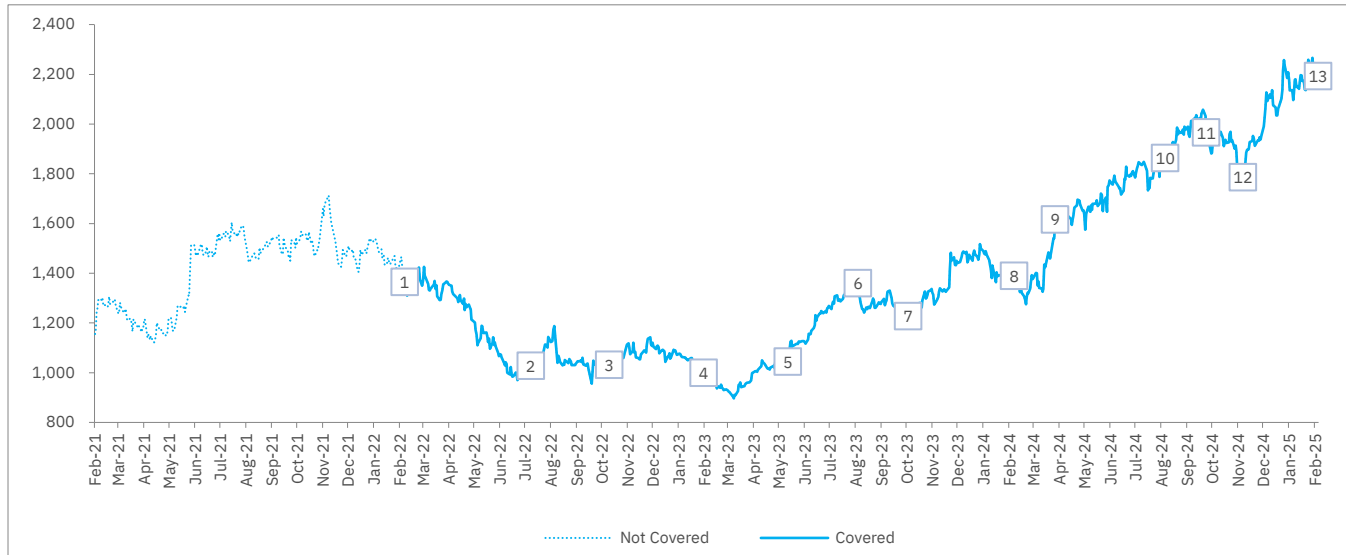
Note: pricing as on 13 February 2025; Source: Elara Securities Estimate

**Exhibit 16: Change in estimates**

(INR mn)	Earlier			Revised			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net Interest Income	93,341	111,843	127,690	98,107	121,445	142,658	5.1	8.6	11.7
Operating Profit	69,507	84,256	95,789	74,543	93,097	107,892	7.2	10.5	12.6
Net Profit	51,022	61,872	70,358	50,116	62,767	74,379	(1.8)	1.4	5.7
EPS (INR)	127.0	154.0	175.0	124.8	156.3	185.3	(1.7)	1.5	5.9
<b>TP (INR)</b>			<b>2,266</b>			<b>2,551</b>			<b>12.6</b>
<b>Rating</b>			<b>Buy</b>			<b>Accumulate</b>			

Source: Elara Securities Estimate

## Coverage History



	Date	Rating	Target Price	Closing Price
4	7-Feb-2023	Accumulate	INR 1,156	INR 1,011
5	19-May-2023	Accumulate	INR 1,200	INR 1,035
6	11-Aug-2023	Accumulate	INR 1,404	INR 1,350
7	10-Oct-2023	Buy	INR 1,520	INR 1,218
8	14-Feb-2024	Accumulate	INR 1,520	INR 1,379
9	3-Apr-2024	Buy	INR 1,948	INR 1,630
10	13-Aug-2024	Buy	INR 2,214	INR 1,853
11	1-Oct-2024	Accumulate	INR 2,214	INR 1,956
12	14-Nov-2024	Buy	INR 2,266	INR 1,776
13	13-Feb-2025	Accumulate	INR 2,551	INR 2,316

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<b>BUY</b>	Absolute Return >+20%
<b>ACCUMULATE</b>	Absolute Return +5% to +20%
<b>REDUCE</b>	Absolute Return -5% to +5%
<b>SELL</b>	Absolute Return < -5%



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