1 November 2026
2QFY27 Results Update | Sector: Financials

Muthoot Finance

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	MUTH IN
Equity Shares (m)	401
M.Cap.(INRb)/(USDb)	967.3 / 10.2
52-Week Range (INR)	4150 / 2332
1, 6, 12 Rel. Per (%)	-14/-26/-14
12M Avg Val (INR M)	2880

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	171.3	205.9	235.8
PPP	141.2	168.6	191.6
PAT	101.3	120.3	138.3
EPS (INR)	252.4	299.6	344.5
EPS Gr. (%)	94.9	18.7	15.0
BV/Sh.(INR)	940	1,197	1,493
Ratios			
NIM (%)	12.6	11.1	10.4
C/I ratio (%)	20.1	19.9	20.4
RoA (%)	6.7	5.9	5.6
RoE (%)	30.6	28.0	25.6
Payout (%)	11.9	14.1	14.2
Valuations			
P/E (x)	9.5	8.0	7.0
P/BV (x)	2.6	2.0	1.6
Div. Yld. (%)	1.2	1.8	2.0

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	73.4	73.4	73.4
DII	12.6	10.8	11.4
FII	9.7	11.6	11.6
Others	4.4	4.3	3.7

FII includes depository receipts

CMP: INR2,410 TP: INR2,550 (+6%) Neutral

Strong gold loan growth tempered with sharp increase in Stage 2

Earnings beat driven by NIM expansion; expects yields to sustain at ~18.5%

- Muthoot Finance's (MUTH) 2QFY27 PAT grew 27% YoY and ~17% QoQ to ~INR29.8b (~17% beat). Net total income grew 37% YoY to ~INR88.3b (~12% beat). Opex grew ~10% YoY to INR9.7b (~5% lower than MOFSLe).
- PPOP grew 38% YoY to ~INR45.1b (~27% beat). Provisions stood at ~INR5.1b (vs. MOFSLe of ~INR1.2b) and translated into annualized credit costs of ~114bp in 2QFY27 [PY: ~36bp and PQ: ~12bp].
- MUTH upgraded its FY27 gold AUM growth guidance to 25% (from 15% earlier). The company shared that it remains confident of sustaining its market leadership despite rising competition, citing its established customer franchise, collateral-management expertise, security systems, fraud prevention, and recovery capabilities. We model gold loan growth of ~28% in FY27.
- Management shared that the increase in Stage 2 and 3 was primarily due to customers adjusting to the monthly/periodic interest-servicing structure introduced following the revised RBI regulations effective 1st Apr'26. Historically, most customers were accustomed to bullet repayments, and the transition to monthly interest/EMI servicing has resulted in missed payments and consequent slippages. The company does not necessarily view this as indicative of underlying borrower stress.
- We raise our FY27/FY28 EPS estimates by ~15%/~8% to factor in the sharp NIM expansion and strong gold loan growth in 2QFY27. We model a standalone AUM/PAT CAGR of ~23%/17% over FY26-28E and estimate RoA/RoE of 5.6%/26% by FY28.
- MUTH trades at 1.6x FY28E P/BV and 7x P/E. While the growth remained strong and NIM expanded during the quarter, we believe there are risks of a structural compression in yields and NIM for NBFC gold financiers if they pivot toward monthly interest repayment or EMI products. RBI's new regulations on gold lending effective from Apr'26 has brought in a trade-off between growth and yields. In addition, the high competitive intensity and aggressive foray of multiple deep-pocketed AAA (or AA+ rated) NBFC franchises into gold loans could result in market share losses for incumbents. **Reiterate our Neutral rating with a revised TP of INR2,550 (based on 1.5x Sep'28E P/BV).**

NIMs expand ~150bp QoQ, driven by an increase in yields

- NIM (calc.) expanded ~150bp QoQ to ~12.2% (PQ: 10.6%). Spreads also expanded ~165bp QoQ to 11.0%. Yields rose ~150bp QoQ to 19.6%, while CoB declined ~15bp QoQ to 8.6%.
- Management shared that sequential improvement in yields was driven by the migration of loans originated under lower-rate schemes in 1Q to higher-yielding schemes in 2Q. The company expects yields to normalize at ~18.5%, as quarterly yields are influenced by portfolio churn, short loan tenures, renewals, and business mix. We model NIMs of 11.1%/10.4% in FY27/FY28E (vs. 12.6% in FY26).

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Strong gold loan growth with increase in tonnage and no. of customers

- Standalone gold loan AUM grew ~10% QoQ and ~43% YoY to ~INR1.79t, while the consolidated AUM rose ~42% YoY/9% QoQ to ~INR2.09t.
- Gold loan LTV rose ~80bp QoQ to ~64.8%. Average ticket size (ATS) in gold loans rose to INR156k (PQ: INR150k). Gold tonnage rose ~3.6% QoQ to 204 tons. No. of gold loan accounts grew ~8% YoY and ~5% QoQ to 11.5m (PQ: 10.9m). Gold loan disbursements to new customers grew 54% YoY to INR200.2b in 1HFY27.
- MUTH opened 250 new branches across the group and total group branches stood at 7,904 as of Sep'26.

Asset quality deteriorates driven by slippage; sharp increase in Stage 2

- GS3% rose ~160bp QoQ to ~3.9%. **GS2% rose sharply ~11pp QoQ to 12.5%. 30+dpd rose ~13pp QoQ to ~16.4%.**
- Out of the ~INR70.2b Stage 3/GNPA, ~INR38b represented loans individually classified as Stage 3, while the remaining INR32.3b comprised Stage 1/2 loans but classified as Stage 3 because they belonged to borrowers with at least one Stage 3 account. We estimate credit costs of 35bp/25bp in FY27/FY28.

Belstar prioritizes calibrated growth; GS3 rises ~40bp QoQ

- MFI subsidiary (Belstar) AUM grew 2% YoY and was flat QoQ at ~INR78.8b.
- GS3 in Belstar rose ~40bp QoQ to ~3.25% (PQ: 2.85%). Belstar has 1,362 branches as of Sep'26.

Highlights from the management commentary

- The Board approved the merger of MUTH's wholly-owned subsidiary Muthoot Money into Muthoot Finance, with a proposed appointed date of 1 Apr'27, subject to regulatory approvals. The merger is expected to simplify the group structure, eliminate operational overlap, and unlock operational and funding efficiencies.
- LTV of gold loans in Stage 2 and Stage 3 LTV stood at ~53% and 72%, respectively, against an overall portfolio LTV of ~65%. LGD stood at ~8.8%, which provides a degree of protection against eventual losses.

Valuation and view

- MUTH reported a mixed quarter, with strong gold loan growth, supported by an increase in gold tonnage, number of loan accounts, and customer additions. NIM expanded sharply driven by higher yields as loans originated under lower-yielding schemes in the previous quarter migrated to higher-yielding schemes. However, asset quality weakened significantly, with a sharp increase in Stage 2 assets following the introduction of monthly interest-servicing loan products.
- We believe near-term asset-quality trends remain uncertain as customers adapt to the revised repayment structure, necessitating higher collection efforts. Further, the recent correction in gold prices and intensifying competition could moderate gold-loan growth momentum.
- MUTH currently trades at 1.6x FY28E P/BV and 7x FY28E P/E. **We estimate a PAT CAGR of ~17% over FY26-28E. Reiterate our Neutral rating with a TP of INR2,550 (based on ~1.5x Sep'28 P/B).**

Quarterly Performance (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	55,923	63,044	71,138	80,560	75,060	87,297	90,265	92,046	2,70,665	3,44,667	78,062	12
Other operating income	1,110	1,279	1,290	1,239	829	1,047	967	1,091	4,918	3,934	959	9
Total Operating income	**57,033**	**64,322**	**72,428**	**81,799**	**75,889**	**88,343**	**91,232**	**93,137**	**2,75,582**	**3,48,601**	**79,021**	**12**
YoY Growth (%)	54.0	56.2	63.7	68.5	33.1	37.3	26.0	13.9	61.2	26.5	22.9	
Other income	167	286	105	140	142	76	68	314	416	600	149	-49
Total Income	**57,200**	**64,608**	**72,533**	**81,939**	**76,030**	**88,419**	**91,300**	**93,451**	**2,75,999**	**3,49,201**	**79,170**	**12**
YoY Growth (%)	54.2	56.6	63.7	68.1	32.9	36.9	25.9	14.0	61.1	26.5	22.5	
Interest Expenses	21,191	23,126	26,467	28,626	31,459	33,646	36,069	37,626	99,410	1,38,800	33,362	1
Net Income	**36,009**	**41,482**	**46,066**	**53,314**	**44,572**	**54,773**	**55,231**	**55,825**	**1,76,589**	**2,10,401**	**45,808**	**20**
Operating Expenses	8,121	8,827	9,237	9,250	9,832	9,698	10,474	11,817	35,435	41,821	10,225	-5
Operating Profit	**27,887**	**32,655**	**36,829**	**44,064**	**34,740**	**45,074**	**44,757**	**44,008**	**1,41,153**	**1,68,580**	**35,584**	**27**
YoY Growth (%)	62.6	70.5	78.8	106.5	24.6	38.0	21.5	-0.1	80.1	19.4	9.0	
Provisions	433	1,141	1,012	2,395	510	5,149	2,000	-967	4,698	6,693	1,200	329
Profit before Tax	**27,455**	**31,514**	**35,817**	**41,669**	**34,230**	**39,925**	**42,757**	**44,975**	**1,36,455**	**1,61,887**	**34,384**	**16**
Tax Provisions	6,992	8,063	9,252	10,807	8,725	10,159	10,989	11,732	35,114	41,605	8,837	15
Net Profit	**20,463**	**23,452**	**26,564**	**30,862**	**25,505**	**29,766**	**31,769**	**33,242**	**1,01,341**	**1,20,282**	**25,547**	**17**
YoY Growth (%)	89.7	87.4	94.9	104.7	24.6	26.9	19.6	7.7	94.9	18.7	8.9	
Key Operating Parameters (%)												
Yield on loans (Cal)	20.0	20.4	20.7	21.1	18.1	19.6	19.0	18.4				
Cost of funds (Cal)	8.8	8.6	8.8	8.6	8.7	8.6	8.7	8.8				
Spreads (Cal)	11.2	11.8	11.9	12.5	9.4	11.0	10.3	9.6				
NIMs (Cal)	12.6	13.2	13.2	13.7	10.6	12.2	11.5	11.0				
Credit Cost	0.15	0.36	0.3	0.62	0.12	1.14	0.4	(0.2)				
Cost to Income Ratio	22.6	21.3	20.1	17.4	22.1	17.7	19.0	21.2				
Tax Rate	25.5	25.6	25.8	25.9	25.7	25.7	25.7	26.1				
Balance Sheet Parameters												
AUM (INR b)	1,200	1,323	1,476	1,628	1,721	1,878	1,963	2,081				
Change YoY (%)	42.3	46.7	51.4	49.9	43.3	42.0	33.0	27.8				
Gold loans (INR b)	**1,132**	**1,249**	**1,397**	**1,541**	**1,633**	**1,790**	**1,874**	**1,988**				
Change YoY (%)	39.88	45.0	50.23	49.66	44.26	43.3	34.16	28.99				
Gold Stock Holding (In tonnes)	209	209	205	196	197	204						
Avg gold loans per branch (INR m)	232	252	281	310	325	342						
Borrowings (INR b)	1,033	1,120	1,274	1,385	1,492	1,639	1,677	1,742				
Change YoY (%)	56.7	54.7	61.9	54.1	44.4	46.3	31.7	25.7				
Borrowings Mix (%)												
Listed secured NCDs	30.3	28.7	29.5	26.0	34.2	33.8						
Term loans	50.5	49.7	48.9	48.9	43.3	45.9						
Commercial Paper	6.3	5.0	5.4	5.3	4.1	3.4						
Others	1.3	0.8	1.0	0.9	0.9	0.5						
Debt/Equity (x)	3.2	3.3	3.4	3.5	3.6	3.7						
Asset Quality Parameters (%)												
GS 3 (INR m)	30,945	29,774	23,248	38,239	39,265	72,679						
Gross Stage 3 (% on Assets)	2.6	2.3	1.6	2.4	2.3	3.9						
Total Provisions (INR m)	18,601	18,940	19,224	20,936	20,603	24,730						
Return Ratios (%)												
RoAUM (Rep)	7.2	7.4	7.6	8.0	6.1	6.6						
RoE (Rep)	27.7	30.0	32.0	34.2	26.1	28.9						

E: MOFSL estimates



Highlights from the management commentary

Guidance

- Management upgraded FY27 gold loan AUM growth guidance to 25% (from 15% earlier).
- NIM guidance was maintained at 10.5-11%, with portfolio yields expected to normalize at around 18.5% (v/s 19.5-19.6% reported in 2QFY27).
- Cost of borrowings is expected to increase gradually due to higher market borrowing rates and MCLR revisions. Management may consider lending rate hikes to protect margins, supported by the short tenure and relatively quick repricing of gold loans.
- The company plans to add ~500–600 exclusive branches in FY27, against 262 branches opened in 1HFY27.
- Management expects customers to gradually adapt to the monthly interest-servicing mechanism and believes the elevated Stage 2/3 pool can be managed through customer engagement and collections.

Growth and business momentum

- Consolidated AUM rose 42% YoY and 9% QoQ to INR2.09t, while standalone AUM grew 42% YoY and 9% QoQ to INR1.87t.
- Consolidated gold-loan AUM increased 46% YoY to INR1.93t.
- Customer acquisition remained healthy, with 1H disbursements to new gold-loan customers at INR202b across ~0.99m customers. Active customers increased to 6.9m from 6.4m at Mar'26, while outstanding loan accounts reached 11.5m, up 8% YoY.
- Average loan ticket size increased 33% YoY to INR155k, while gold-loan AUM per branch rose 36% YoY to INR342m. Gold held as collateral increased to 204 tons (as of Sep'26) from 196 tons (in Mar'26), although it remained 2% lower YoY.
- The group added 336 branches during 1HFY27, including 262 at Muthoot Finance and 13 at Muthoot Money. Standalone branch additions included 201 in 2Q, taking its network to 5,230, while the consolidated network reached 7,904.
- Management remains confident of sustaining its market leadership despite rising competition, citing its established customer franchise, collateral-management expertise, security systems, fraud prevention and recovery capabilities. The company indicated that it has not witnessed any major robbery incident across its branch network in the past six years, supported by its seven-tier security system.

Margins and funding costs

- Reported interest income yield on average loan assets improved to 19.4% in 2Q from 17.9% in 1Q, while NIM expanded to 11.9% from 10.4%. However, both remained below year-earlier levels of ~20% and 12.7%, respectively.
- Sequential yield improvement was driven by the migration of loans originated under lower-rate schemes in 1Q to higher-yielding schemes in 2Q. Management expects yields to normalize at ~18.5%, as quarterly yields are influenced by portfolio churn, short loan tenures, renewals, and business mix.

- CoB stood at 8.6% as of Sep'26. Most bank borrowings are MCLR-linked, predominantly to the 12-month MCLR, with some linked to the six-month MCLR and negligible repo-linked exposure. Management expects borrowing costs to rise as existing facilities reset and fresh NCDs are issued at higher rates.
- Accrued interest stood at ~INR46b in Sep'26 (and rose from ~INR24.4b in Jun'26 and ~INR9.6b in Mar'26).

Asset quality and credit costs

- Stage 2 balances increased sharply to INR234.7b from INR18.8b in 1Q, while Stage 3 balances rose 85% QoQ to INR72.7b. GS3 and NS3 increased ~160bp and ~142bp QoQ to 3.87% and 3.4%, respectively.
- Management attributed the increase in overdue accounts primarily to customers adjusting to the monthly/periodic interest-servicing structure introduced following the revised RBI regulations effective 1st Apr'26. Historically, most customers were accustomed to bullet repayments, and the transition to regular servicing has resulted in missed interest payments. Management does not necessarily view this as indicative of underlying borrower stress.
- Of the INR70.2b Stage 3/GNPA, ~INR38b represented loans individually classified as Stage 3, while the remaining INR32.3b comprised Stage 1/2 loans but classified as Stage 3 because they belonged to borrowers with at least one Stage 3 account. Borrower-wise classification in Stage 3 also contributed to the higher Stage 3.
- LTV of gold loans in Stage 2 and Stage 3 LTV stood at ~53% and 72%, respectively, against an overall portfolio LTV of ~65%. LGD was approximately 8.8%, providing a degree of protection against eventual losses.
- ECL provisions increased to INR21.8b from INR17.6b in 1Q, with provision coverage of total loan assets rising to 1.16% from 1.03%. Management attributed the increase in provisions primarily to loan-book expansion of ~INR157b, resulting in around INR8b of incremental normal ECL, and a rise of ~INR35b in Stage 3/NPA loans, adding ~INR2.4b of provisions, rather than the increase in Stage 2 assets.
- 1H bad-debt write-offs stood at INR1.9b, equivalent to ~0.10% of loan assets, compared with INR1.0b in the year-ago period. Excess provisions remained at ~INR3b.

Collections and collateral management

- Management continues to prioritize regularization of overdue accounts through customer engagement and education rather than immediate auctions. Its network of over 5k branches and ~32k employees is being leveraged to familiarize customers with the revised repayment requirements.
- The company generally provides customers additional time to repay, provided collateral coverage remains adequate, with auctions treated as a last resort. Auctions stood at INR590m in 2Q.
- Management indicated that ~98% of gold loan customers historically repay their dues. It emphasized that NPA classification does not necessarily translate into eventual credit losses, given the underlying gold collateral and recovery mechanisms.

- Gold prices declined ~25%, creating some repayment pressure among borrowers. Management is focused on supporting customers through the transition rather than taking an aggressive approach to auctions.
- Gold loan sanctioning is not dependent on CIBIL scores or checks on borrowers' available credit lines with other lenders. Underwriting is primarily supported by collateral valuation, LTV discipline and established operating processes.

Subsidiaries

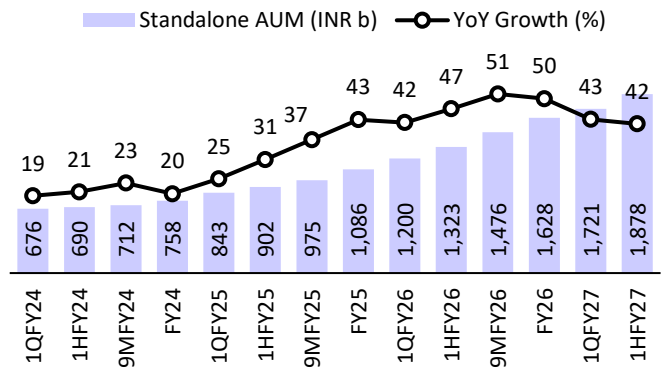
- Muthoot Money's AUM increased 99% YoY to INR127.2b, while 1H PAT rose 242% YoY to INR3.6b. Its network reached 1,011 branches, although Stage 3 increased to 1.14% from 0.67% in 1Q, and CAR moderated to 21% from 23%.
- Belstar Microfinance returned to profitability, reporting 1HFY27 PAT of INR1.4b against a loss of INR1.6b in the year-ago period. AUM grew 2% YoY to INR78.8b, with industry stress continuing to constrain disbursement growth. Collection efficiency improved to 99.61%, while GNPA stood at 3.26% and NNPA at 0.07%.
- Muthoot Homefin's AUM grew 7% YoY to INR34.6b, while 1H PAT increased 9% YoY to INR110m. Stage 3 stood at 2.50%.

Technology

- Digital adoption continued to improve, with the iMuthoot app accounting for 55% of gold loan interest repayments and 8% of gold loan top-ups in 2Q. Muthoot Online and iMuthoot together processed 5.5m transactions during the quarter.
- The app had 28m downloads and 6.7m registered users. All unsecured cross-sell originations were digitally sourced, while UPI AutoPay and eMandates support EMI collections.
- Agentic voice bots facilitated total disbursements of INR50b, including INR14.8b of fresh disbursements through agentic channels. AI-enabled virtual assistants, speech analytics and other automation initiatives are also being deployed across customer servicing and operations.
- Effective 1st Oct'26, Alexander George Muthoot assumed the Managing Director role, George Alexander Muthoot became Executive Vice-Chairman, K.R. Bijimon was elevated to CEO, and Eapen Alexander joined the Board as Whole-Time Director.
- The Board approved the merger of wholly-owned subsidiary Muthoot Money into Muthoot Finance, with a proposed appointed date of 1st April 2027, subject to regulatory approvals. The merger is expected to simplify the group structure, eliminate operational overlap, and unlock operational and funding efficiencies. Muthoot Money currently focuses exclusively on gold lending.

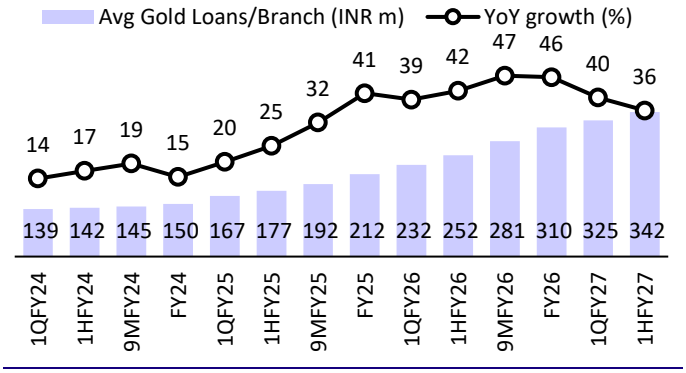
Key exhibits

Exhibit 1: Standalone AUM grew 42% YoY



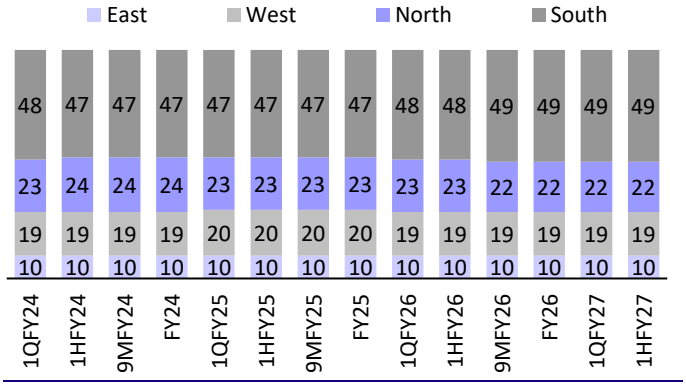
Source: MOFSL, Company

Exhibit 2: Trends in productivity



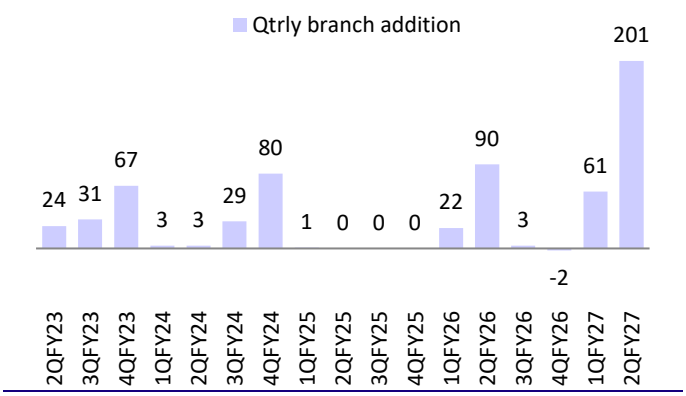
Source: MOFSL, Company

Exhibit 3: Regional mix of gold loans stable



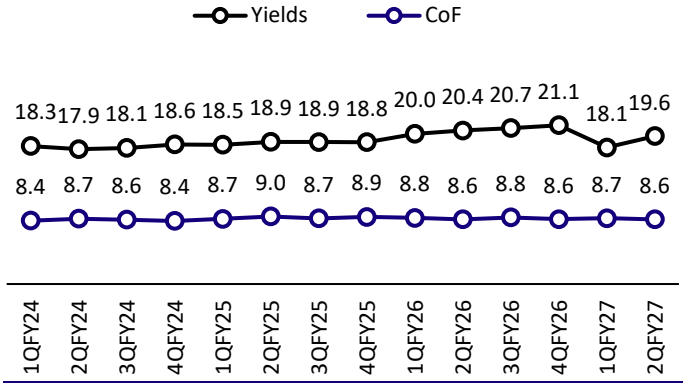
Source: MOFSL, Company, Gold loan portfolio mix

Exhibit 4: 201 new gold loan branches opened in 2QFY27



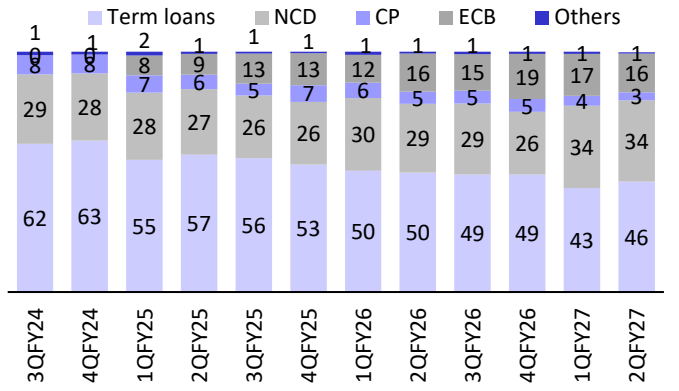
Source: MOFSL, Company

Exhibit 5: Spreads (calc.) rose ~165bp QoQ (%)



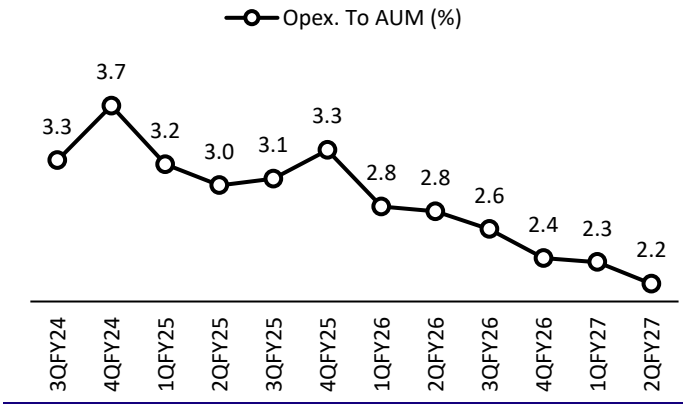
Source: MOFSL, Company

Exhibit 6: Term loans share rose in the borrowing mix (%)



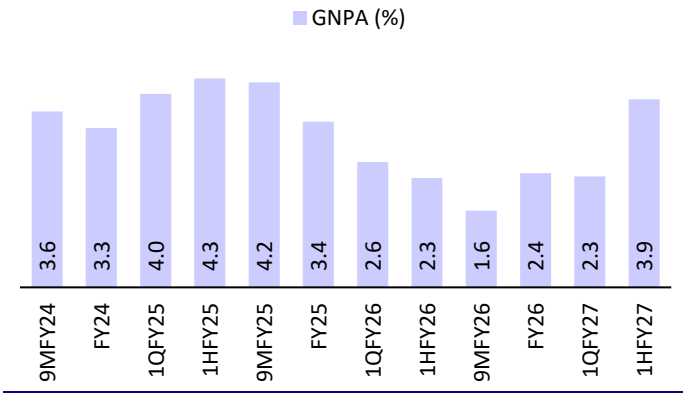
Source: MOFSL, Company

Exhibit 7: Opex/AUM declined QoQ



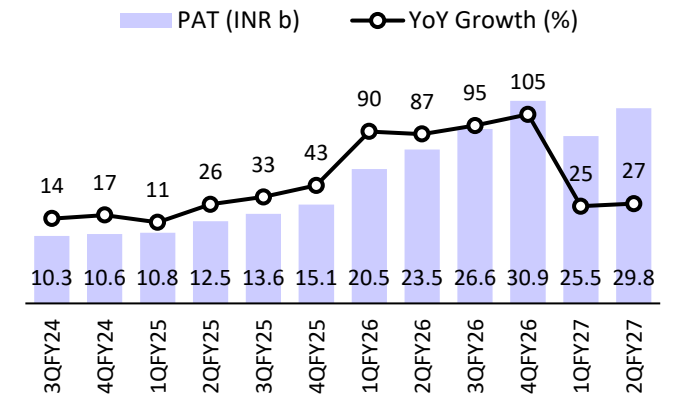
Source: MOFSL, Company

Exhibit 8: GNPA rose ~160QoQ (%)



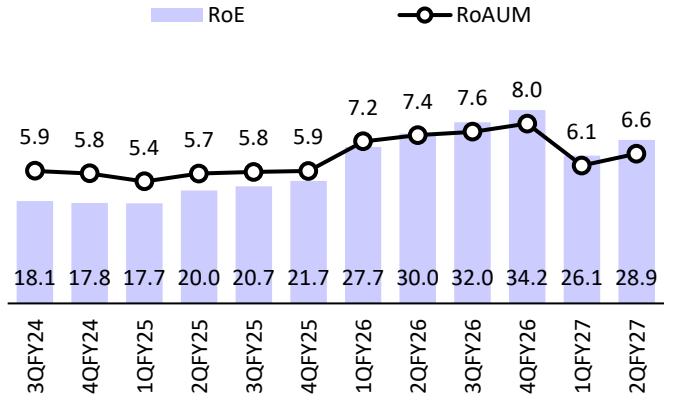
Source: MOFSL, Company

Exhibit 9: PAT in 2QFY27 grew ~27% YoY



Source: MOFSL, Company

Exhibit 10: RoA/RoE at ~6.6%/29% in 2QFY27



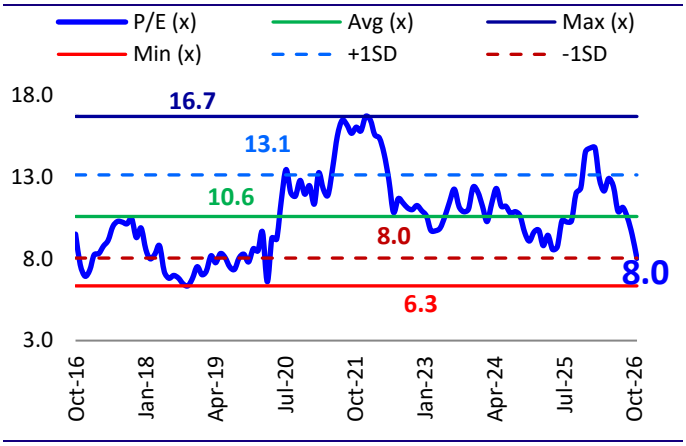
Source: MOFSL, Company

Exhibit 11: Raise our FY27E/FY28E EPS estimates by ~15%/~8% to factor in the sharp NIM expansion and stronger gold loan growth

INR B	Old Est		New Est		% Change	
	FY27	FY28	FY27	FY28	FY27	FY28
NII	183.2	223.3	205.9	235.8	12.3	5.6
Other Income	4.5	4.8	4.5	4.8	0.0	0.0
Net Income	**187.8**	**228.1**	**210.4**	**240.6**	**12.0**	**5.5**
Operating Expenses	42.2	50.1	41.8	49.0	-0.8	-2.1
Operating Profits	**145.6**	**178.0**	**168.6**	**191.6**	**15.8**	**7.6**
Provisions	4.9	5.3	6.7	5.5	36.3	3.8
PBT	**140.7**	**172.7**	**161.9**	**186.2**	**15.1**	**7.8**
Tax	36.2	44.4	41.6	47.8	15.1	7.8
PAT	**104.5**	**128.3**	**120.3**	**138.3**	**15.1**	**7.8**
Loans	2,004	2,365	2,060	2,431	2.8	2.8
Borrowings	1,684	1,954	1,742	2,018		
Spread (%)	8.8	8.7	9.9	9.0		
RoA (%)	**5.2**	**5.4**	**5.9**	**5.6**		
RoE (%)	**24.8**	**24.6**	**28.0**	**25.6**		

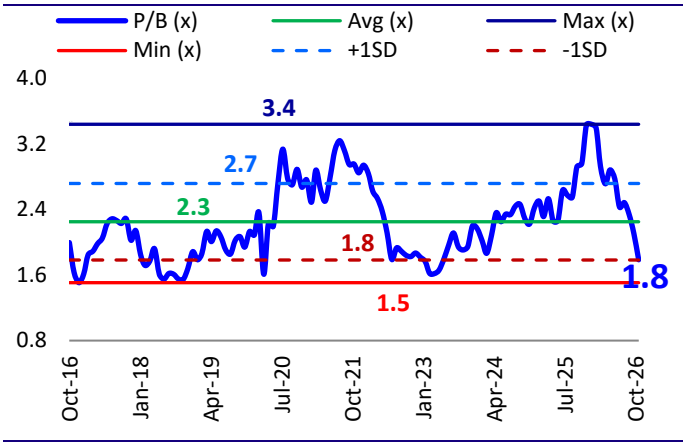
Source: MOFSL, Company

Exhibit 12: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 13: One-year forward P/B ratio



Source: MOFSL, Company

Financials and valuations

INCOME STATEMENT

Y/E MARCH	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	1,03,285	1,09,560	1,03,686	1,24,476	1,68,770	2,70,665	3,44,667	4,08,748	4,67,394
Interest Expense	36,924	38,358	36,991	46,548	64,288	99,410	1,38,800	1,72,931	2,02,599
Net Interest Income	**66,361**	**71,203**	**66,695**	**77,928**	**1,04,482**	**1,71,255**	**2,05,867**	**2,35,816**	**2,64,795**
Change (%)	14.9	7.3	-6.3	16.8	34.1	63.9	20.2	14.5	12.3
Other income	2,458	1,424	1,751	2,465	2,581	5,334	4,534	4,831	5,037
Net Income	**68,819**	**72,626**	**68,446**	**80,393**	**1,07,063**	**1,76,589**	**2,10,401**	**2,40,647**	**2,69,832**
Change (%)	16.0	5.5	-5.8	17.5	33.2	64.9	19.1	14.4	12.1
Operating Expenses	17,804	18,262	21,177	23,927	28,690	35,435	41,821	49,028	57,681
Pre Provision Profits	**51,015**	**54,364**	**47,270**	**56,466**	**78,373**	**1,41,153**	**1,68,580**	**1,91,619**	**2,12,152**
Change (%)	22.8	6.6	-13.0	19.5	38.8	80.1	19.4	13.7	10.7
Provisions	950	1,270	605	1,978	7,667	4,698	6,693	5,462	5,687
PBT	**50,065**	**53,094**	**46,664**	**54,488**	**70,706**	**1,36,455**	**1,61,887**	**1,86,156**	**2,06,465**
Tax	12,843	13,551	11,929	13,991	18,698	35,114	41,605	47,842	53,061
Tax Rate (%)	25.7	25.5	25.6	25.7	26.4	25.7	25.7	25.7	25.7
PAT	**37,222**	**39,543**	**34,735**	**40,497**	**52,008**	**1,01,341**	**1,20,282**	**1,38,314**	**1,53,403**
Change (%)	23.3	6.2	-12.2	16.6	28.4	94.9	18.7	15.0	10.9
Proposed Dividend	8,029	8,029	8,832	9,635	10,438	12,044	16,996	19,682	21,829

BALANCE SHEET **(INR M)**

Y/E MARCH	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	4,012	4,012	4,014	4,015	4,015	4,015	4,015	4,015	4,015
Reserves & Surplus	1,48,377	1,79,432	2,06,605	2,38,888	2,80,361	3,73,410	4,76,696	5,95,328	7,26,902
Equity Networth	**1,52,389**	**1,83,444**	**2,10,619**	**2,42,903**	**2,84,375**	**3,77,424**	**4,80,711**	**5,99,343**	**7,30,917**
Networth	**1,52,389**	**1,83,444**	**2,10,619**	**2,42,903**	**2,84,375**	**3,77,424**	**4,80,711**	**5,99,343**	**7,30,917**
Borrowings	**4,59,463**	**4,98,113**	**4,97,343**	**5,87,831**	**8,98,198**	**13,84,431**	**17,41,697**	**20,17,680**	**22,92,937**
Change (%)	23.7	8.4	-0.2	18.2	52.8	54.1	25.8	15.8	13.6
Other liabilities	**22,798**	**23,990**	**18,236**	**19,551**	**29,915**	**37,590**	**45,108**	**49,618**	**54,580**
Change (%)	29.7	5.2	-24.0	7.2	53.0	25.7	20.0	10.0	10.0
Total Liabilities	**6,34,649**	**7,05,547**	**7,26,198**	**8,50,284**	**12,12,488**	**17,99,445**	**22,67,515**	**26,66,641**	**30,78,435**
Loans	**5,40,634**	**5,93,842**	**6,42,649**	**7,70,014**	**10,86,810**	**16,16,021**	**20,60,427**	**24,31,304**	**28,20,313**
Change (%)	26.9	9.8	8.2	19.8	41.1	48.7	27.5	18.0	16.0
Investments	**15,903**	**13,205**	**13,169**	**22,683**	**44,991**	**38,546**	**42,401**	**46,641**	**51,305**
Net Fixed Assets	2,416	2,637	2,682	3,462	4,892	5,244	5,768	6,345	6,979
Other assets	75,697	95,863	67,699	54,125	75,796	1,39,634	1,58,919	1,82,351	1,99,837
Total Assets	**6,34,649**	**7,05,547**	**7,26,198**	**8,50,284**	**12,12,488**	**17,99,445**	**22,67,515**	**26,66,641**	**30,78,435**

E: MOFSL Estimates

Financials and valuations

RATIOS									(%)
Y/E MARCH	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Spreads Analysis (%)									
Avg Yield on loans	21.4	19.3	16.8	17.6	18.2	20.0	18.8	18.2	17.8
Avg Cost of funds	8.9	8.0	7.4	8.6	8.7	8.7	8.9	9.2	9.4
Spreads on loans	12.5	11.3	9.3	9.0	9.5	11.3	9.9	9.0	8.4
NIMs on AUM	14.1	12.9	11.0	11.2	11.3	12.6	11.1	10.4	10.0
Profitability Ratios (%)									
RoE	27.8	23.5	17.6	17.9	19.7	30.6	28.0	25.6	23.1
RoA	6.5	5.9	4.9	5.1	5.0	6.7	5.9	5.6	5.3
RoA on AUM	7.9	7.1	5.7	5.8	5.6	7.5	6.5	6.1	5.8
Cost to Income	25.9	25.1	30.9	29.8	26.8	20.1	19.9	20.4	21.4
Empl. Cost/Op. Exps.	56.5	56.4	56.6	58.0	54.6	55.5	56.4	56.8	57.0
Asset-Liability Profile (%)									
GNPL ratio (%)	0.9	3.0	3.8	3.3	3.4	2.4	2.2	2.2	2.2
Debt/Equity (x)	3.0	2.7	2.4	2.4	3.2	3.7	3.6	3.4	3.1
Average leverage	3.1	2.9	2.5	2.4	2.8	3.4	3.6	3.5	3.2
Valuations	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Book Value (INR)	380	457	525	605	708	940	1,197	1,493	1,821
Price-BV (x)	**6.3**	**5.3**	**4.6**	**4.0**	**3.4**	**2.6**	**2.0**	**1.6**	**1.3**
EPS (INR)	92.8	98.6	86.5	100.9	129.5	252.4	299.6	344.5	382.1
EPS Growth (%)	23.3	6.2	-12.2	16.6	28.4	94.9	18.7	15.0	10.9
Price-Earnings (x)	**26.0**	**24.4**	**27.8**	**23.9**	**18.6**	**9.5**	**8.0**	**7.0**	**6.3**
Dividend	20.0	20.0	22.0	24.0	26.0	30.0	42.3	49.0	54.4
Dividend Yield (%)	**0.8**	**0.8**	**0.9**	**1.0**	**1.1**	**1.2**	**1.8**	**2.0**	**2.3**

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); 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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