

# Muthoot Finance

Estimate change 

TP change 

Rating change 

Bloomberg	MUTH IN
Equity Shares (m)	401
M.Cap.(INRb)/(USDb)	876.3 / 10.1
52-Week Range (INR)	2309 / 1262
1, 6, 12 Rel. Per (%)	4/21/55
12M Avg Val (INR M)	1142

## Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
NII	104.1	123.9	140.2
PPP	78.0	92.2	102.5
PAT	52.2	65.4	73.2
EPS (INR)	130.1	163.0	182.3
EPS Gr. (%)	29.0	25.3	11.8
BV/Sh.(INR)	707	836	981

## Ratios

NIM (%)	11.7	11.2	11.1
C/I ratio (%)	26.8	27.2	28.4
RoA (%)	5.3	5.4	5.2
RoE (%)	19.8	21.1	20.1
Payout (%)	21.5	20.7	20.6

## Valuations

P/E (x)	16.8	13.4	12.0
P/BV (x)	3.1	2.6	2.2
Div. Yld. (%)	1.3	1.5	1.7

## Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	73.4	73.4	73.4
DII	13.0	13.3	14.6
FII	10.3	9.8	8.3
Others	3.4	3.5	3.7

FII includes depository receipts

**CMP: INR2,183**

**TP: INR2,300(+5%)**

**Neutral**

## Impressive gold loan growth; execution much better than peers

### Gold loan AUM grew ~34% YoY; calc. NIM expanded ~5bp QoQ

- Muthoot Finance (MUTH)'s strong operating performance in 3QFY25 was characterized by: 1) strong gold loan growth of ~34% YoY to ~INR930b, without any trade-off in margins; 2) ~5bp QoQ expansion of NIM to ~11.9%; and 3) an increase in gold tonnage by ~2% QoQ to 202 tons.
- MUTH's 3QFY25 PAT grew 33% YoY and 9% QoQ to ~INR13.6b (in line). Reported RoA/RoE in 3QFY25 was healthy at 5.9%/21%.
- Net total income grew ~42% YoY to ~INR27.8b (~6% beat). Opex grew ~27% YoY to INR7.2b, resulting in a cost-to-income ratio of ~26% (PY: 29%). PPOP grew ~48% YoY to ~INR20.6b (~6% beat). Credit costs stood at ~INR2.1b and translated into annualized credit costs of ~0.9% in 3QFY25. [PY: ~0.1% and PQ: ~0.95%].
- Gold loan growth was supported by growth in gold tonnage (up 2% QoQ), along with an increase in the customer base (up 2% QoQ) to ~6.25m. Gold loan LTV rose ~310bp QoQ to ~66%.
- For FY26, MUTH maintained its conservative guidance of ~15% growth in gold loans. We increase our FY26/FY27 estimates by ~7% each to factor in higher gold loan growth and margins. We model a standalone AUM CAGR of ~20% over FY24-27E. This, we believe, will result in a PAT CAGR of ~22% over this period. We model an RoA/ RoE of ~5.2%/21% for FY27.
- MUTH now trades at 2.2x FY27E P/BV and, in our view, has benefited from the tailwinds of: 1) a sharp rise in gold prices; 2) an improvement in gold loan demand due to the industry-wide rationing in unsecured credit; and c) a lower competitive intensity in gold loans. MUTH is indeed one of the best franchises for gold loans in the country, as is evident from its ability to deliver industry-leading gold loan growth and best-in-class profitability. However, we believe that the positives are already factored in its valuations. **We reiterate our Neutral rating with a revised TP of INR2,300 (based on 2.5x Sep'26E P/BV).**

### Belstar: Sequential decline in AUM; new branches opened in 3QFY25

- MUTH's microfinance subsidiary, Belstar, reported a ~10% QoQ decline in AUM to ~INR87b. Reported PAT stood at ~INR240m, down ~54% QoQ.
- Asset quality improved, with GS3 declining ~55bp QoQ to ~2.9%. The company views the MFI problem to be a transitory issue and expects the same to be resolved within the next two quarters.
- Belstar opened ~113 new branches in 3QFY25, and its CRAR stood at ~24%.

**Highlights from the management commentary**

- MUTH does not have any approvals for opening new branches in the listed entity. It has applied to the RBI for permission to open new gold loan branches. Meanwhile, it has started transforming Muthoot Money (earlier a vehicle finance subsidiary) into a gold finance company.
- The company has entered into partnerships with GPay and PhonePe for lead generation in personal loans and LAP Loans.
- There are no regulatory developments on LTV and rollover of loans at maturity. MUTH has not made any significant changes in its operations.
- The company guided for NPAs (Stage 3) to decline by Mar'25.

**Valuation and view**

- MUTH reported strong gold loan growth, aided by gold tonnage growth and stronger customer additions. However, provisions were slightly higher than expected (primarily due to a continued increase in absolute Stage 3) while NIMs and spreads improved sequentially.
- With a favorable demand outlook for gold loans driven by reduced competition from banks and limited availability of unsecured credit, the company is well-positioned to maintain its strong loan growth momentum.
- We believe that the positives are already factored in its valuations of 2.2x FY27E P/BV. We reiterate our Neutral rating with a revised TP of INR2,300 (based on 2.5x Sep'26E BVPS).

## Quarterly Performance

(INR M)

Y/E March	FY24				FY25E				FY24	FY25E	3QFY25E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest Income	29,577	30,147	31,176	33,575	36,560	40,685	43,690	46,357	1,24,476	1,67,291	42,190	4
Other operating income	410	450	501	514	478	489	545	606	1,874	2,118	551	-1
<b>Total Operating income</b>	<b>29,987</b>	<b>30,597</b>	<b>31,677</b>	<b>34,089</b>	<b>37,038</b>	<b>41,174</b>	<b>44,235</b>	<b>46,963</b>	<b>1,26,350</b>	<b>1,69,410</b>	<b>42,741</b>	<b>3</b>
YoY Growth (%)	19.8	22.5	19.1	19.5	23.5	34.6	39.6	37.8	20.2	34.1	34.9	
Other income	276	139	80	95	63	88	77	97	590	325	72	7
<b>Total Income</b>	<b>30,263</b>	<b>30,736</b>	<b>31,757</b>	<b>34,184</b>	<b>37,101</b>	<b>41,262</b>	<b>44,312</b>	<b>47,060</b>	<b>1,26,940</b>	<b>1,69,735</b>	<b>42,813</b>	<b>3</b>
YoY Growth (%)	20.6	22.8	19.1	19.4	22.6	34.2	39.5	37.7	20.4	33.7	34.8	
Interest Expenses	10,638	11,563	12,119	12,228	13,511	15,505	16,476	17,728	46,548	63,220	16,497	0
<b>Net Income</b>	<b>19,625</b>	<b>19,173</b>	<b>19,638</b>	<b>21,956</b>	<b>23,590</b>	<b>25,758</b>	<b>27,836</b>	<b>29,332</b>	<b>80,393</b>	<b>1,06,515</b>	<b>26,316</b>	<b>6</b>
Operating Expenses	5,620	5,751	5,696	6,861	6,437	6,608	7,243	8,216	23,927	28,504	6,872	5
<b>Operating Profit</b>	<b>14,006</b>	<b>13,422</b>	<b>13,942</b>	<b>15,095</b>	<b>17,153</b>	<b>19,150</b>	<b>20,593</b>	<b>21,116</b>	<b>56,466</b>	<b>78,011</b>	<b>19,444</b>	<b>6</b>
YoY Growth (%)	36.8	16.9	10.4	16.9	22.5	42.7	47.7	39.9	19.5	38.2	39.5	
Provisions	860	120	137	860	2,236	2,070	2,088	1,018	1,978	7,411	1,400	49
<b>Profit before Tax</b>	<b>13,145</b>	<b>13,302</b>	<b>13,805</b>	<b>14,236</b>	<b>14,917</b>	<b>17,080</b>	<b>18,505</b>	<b>20,098</b>	<b>54,488</b>	<b>70,600</b>	<b>18,044</b>	<b>3</b>
Tax Provisions	3,394	3,392	3,532	3,673	4,130	4,568	4,874	4,783	13,991	18,356	4,691	4
<b>Net Profit</b>	<b>9,751</b>	<b>9,910</b>	<b>10,273</b>	<b>10,563</b>	<b>10,787</b>	<b>12,511</b>	<b>13,631</b>	<b>15,315</b>	<b>40,497</b>	<b>52,244</b>	<b>13,353</b>	<b>2</b>
YoY Growth (%)	21.6	14.3	13.9	17.0	10.6	26.3	32.7	45.0	16.6	29.0	30.0	
<b>Key Operating Parameters (%)</b>												
Yield on loans (Cal)	18.3	17.9	18.1	18.6	18.5	18.9	18.9					
Cost of funds (Cal)	8.4	8.7	8.6	8.4	8.7	9.0	8.7					
Spreads (Cal)	9.9	9.24	9.53	10.2	9.84	9.91	10.13					
NIMs (Cal)	12.0	11.2	11.2	11.9	11.8	11.8	11.9					
Credit Cost	0.5	0.07	0.08	0.5	1.12	0.95	0.89					
Cost to Income Ratio	28.6	30.0	29.0	31.2	27.3	25.7	26.0					
Tax Rate	25.8	25.5	25.6	25.8	27.7	26.7	26.3					
<b>Balance Sheet Parameters</b>												
<b>AUM (INR b)</b>	676	690	712	758	843	902	975					
Change YoY (%)	19.3	20.6	23.3	20.0	24.7	30.7	37.0					
<b>Gold loans (INR b)</b>	<b>660</b>	<b>675</b>	<b>692</b>	<b>729</b>	<b>809</b>	<b>862</b>	<b>930</b>					
Change YoY (%)	17.6	19.50	21.8	17.8	22.54	27.62	34.3					
Gold Stock Holding (In tonnes)	182	183	184	188	194	199	202					
Avg gold loans per branch (INR m)	139	142	145	150	167	177	192					
<b>Borrowings (INR b)</b>	513	553	580	588	659	724	787					
Change YoY (%)	12.8	18.2	31.0	18.2	28.7	30.8	35.6					
<b>Borrowings Mix (%)</b>												
Listed secured NCDs	24.8	24.4	28.8	27.9	28.0	27.2	26.0					
Term loans	59.8	65.4	61.6	63.0	55.0	57.2	55.7					
Commercial Paper	7.7	8.3	8.0	7.9	7.2	5.9	4.9					
Others	2.6	1.9	1.6	1.3	1.6	1.0	0.9					
Debt/Equity (x)	2.3	2.3	2.2	2.3	2.6	2.7	2.8					
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	28,789	27,639	25,767	24,845	33,532	38,807	41,179					
Gross Stage 3 (% on Assets)	4.3	4.0	3.6	3.3	4.0	4.3	4.2					
Total Provisions (INR m)	11,422	11,486	11,542	12,304	14,413	16,327	18,165					
<b>Return Ratios (%)</b>												
RoAUM (Rep)	6.0	5.8	5.9	5.8	5.4	5.7	5.9					
RoE (Rep)	18.5	18.3	18.1	17.8	17.7	20.0	20.7					

E: MOFSL estimates

**Gold loans grow ~34% YoY; gold loan tonnage rises to 202 tons**

- Gold loan AUM grew ~8% QoQ and ~34% YoY to ~INR930b, while the consolidated AUM rose ~34% YoY to ~INR1.1t.
- Gold tonnage rose ~2% QoQ to 202 tons. Gold loan LTV rose ~310bp QoQ to ~66%, and the number of gold loan accounts rose to 9.99m (PQ: 9.72m).
- The average monthly disbursement in 3QFY25 rose to INR242b (PQ: INR151b), with an increase in average ticket size to ~INR93K (PQ: INR88.7K).
- The company reiterated its guidance for ~25% AUM growth but expects to perform better than that. For FY26, it has maintained a conservative outlook, guiding for ~15% growth in gold loans. We expect a gold AUM CAGR of ~20% over FY24-FY27.

**NIM expands ~5bp sequentially; CoB declines ~25bp QoQ**

- Yields were stable QoQ while CoB declined ~25bp QoQ, resulting in a ~20bp expansion in spreads to ~10.1%. Management shared that majority of the bank borrowings are linked to the bank's MCLR and reset annually, with only a negligible proportion of bank term loans linked to the Repo Rate.
- NIM (calc.) in 3QFY25 expanded ~5bp QoQ at ~11.85%. We expect an NIM of 11.2%/11.1% in FY26/FY27.

**Minor improvement in asset quality; provisions higher than expected**

- GS3% improved ~10bp QoQ to ~4.2%. GS2% declined ~70bp QoQ to 0.6%. 30+dpd declined ~80bp QoQ to ~4.8%.
- Credit costs (including provisions and write-offs) in 3QFY25 stood at ~INR2.1b and translated into annualized credit costs of ~90bp (PY: 10bp and PQ: 95bp).
- Management shared that Stage 3 includes ~INR3b of loans from non-gold segments like personal loans, business loans, LAP, and insta-personal loans. **The company guided for NPAs (Stage 3) to decline by Mar'25.**



## Highlights from the management commentary

### Guidance

- The company continued to guide for AUM growth of 25% but expects to perform better than that. For FY26, the company has maintained a conservative guidance of 15% gold loan growth.
- It expects NPA numbers to decline by Mar'25 and anticipates some benefit on credit costs for the extent of reduction it expects in the GNPA in 4QFY25.

### Regulatory nuances or updates

- Any loan that is rolled over or any new loan provided at the time of maturity will always be done at the existing LTV of 75%.
- There have been no regulatory developments regarding LTV or the rollover of loans at maturity. MUTH has not made any significant changes in its operations.

### Liabilities

- Majority of MUTH's bank term loans are linked to the MCLR of the banks.
- Bank borrowings account for ~56%, ECBs account for 13%, and NCDs account for 26% of the borrowing mix.
- Incremental borrowing cost stands at ~9%.
- ~20% of the bank loans are short-term, while the remaining bank term loans are long-term with an annual reset. A negligible amount of bank term loans is linked to Repo Rates.

### Asset quality and update on the ARC transaction

- Stage 3 stood at 4.22% (v/s 4.3% in Sep'24). Around ~INR3b of Stage 3 is from non-gold segments (Personal Loans, Business Loans, LAP, and Insta-Personal Loans).
- The benefits of the ARC sale have already started materializing, and the company has begun booking income from the collections. The value of the SRs has become NIL. Any collections received will directly accrue to the P&L as income.
- In the non-gold portfolio, it makes a provision of ~100% at 90dpd.
- In the Insta-PL loan portfolio, there has been a slight increase in NPAs.

### Branch expansions

- MUTH does not have any approvals for opening new branches in the standalone company. It has also applied to the RBI for permission to open new gold loan branches in the listed entity.
- The company added about 800 branches in Muthoot Money (subsidiary), which has been transformed from a Vehicle Finance company into a gold loan company. It has focused on building the distribution network in Muthoot Money, which now has around 900 branches.
- Once Muthoot Money crosses 1,000 branches, the same regulations as MUTH Finance will apply. After 1,000 branches, MUTH Money will also have to apply to RBI to open new branches.

**Gold loans**

- Auctions stood at ~INR600m in 3QFY25 (9MFY25: INR3.82b).
- Interest accrued stood at INR18.51b.
- GNPA in the gold loan business is higher due to the stress in the economy.

**Gold loan split by ticket size**

- <INR100K: 30%
- INR100K-300K: 32%
- >INR300K: 38%

**Employee expenses**

- In 3QFY25, the increase in employee expenses was in line with the growth of disbursements and included bonus payouts for the festive periods of Onam and Diwali.

**MFI business**

- Disbursements in the MFI business have been tempered, and the company remains cautious in this segment.
- It expects the MFI issue to be transitory and anticipates it will be resolved in the next few quarters.
- There are no issues in Karnataka, but discussions are ongoing regarding a new Ordinance from the State Government, with some parties seeking a stay on it.
- MFI PAR 0 stood at 95.5% (INR78.5b).

**Partnership with GPay and PhonePe**

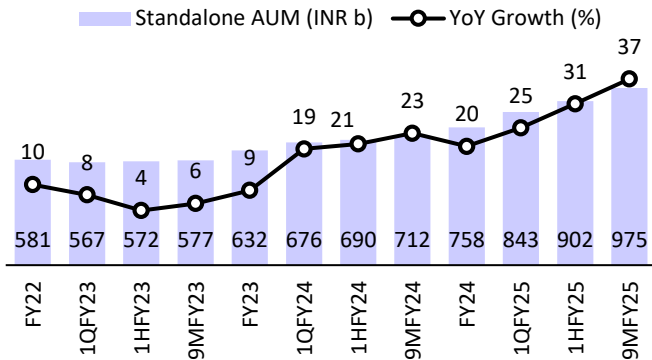
- The arrangement is for lead generation, which helps MUTH with personal loans and LAP.

**Others**

- No decision has been taken to pay out more dividends.
- Gold loans are among the best products available to customers today, especially when they are unable to receive unsecured personal and MFI loans.
- Every quarter, MUTH banks around 410K-430K gold loan customers.

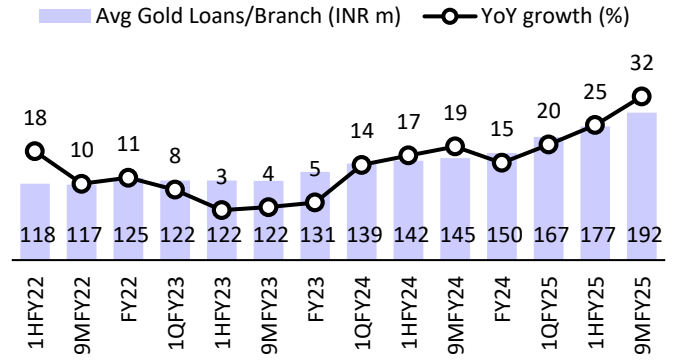
Key exhibits

Exhibit 1: Standalone AUM grew 37% YoY



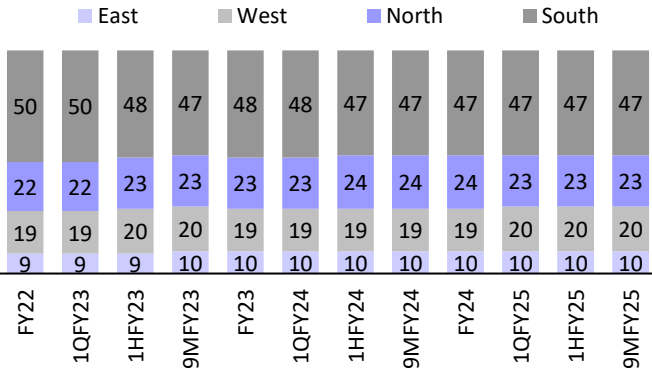
Source: MOFSL, Company

Exhibit 2: Trends in productivity



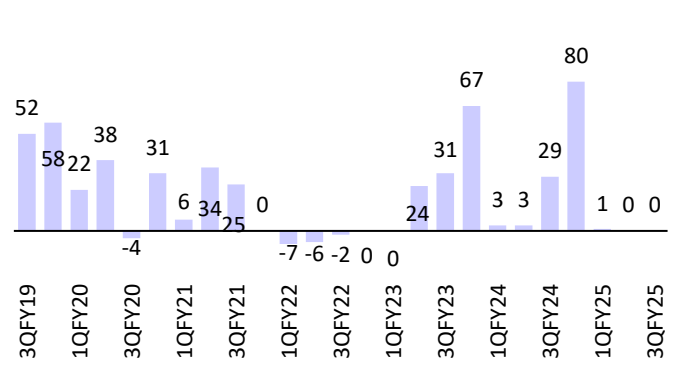
Source: MOFSL, Company

Exhibit 3: Regional mix of gold loans stable



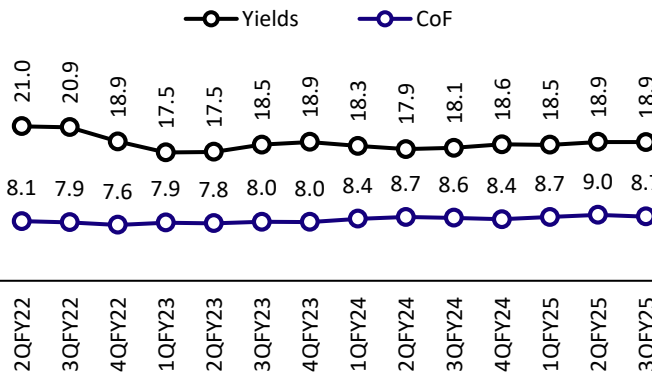
Source: MOFSL, Company, Gold loan portfolio mix

Exhibit 4: No new gold loan branches were opened in 3Q



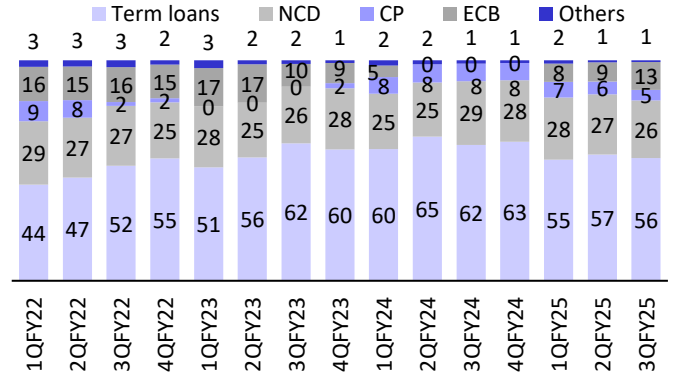
Source: MOFSL, Company

Exhibit 5: Spreads (calc.) expanded ~20bp QoQ (%)



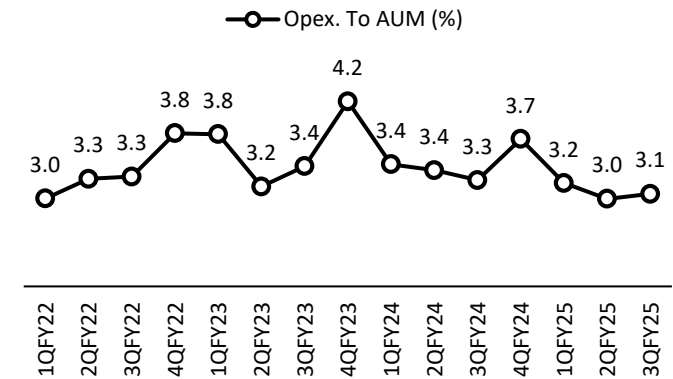
Source: MOFSL, Company

Exhibit 6: Borrowing mix (%)



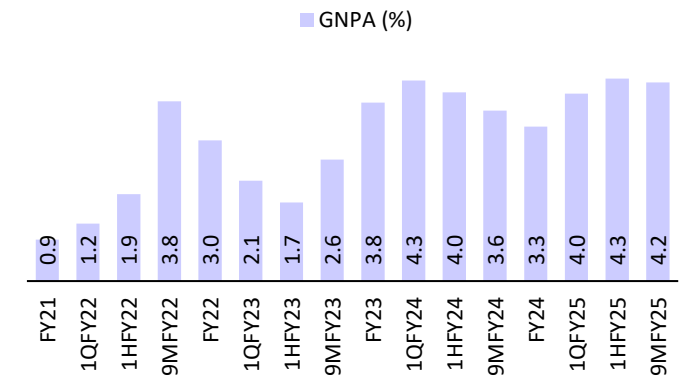
Source: MOFSL, Company, Borrowing mix%

**Exhibit 7: OPEX/AUM rose ~10bp QoQ to 3.1%**



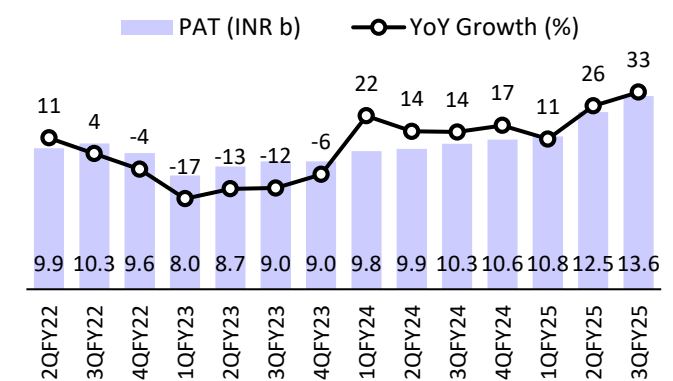
Source: MOFSL, Company

**Exhibit 8: GNPA declined ~10bp QoQ (%)**



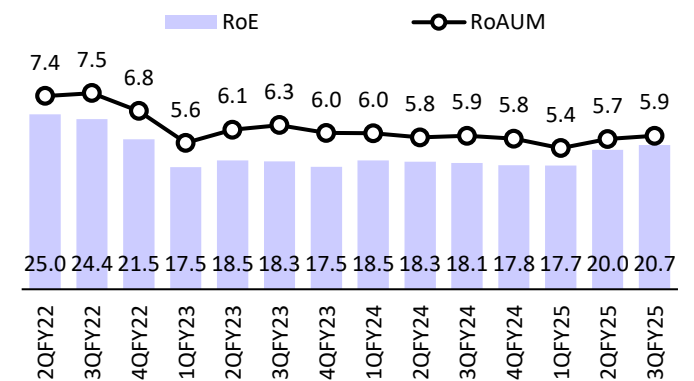
Source: MOFSL, Company

**Exhibit 9: PAT in 3QFY25 grew 33% YoY**



Source: MOFSL, Company

**Exhibit 10: RoA/RoE at ~5.9%/21% in 3QFY25**



Source: MOFSL, Company

**Valuation and view**

- MUTH reported strong gold loan growth, aided by gold tonnage growth and stronger customer additions. However, provisions were slightly higher than expected (primarily due to the continued increase in absolute Stage 3) while NIMs and spreads improved sequentially.
- With a favorable demand outlook for gold loans, driven by reduced competition from banks and limited availability of unsecured credit, the company is well-positioned to maintain its strong loan growth momentum.
- We believe that the positives are already factored in its valuations of 2.2x FY27E P/BV. We reiterate our Neutral rating with a revised TP of INR2,300 (based on 2.5x Sep'26E BVPS).

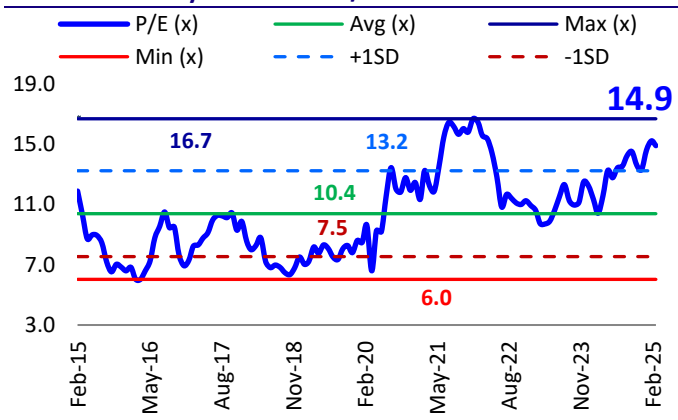


**Exhibit 11: We increase our FY26/FY27 EPS estimates by ~7% each to factor in higher loan growth and margins**

INR B	Old Est			New Est			% Change		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
NII	100.1	115.5	130.1	104.1	123.9	140.2	3.9	7.3	7.8
Other Income	2.5	2.8	3.1	2.4	2.8	3.1	-1.0	-1.8	0.0
<b>Net Income</b>	<b>102.6</b>	<b>118.3</b>	<b>133.1</b>	<b>106.5</b>	<b>126.7</b>	<b>143.3</b>	<b>3.8</b>	<b>7.1</b>	<b>7.6</b>
Operating Expenses	27.9	32.4	37.2	28.5	34.5	40.7	2.0	6.5	9.7
<b>Operating Profits</b>	<b>74.7</b>	<b>85.9</b>	<b>96.0</b>	<b>78.0</b>	<b>92.2</b>	<b>102.5</b>	<b>4.5</b>	<b>7.4</b>	<b>6.8</b>
Provisions	5.5	3.2	3.2	7.4	3.8	3.6	35.8	17.7	13.3
<b>PBT</b>	<b>69.2</b>	<b>82.7</b>	<b>92.8</b>	<b>70.6</b>	<b>88.4</b>	<b>98.9</b>	<b>2.0</b>	<b>7.0</b>	<b>6.6</b>
Tax	18.0	21.5	24.1	18.4	23.0	25.7	2.0	7.0	6.6
<b>PAT</b>	<b>51.2</b>	<b>61.2</b>	<b>68.7</b>	<b>52.2</b>	<b>65.4</b>	<b>73.2</b>	<b>2.0</b>	<b>7.0</b>	<b>6.6</b>
Loans	981	1,128	1,264	1,040	1,216	1,362	6.0	7.8	7.8
Borrowings	769	878	972	822	959	1,063			
Spread (%)	9.4	9.0	8.9	9.5	9.1	9.0			
<b>RoA (%)</b>	<b>5.3</b>	<b>5.3</b>	<b>5.2</b>	<b>5.3</b>	<b>5.4</b>	<b>5.2</b>			
<b>RoE (%)</b>	<b>19.5</b>	<b>19.9</b>	<b>19.1</b>	<b>19.8</b>	<b>21.1</b>	<b>20.1</b>			

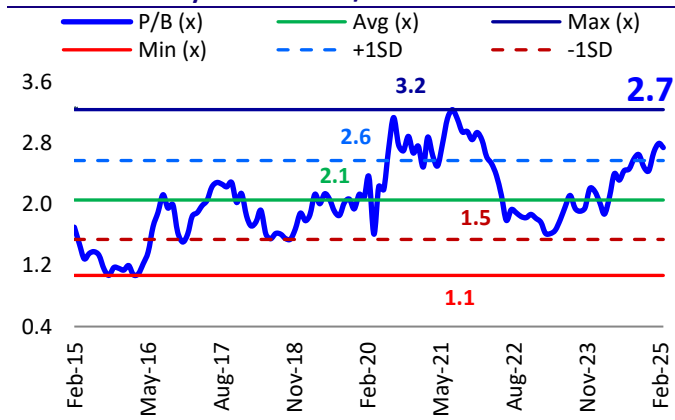
Source: MOFSL, Company

**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										(INR M)
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	
Interest Income	67,570	85,644	1,03,285	1,09,560	1,03,686	1,24,476	1,67,291	2,03,018	2,28,964	
Interest Expense	22,368	27,909	36,924	38,358	36,991	46,548	63,220	79,073	88,754	
<b>Net Interest Income</b>	<b>45,202</b>	<b>57,735</b>	<b>66,361</b>	<b>71,203</b>	<b>66,695</b>	<b>77,928</b>	<b>1,04,072</b>	<b>1,23,945</b>	<b>1,40,210</b>	
Change (%)	5.8	27.7	14.9	7.3	-6.3	16.8	33.5	19.1	13.1	
Other income	1,236	1,584	2,458	1,424	1,751	2,465	2,443	2,780	3,063	
<b>Net Income</b>	<b>46,438</b>	<b>59,319</b>	<b>68,819</b>	<b>72,626</b>	<b>68,446</b>	<b>80,393</b>	<b>1,06,515</b>	<b>1,26,725</b>	<b>1,43,273</b>	
Change (%)	5.5	27.7	16.0	5.5	-5.8	17.5	32.5	19.0	13.1	
Operating Expenses	15,394	17,787	17,804	18,262	21,177	23,927	28,504	34,488	40,737	
<b>Pre Provision Profits</b>	<b>31,044</b>	<b>41,531</b>	<b>51,015</b>	<b>54,364</b>	<b>47,270</b>	<b>56,466</b>	<b>78,011</b>	<b>92,237</b>	<b>1,02,537</b>	
Change (%)	0.6	33.8	22.8	6.6	-13.0	19.5	38.2	18.2	11.2	
Provisions	275	957	950	1,270	605	1,978	7,411	3,801	3,628	
<b>PBT</b>	<b>30,768</b>	<b>40,574</b>	<b>50,065</b>	<b>53,094</b>	<b>46,664</b>	<b>54,488</b>	<b>70,600</b>	<b>88,435</b>	<b>98,909</b>	
Tax	11,047	10,391	12,843	13,551	11,929	13,991	18,356	22,993	25,716	
Tax Rate (%)	35.9	25.6	25.7	25.5	25.6	25.7	26.0	26.0	26.0	
<b>PAT</b>	<b>19,721</b>	<b>30,183</b>	<b>37,222</b>	<b>39,543</b>	<b>34,735</b>	<b>40,497</b>	<b>52,244</b>	<b>65,442</b>	<b>73,193</b>	
Change (%)	10.9	53.0	23.3	6.2	-12.2	16.6	29.0	25.3	11.8	
Proposed Dividend	4,818	6,022	8,029	8,029	8,832	9,635	11,232	13,547	15,078	

BALANCE SHEET										(INR M)
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	
Equity Share Capital	4,007	4,010	4,012	4,012	4,014	4,015	4,015	4,015	4,015	
Reserves & Surplus	88,151	1,11,708	1,48,377	1,79,432	2,06,605	2,38,888	2,79,900	3,31,795	3,89,910	
<b>Equity Networth</b>	<b>92,158</b>	<b>1,15,718</b>	<b>1,52,389</b>	<b>1,83,444</b>	<b>2,10,619</b>	<b>2,42,903</b>	<b>2,83,914</b>	<b>3,35,810</b>	<b>3,93,925</b>	
<b>Networth</b>	<b>92,158</b>	<b>1,15,718</b>	<b>1,52,389</b>	<b>1,83,444</b>	<b>2,10,619</b>	<b>2,42,903</b>	<b>2,83,914</b>	<b>3,35,810</b>	<b>3,93,925</b>	
<b>Borrowings</b>	<b>2,68,332</b>	<b>3,71,300</b>	<b>4,59,463</b>	<b>4,98,113</b>	<b>4,97,343</b>	<b>5,87,831</b>	<b>8,21,755</b>	<b>9,59,178</b>	<b>10,62,548</b>	
Change (%)	26.8	38.4	23.7	8.4	-0.2	18.2	39.8	16.7	10.8	
<b>Other liabilities</b>	<b>20,198</b>	<b>17,578</b>	<b>22,798</b>	<b>23,990</b>	<b>18,236</b>	<b>19,551</b>	<b>21,506</b>	<b>23,656</b>	<b>26,022</b>	
Change (%)	11.4	-13.0	29.7	5.2	-24.0	7.2	10.0	10.0	10.0	
<b>Total Liabilities</b>	<b>3,80,687</b>	<b>5,04,597</b>	<b>6,34,649</b>	<b>7,05,547</b>	<b>7,26,198</b>	<b>8,50,284</b>	<b>11,27,175</b>	<b>13,18,644</b>	<b>14,82,495</b>	
<b>Loans</b>	<b>3,49,329</b>	<b>4,26,042</b>	<b>5,40,634</b>	<b>5,93,842</b>	<b>6,42,649</b>	<b>7,70,014</b>	<b>10,39,520</b>	<b>12,16,238</b>	<b>13,62,186</b>	
Change (%)	18.4	22.0	26.9	9.8	8.2	19.8	35.0	17.0	12.0	
<b>Investments</b>	<b>9,826</b>	<b>14,383</b>	<b>15,903</b>	<b>13,205</b>	<b>13,169</b>	<b>22,683</b>	<b>24,952</b>	<b>27,447</b>	<b>30,191</b>	
Net Fixed Assets	1,867	2,227	2,416	2,637	2,682	3,462	3,808	4,189	4,607	
Other assets	19,666	61,944	75,697	95,863	67,699	54,125	58,896	70,771	85,509	
<b>Total Assets</b>	<b>3,80,687</b>	<b>5,04,597</b>	<b>6,34,649</b>	<b>7,05,547</b>	<b>7,26,198</b>	<b>8,50,284</b>	<b>11,27,175</b>	<b>13,18,644</b>	<b>14,82,495</b>	

E: MOFSL Estimates

## Financials and valuations

RATIOS							(%)		
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Spreads Analysis (%)</b>									
Avg Yield on loans	21.0	22.1	21.4	19.3	16.8	17.6	18.5	18.0	17.8
Avg Cost of funds	9.3	8.7	8.9	8.0	7.4	8.6	9.0	8.9	8.8
Spreads on loans	11.7	13.4	12.5	11.3	9.3	9.0	9.5	9.1	9.0
NIMs on AUM	14.3	15.2	14.1	12.9	11.0	11.2	11.7	11.2	11.1
<b>Profitability Ratios (%)</b>									
RoE	23.2	29.0	27.8	23.5	17.6	17.9	19.8	21.1	20.1
RoA	5.7	6.8	6.5	5.9	4.9	5.1	5.3	5.4	5.2
RoA on AUM	6.2	8.0	7.9	7.1	5.7	5.8	5.9	5.9	5.8
Cost to Income	33.2	30.0	25.9	25.1	30.9	29.8	26.8	27.2	28.4
Empl. Cost/Op. Exps.	58.3	57.8	56.5	56.4	56.6	58.0	58.9	59.9	60.8
<b>Asset-Liability Profile (%)</b>									
GNPL ratio (%)	2.7	2.2	0.9	3.0	3.8	3.3	3.8	3.6	3.6
Debt/Equity (x)	2.9	3.2	3.0	2.7	2.4	2.4	2.9	2.9	2.7
Average leverage	2.8	3.1	3.1	2.9	2.5	2.4	2.7	2.9	2.8
CAR	26.1	25.5	27.4	30.0	31.8	30.4	0.0	0.0	0.0
<b>Valuations</b>									
Book Value (INR)	230	289	380	457	525	605	707	836	981
<b>Price-BV (x)</b>	<b>9.5</b>	<b>7.6</b>	<b>5.7</b>	<b>4.8</b>	<b>4.2</b>	<b>3.6</b>	<b>3.1</b>	<b>2.6</b>	<b>2.2</b>
EPS (INR)	49.2	75.3	92.8	98.6	86.5	100.9	130.1	163.0	182.3
EPS Growth (%)	10.8	52.9	23.3	6.2	-12.2	16.6	29.0	25.3	11.8
<b>Price-Earnings (x)</b>	<b>44.3</b>	<b>29.0</b>	<b>23.5</b>	<b>22.1</b>	<b>25.2</b>	<b>21.6</b>	<b>16.8</b>	<b>13.4</b>	<b>12.0</b>
Dividend	12.0	15.0	20.0	20.0	22.0	24.0	28.0	33.7	37.6
<b>Dividend Yield (%)</b>	<b>0.6</b>	<b>0.7</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	<b>1.3</b>	<b>1.5</b>	<b>1.7</b>

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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