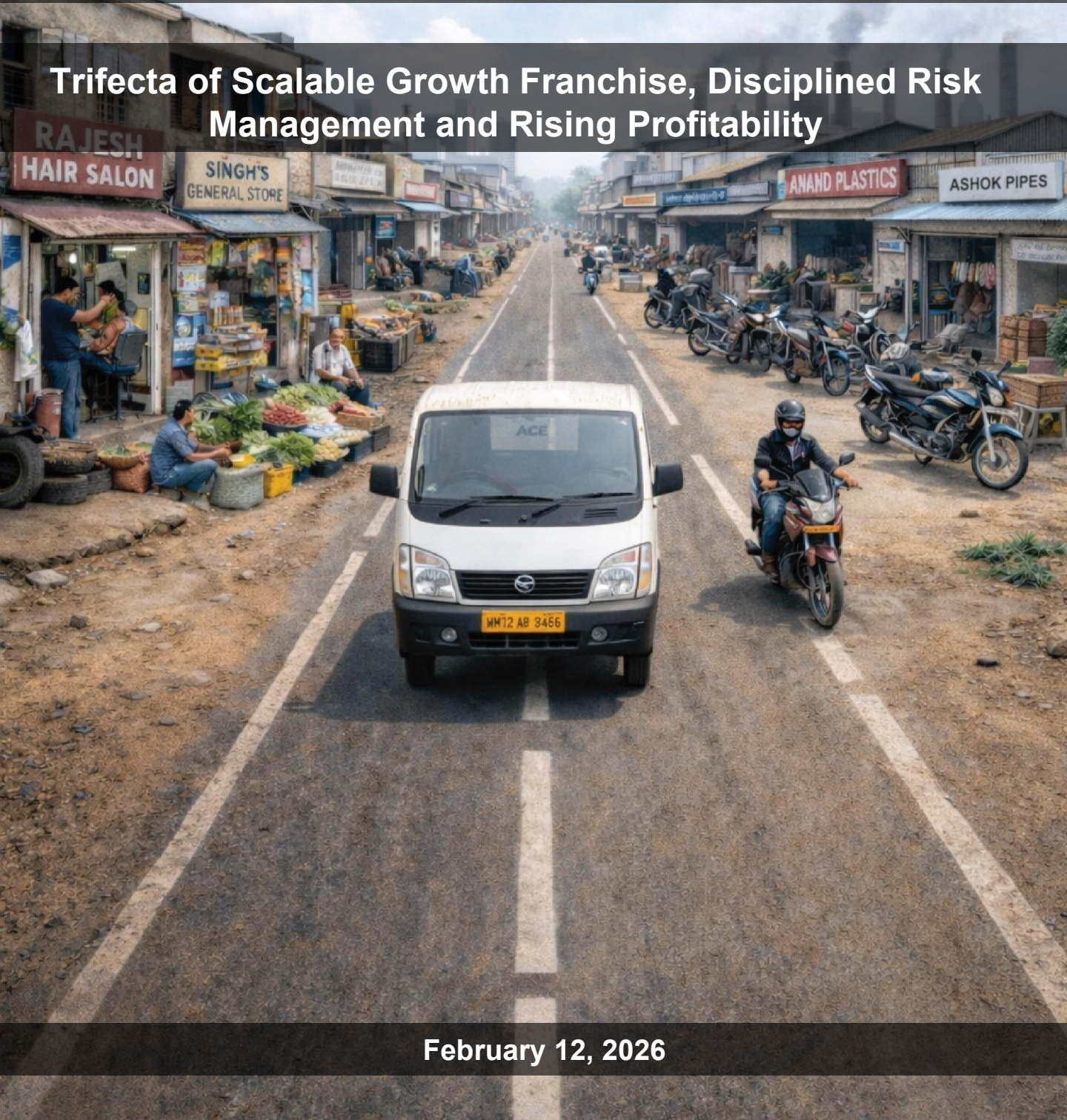


MAS Financial Services Ltd (MASFIN)

Trifecta of Scalable Growth Franchise, Disciplined Risk Management and Rising Profitability



February 12, 2026

Initiating Coverage | Sector: NBFCs

MAS Financial Services Limited (MASFIN)

February 12, 2026 | CMP: INR 331 | Target Price: INR 415

Expected Share Price Return: 25.5% | Dividend Yield: 0.6% | Expected Total Return: 26.1%

Choice
Institutional Equities

Sector View: Positive

BUY

MAS Financial is a diversified, retail-focused, and technology-enabled non-deposit taking NBFC. The company primarily caters to the MSME segment, along with vehicle and personal loans. It also operates in the affordable housing finance space through its subsidiary and is engaged in the insurance distribution business. MAS Financial has a strong presence across India with a network of 208 branches.

Company Information

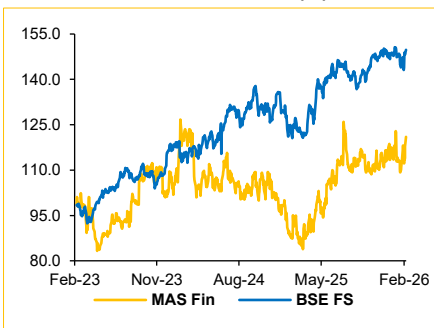
BB Code	MASFIN: IN
ISIN	INE348L01012
Face Value (INR)	10.0
52-Week High (INR)	350.0
52-Week Low (INR)	221.5
Mkt Cap (INR Bn)	60.0
Mkt Cap (USD Bn)	0.7
Shares O/s (Mn)	181.5
Free Float (%)	33.3

	Jun-25	Sep-25	Dec-25
Promoters	66.6	66.6	66.6
FII's	3.0	3.2	3.1
DII's	20.0	20.1	20.2
Public	10.3	10.0	10.0

Relative Performance (%)

Return %	1Y	2Y	3Y
BSE Fin. Services	21.5%	31.1%	52.1%
MASFIN	35.7%	(0.7%)	19.0%

Rebased Price Performance (%)



Management KTAs

Bull and Bear Scenarios

[Click here to listen to this report](#)**Ishank Gupta**Email: ishank.gupta@choiceindia.com
Ph.: +91 22 6707 9867

Sustained AUM Growth led by Presence across High-growth Portfolios and Branch Expansion

MASFIN, in its operational history of more than three decades, maintains a strong pan-India presence. Its distribution network comprises a **dense network of 208 branches** (mainly located in Western India) and **partnerships with 215 NBFCs**. Led by its niche lending model built around co-lending and NBFC partnerships, the company has scaled up its **standalone AUM at a 22.5% CAGR over FY21–25** to INR 121.0 Bn. The growth was primarily driven by Personal Loans (scaled up from NIL as of FY21 to ~INR 10.4 Bn as of FY25), Commercial Vehicle Loans (+48.2% CAGR), 2-Wheeler Loans (+24.5% CAGR) and SME Loans (+24.5% CAGR). **We forecast MASFIN to further ramp up the AUM at 23.4% CAGR over FY26E–FY28E**, driven by its focussed execution across Wheels Financing (CV and 2W) and SME segments. Higher loan growth will be aided by strong demand tailwind across the end-user sectors, faster loan-to-sanction cycle and expansion in the number of branches (aims to add ~200–250 in the next decade), leading to the formation of a dense distribution network.

Superior Asset Quality led by In-house Developed Tech and Credit Appraisal System

MASFIN has built a **proprietary, technology-led underwriting platform** which enables fully digital, **rule-based credit origination** at scale, across its branch network and NBFC partner ecosystem. Historically, **portfolio expansion was driven largely by localised credit teams**, yet the company **delivered strong AUM growth** of over 20% in the last decade, while **maintaining net Stage 3 assets at ~1.7% of AUM as of Q3FY26**. With the **BRE (Bank Rules Engine)-enabled Loan Origination System (LOS)** now institutionalised, MASFIN is **positioned to scale up and geographically diversify growth**. The platform enables consistent credit decisioning, centralised risk oversight and rapid product replication across geographies. **We expect the future long-term growth to be broad-based while maintaining a tight control over the asset quality and risk-adjusted returns.**

Improvement in Profitability led by Change in AUM Mix (%) and Higher Leverage

MASFIN's **profitability** is expected to **improve in the medium term**, driven by **asset mix optimisation, higher direct originations and prudent leverage**. Portfolio **yields are projected to increase, from ~12.4% in FY26E to ~12.8% by FY28E**, led by higher exposure to high-yield loans and increase in direct retail business. **Direct retail assets is anticipated to increase, from ~66% in FY25 and to ~70–75% by FY28E**, supporting higher NIMs. Improved underwriting policies driven by implementation of new LOS and portfolio seasoning is projected to drive lower credit cost (on average Loans) from ~1.7% in FY26E to ~1.4% in FY28E. **We project the Average RoA to remain sustainable at ~3.0%** (over FY26E–FY28E), while **RoE would improve, from 13.2% in FY26E to 16.0% by FY28E**, driven by higher leverage (from ~4.5x in FY25 to ~5.4x by FY28E).

Valuation and View

We initiate coverage with a **“BUY”** rating on the stock. We value the standalone lending business at **2.0x FY28E ABV** (based on peer-group benchmarking for financial and operational metrics), implying a **target price of INR 415.0** per share, with an **upside potential of 25.5%**. As a sanity check, we **cross-validated our P/ABV derived TP with residual income approach TP of INR 410**.

Key Risks

Potentially slower-than-expected loan growth, inability to expand branch and NBFC partner network and likely higher delinquencies across MEL, SME and Wheels Financing segments.

Key Financials

INR Mn	FY24	FY25	FY26E	FY27E	FY28E
AUM (INR Bn)	101.3	121.0	146.5	179.8	223.0
AUM YoY Growth (%)	25.1%	19.5%	21.1%	22.8%	24.0%
Interest Income	10,223	12,896	15,492	19,213	24,347
Non-Interest Income	2,070	2,308	3,338	4,173	5,153
Operating Exp.	1,942	2,615	3,688	4,904	6,523
PPoP	4,210	5,366	6,510	7,950	9,925
PAT	2,478	3,059	3,663	4,571	5,844
Yield %	12.4%	12.6%	12.4%	12.6%	12.8%
NIMs (%)	4.9%	5.5%	5.5%	5.7%	6.0%
ROA(%)	3.0%	2.9%	2.9%	3.0%	3.0%
ROE(%)	15.1%	14.1%	13.2%	14.4%	16.0%
NNPA %	1.5%	1.5%	1.5%	1.2%	0.9%
Adj. BVPS (INR)	100.8	134.3	153.7	177.2	207.4
P/ABV (x)	2.8	1.8	2.2	1.9	1.6

Source: MASFIN, Choice Institutional Equities

Report Structure

Sr. No.	Particulars	Page No.
1 Data Driven Insights	1.1 Macro Outlook: NBFCs to Remain at the Forefront of Systematic Credit Growth	4
	1.2 Investment Thesis in Charts	5
2 Investment Thesis	2.1 Sustained AUM Growth led by Presence across High-growth Portfolios and Branch Expansion	6
	2.1.1 AUM Growth Driven by Strong Demand across Portfolio	
	2.1.2 Pan-India Presence Provides Platform to Scale up AUM	
	2.2 Superior Asset Quality led by In-house Developed Tech and Credit Appraisal System	8
	2.2.1 BRE-Enabled LOS to Aid Scale and Enforced Underwriting	
3 Investment View and Valuation	2.2.2 Systematic and Comprehensive Credit Assessment Framework Supports Industry Leading Asset Quality	
	2.3 Improvement in Profitability Ratios led by Change in AUM Mix (%) and Higher Leverage	10
	2.3.1 Improvement in Mix; Higher Direct Lending, to drive Higher NIMs	
	2.3.2 Higher RoA driven by Lower Credit Cost; Improvement in RoE driven by Higher Leverage	
	3.1 Relative Analysis	12
4 Management Meet	3.2 Relative Valuation	13
	3.3 Bull and Bear Case Scenarios	14
	3.4 Risks to Our Investment Thesis	15
	4.1 Key Insights from Management Meeting	16
5 Industry Overview	4.2 SME Loan Branch Visit	17
	5.1 India's Macro and Overall Credit Markets	18
	5.2 NBFC Credit Landscape	19
6 About the Company	5.3 Credit Micro-markets	20
	6.1 Introduction	27
	6.2 Product Portfolio	27
	6.3 SWOT Analysis	31
	6.4 Porter's Five Forces	31
	6.5 Key Milestones and Corporate Structure	32
	6.6 Management, KMP & Board Profiles	33
7 Financial Analysis	7.1 Trends and Forecasts	34
	7.2 Financials	38

Our recent 'Initiating Coverage' reports



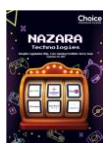
Game of
Liquor_Indian
AlcoBev_Spirits
Industry_Thematic



App Store Moment
for Core Banking
System_Thematic



Senores
Pharmaceuticals Ltd.
Initiating Coverage



Nazara Technologies
Ltd.
Initiating Coverage



B2B Jewellery
Story_Where Craft turns
into Commerce & Gold
becomes
Growth_Thematic



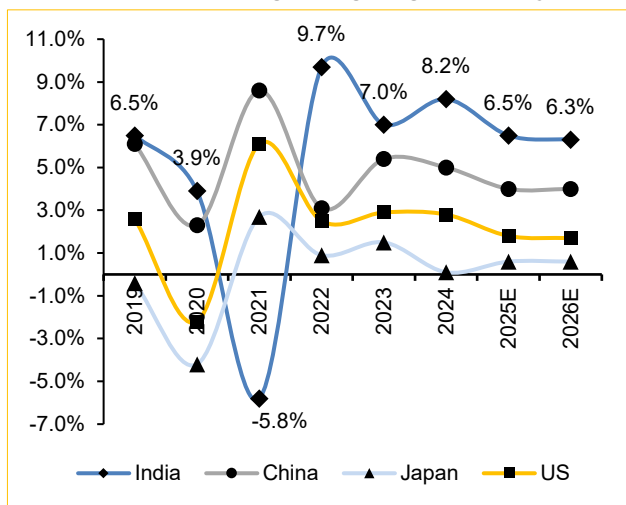
Meesho Ltd_Initiating
Coverage



Convex_Chchoices_Quarterly_Q2FY26

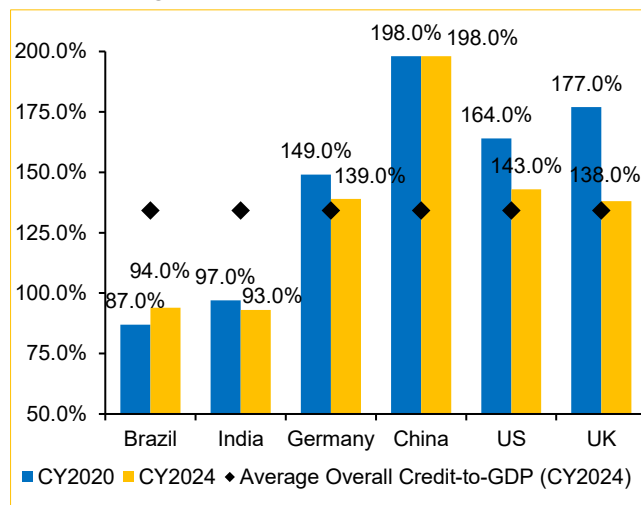
1.1 NBFCs to Remain at the Forefront of Systematic Credit Growth

India to be the Fastest-growing Large Economy

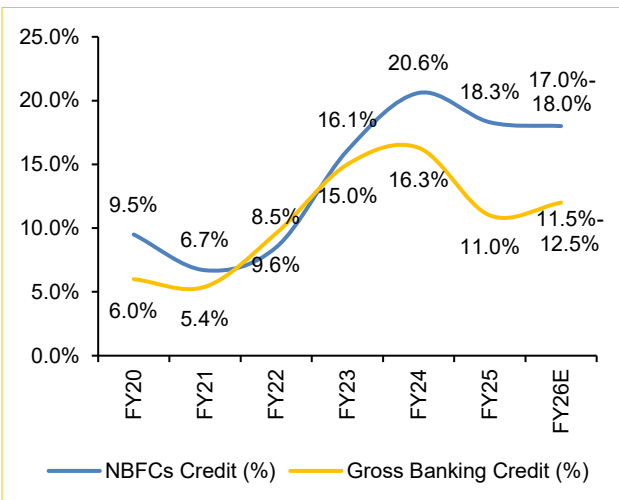


Source: IMF, Choice Institutional Equities

India has Huge Potential for Increase in Credit-to-GDP

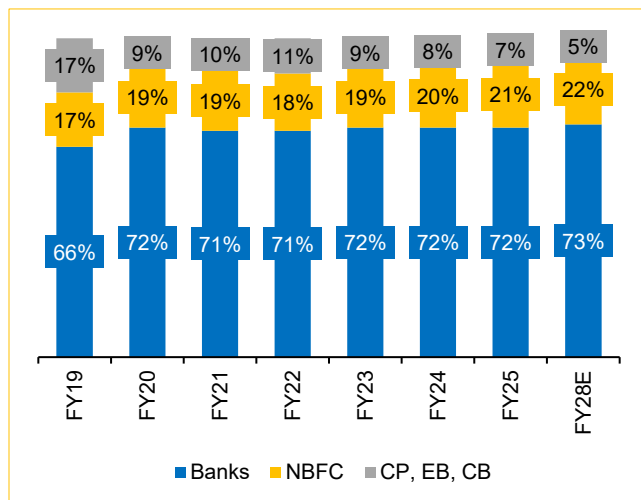


Source: Crisil Intelligence, Choice Institutional Equities

NBFCs' Credit Growth to Outperform Banks for 4th Consecutive Year

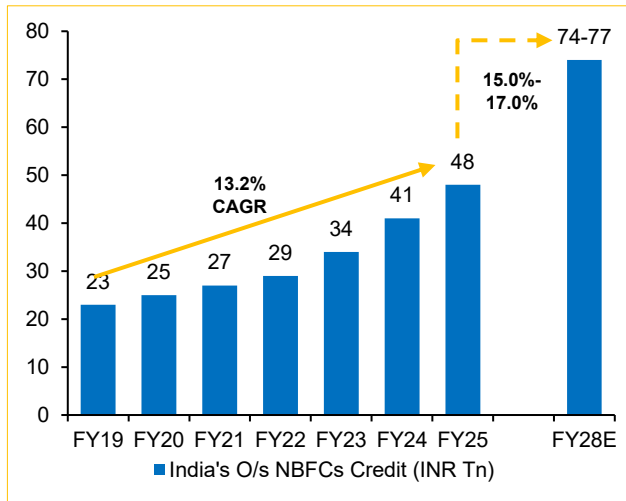
Source: Crisil Intelligence, Choice Institutional Equities

Led by Higher Credit Growth, NBFCs' Credit Share to Improve by FY28E



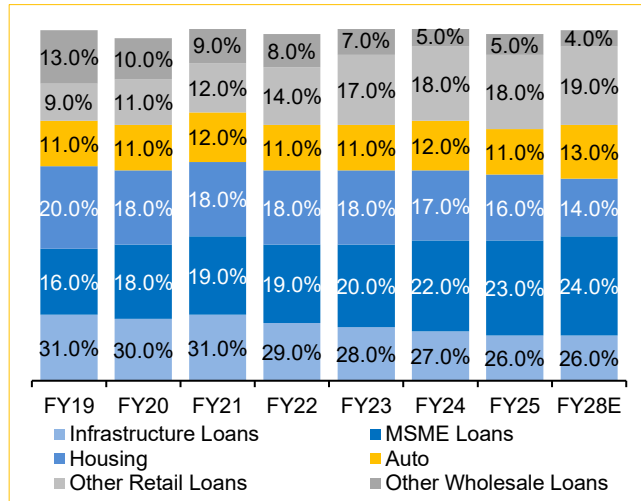
Source: Crisil Intelligence, Choice Institutional Equities

NBFCs' Credit Growth is Expected to Remain above GDP Growth



Source: CRISIL Intelligence, Choice Institutional Equities

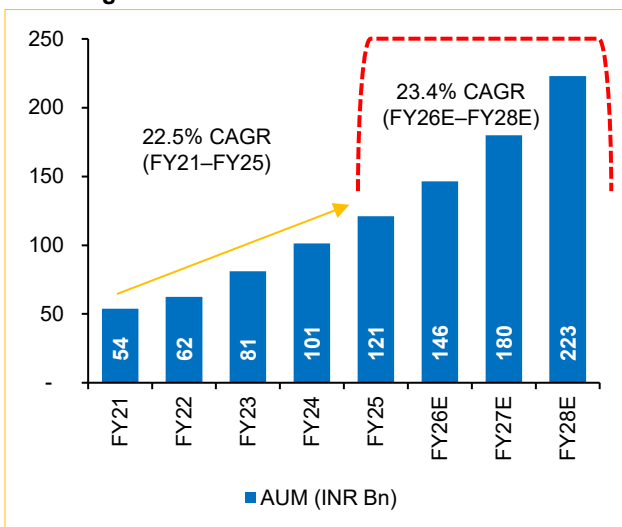
MSME and Auto Segments to Witness Expansion in Credit Mix for NBFCs



Source: Crisil Intelligence, Choice Institutional Equities

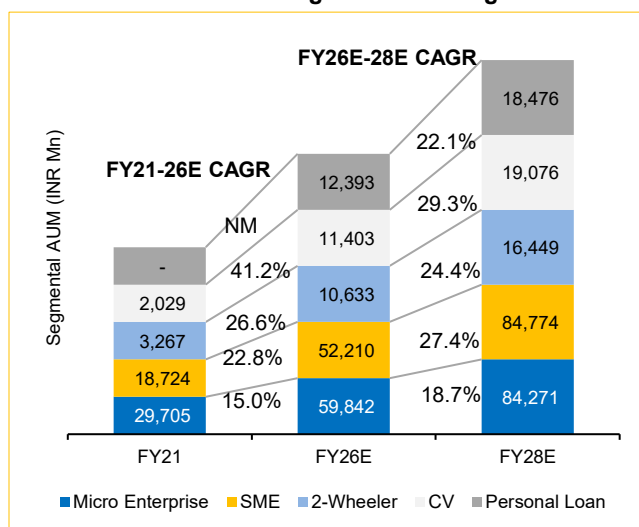
1.2 Investment Thesis in Charts

AUM to grow at ~23% CAGR over FY25–FY28E



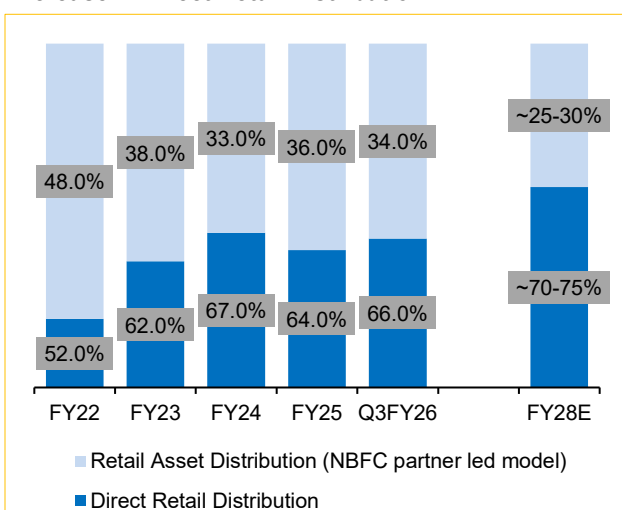
Source: MASFIN, Choice Institutional Equities

SME and Wheels Financing to drive AUM growth



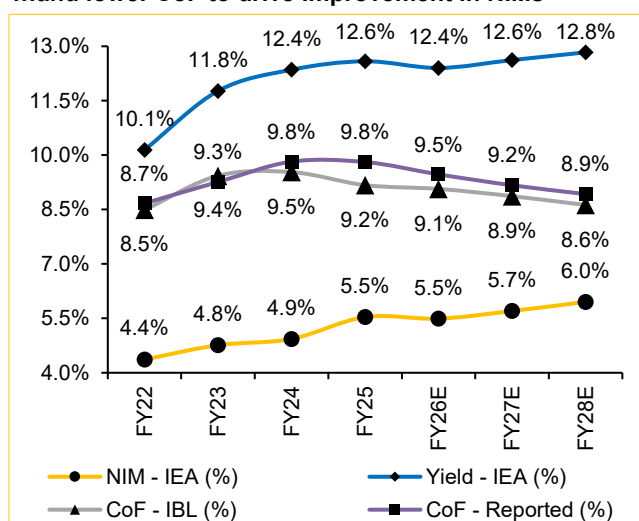
Source: MASFIN, Choice Institutional Equities

Increase in Direct Retail Distribution...



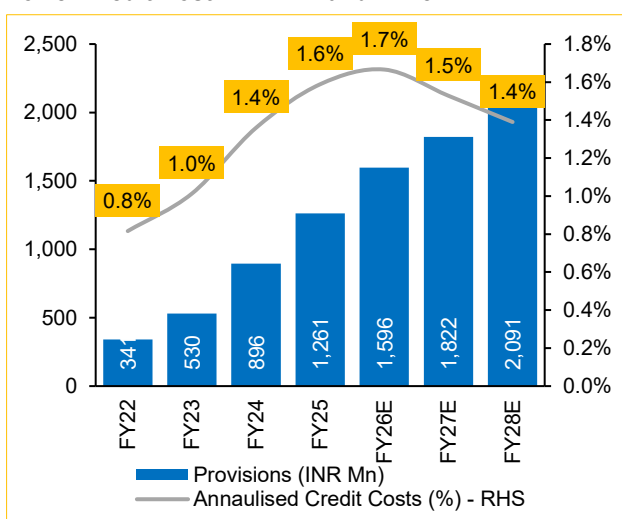
Source: MASFIN, Choice Institutional Equities

...and lower CoF to drive Improvement in NIMs



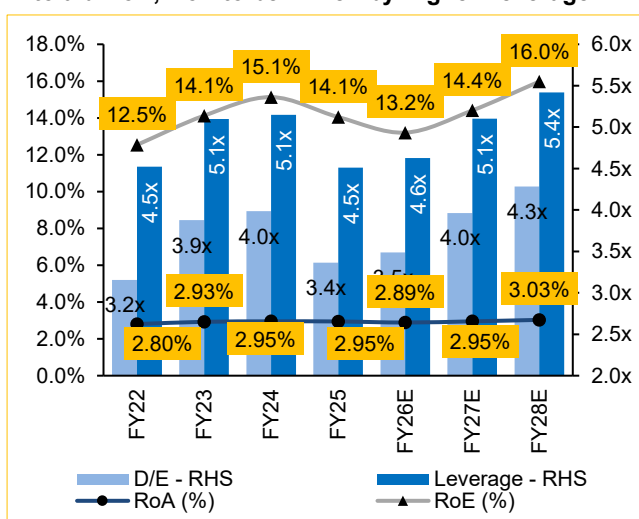
Source: MASFIN, Choice Institutional Equities

Lower Credit Cost in FY27E and FY28E...



Source: MASFIN, Choice Institutional Equities

...to aid RoA; RoE to be Driven by Higher Leverage



Source: MASFIN, Choice Institutional Equities

2.1 Sustained AUM Growth led by Presence across High-growth Portfolios and Branch Expansion

MASFIN, in its operational history of more than three decades, maintains a strong pan-India presence. Its distribution network comprises a **dense network of 208 branches** (mainly located in Western India) and **partnerships with 215 NBFCs**. Led by its niche lending model built around co-lending and NBFC partnerships, the company has scaled up its **standalone Assets Under Management (AUM) at a 22.5% CAGR over FY21–25** to INR 121.0 Bn. The growth was primarily driven by Personal Loans (scaled up from NIL as of FY21 to ~INR 10.4 Bn as of FY25), Commercial Vehicle Loans (+48.2% CAGR), 2-Wheeler Loans (+24.5% CAGR) and SME Loans (+24.5% CAGR).

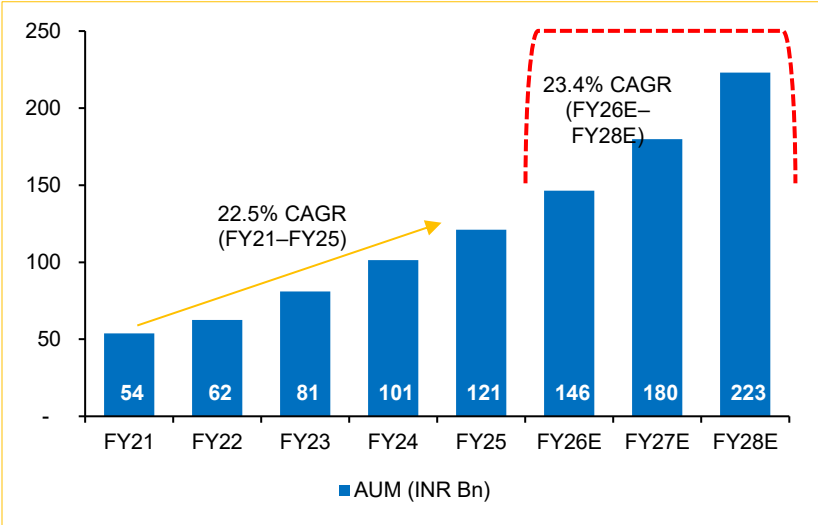
We forecast MASFIN to further ramp up the AUM 23.4% CAGR over FY26E–FY28E, driven by its focussed execution across Wheels Financing (CV and 2W) and SME segments. Higher loan growth will be aided by strong demand tailwind across the end-user sectors, faster loan-to-sanction cycle and expansion in the number of branches (aims to add ~200–250 in the next decade), leading to the formation of a dense distribution network.

2.1.1 AUM Growth Driven by Strong Demand across Portfolio

MASFIN has built a suite of customised products, developed to meet borrower needs, primarily offered in underserved geographies. Since its inception in 1995, it has been able to ramp up all products to scale, led by its niche NBFC partnership and co-lending business model. Salaried Personal Loans, launched in 2022, has been scaled up to INR 10.4 Bn (as of FY25), reflecting its execution-led delivery.

AUM Growth to Remain at ~23% over FY25–28E

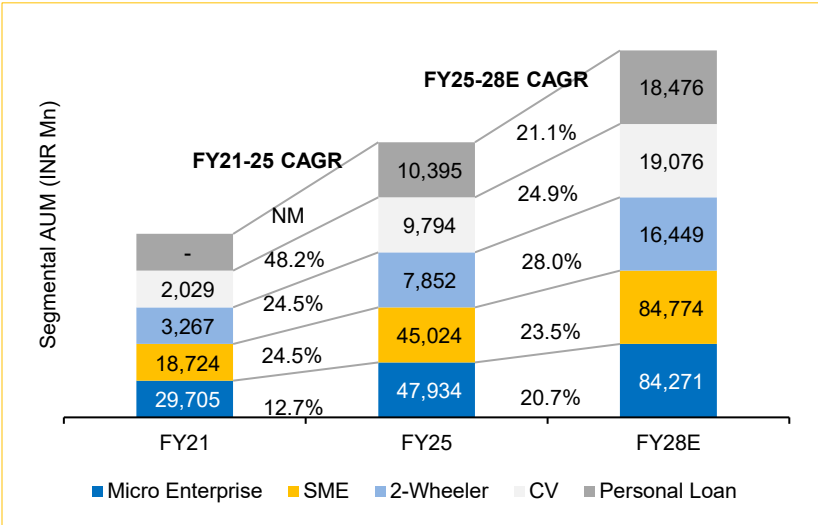
Over FY21–FY25, AUM growth was driven majorly by Personal Loans, CV Financing and SME



Source: MASFIN, Choice Institutional Equities

SME and Wheels Financing to Primarily Drive AUM Growth

Although AUM growth is expected to be broad-based, it will be primarily led by Wheels Financing, SME and Personal Loans



Source: MASFIN, Choice Institutional Equities

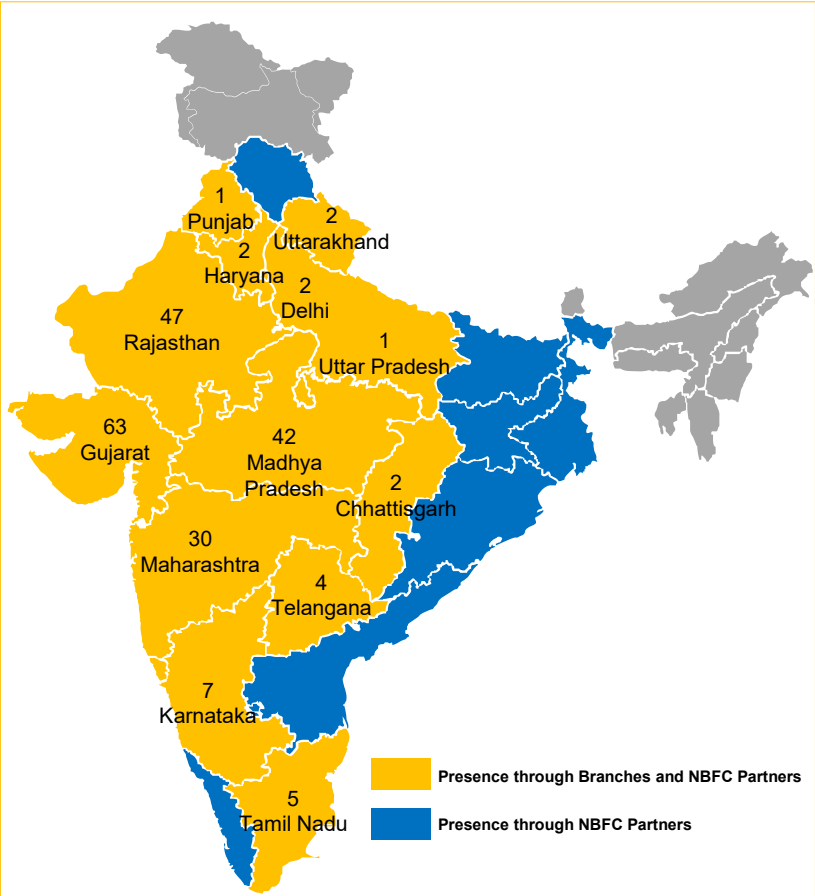
2.1 Sustained AUM Growth led by Presence across High-growth Portfolios and Branch Expansion

MASFIN, has a pan-India presence, supported by a network of 208 branches and 215 NBFC partnerships

2.1.2 Pan-India Presence Provides Platform to Scale up AUM

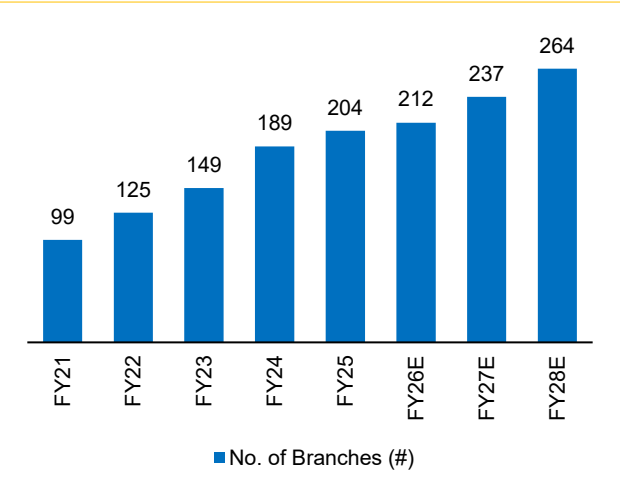
MASFIN has scaled up its branch network from 99 to 208 and NBFC partnerships from 127 to 215 in FY21 and Q3FY26, respectively. The diversified geographic footprint enables consistent origination in multiple states and borrower profiles, reducing concentration risk and volatility in portfolio growth. Moreover, localised underwriting and on-ground collections infrastructure support stable asset quality while launching new products. Further, it plans to add ~200–250 branches in the next decade so as to drive presence in new geographies.

MASFIN maintains Diversified Presence; Focussed on West India



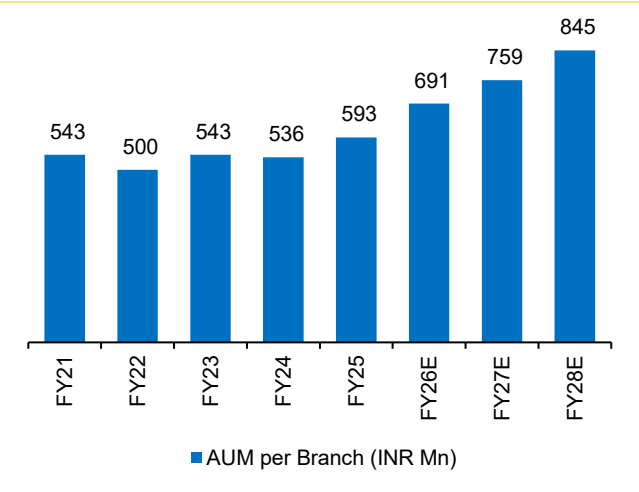
Source: MASFIN, Choice Institutional Equities

MASFIN Aims to add ~20 to 25 Branches Annually, in the Next Decade...



Source: MASFIN, Choice Institutional Equities

...to Efficiently Scale up AUM/branch while Maintaining Profitability



Source: MASFIN, Choice Institutional Equities

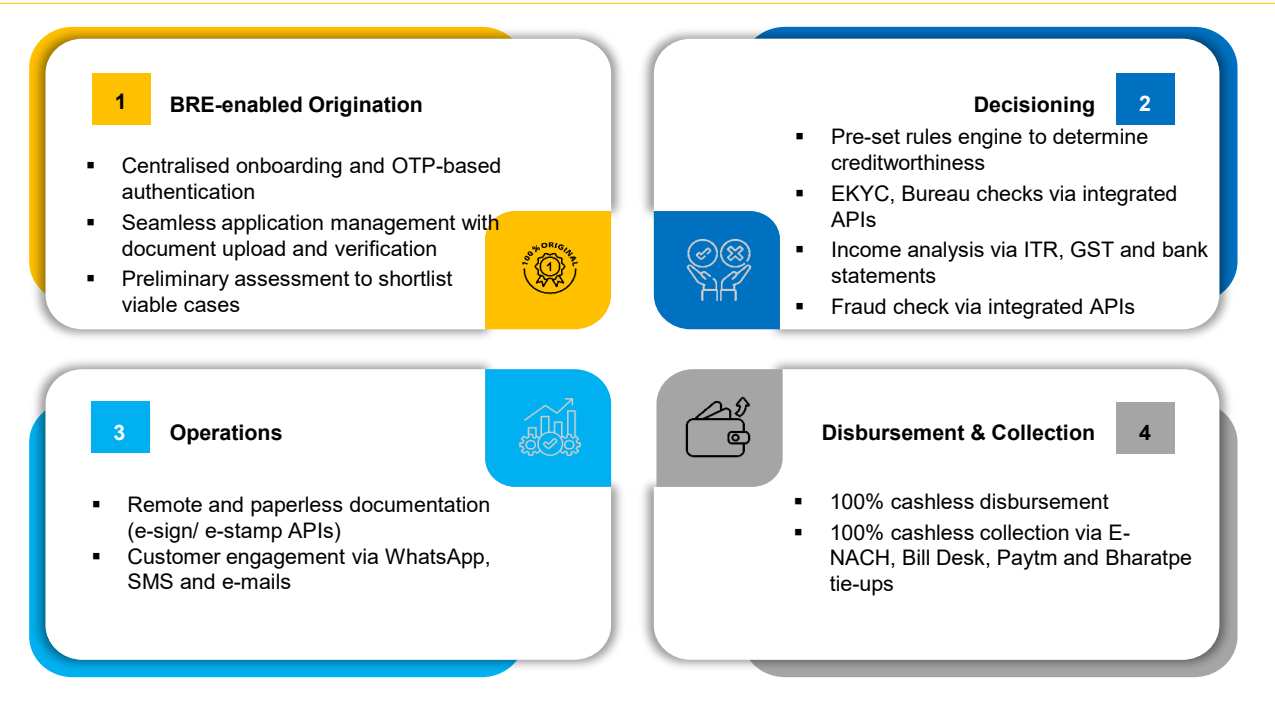
2.2 Superior Asset Quality led by In-house Developed Tech and Credit Appraisal System

MASFIN has built a **proprietary**, technology-led **underwriting platform** which enables fully digital, **rule-based credit origination** at scale, across its branch network and NBFC partner ecosystem. Historically, **portfolio expansion was driven largely by localised credit teams**, yet the company **delivered strong AUM growth** of over 20% in the last decade, while **maintaining net Stage 3 assets at ~1.7% of AUM as of Q3FY26**.
With the **BRE (Bank Rules Engine)-enabled Loan Origination System (LOS)** now **institutionalised**, MASFIN is **positioned to scale up and geographically diversify growth**. The platform enables consistent credit decisioning, centralised risk oversight and rapid product replication across geographies. **We expect the future long-term growth to be broad-based while maintaining a tight control over the asset quality and risk-adjusted returns.**

2.2.1 BRE-enabled LOS to Aid Scale and Enforced Underwriting

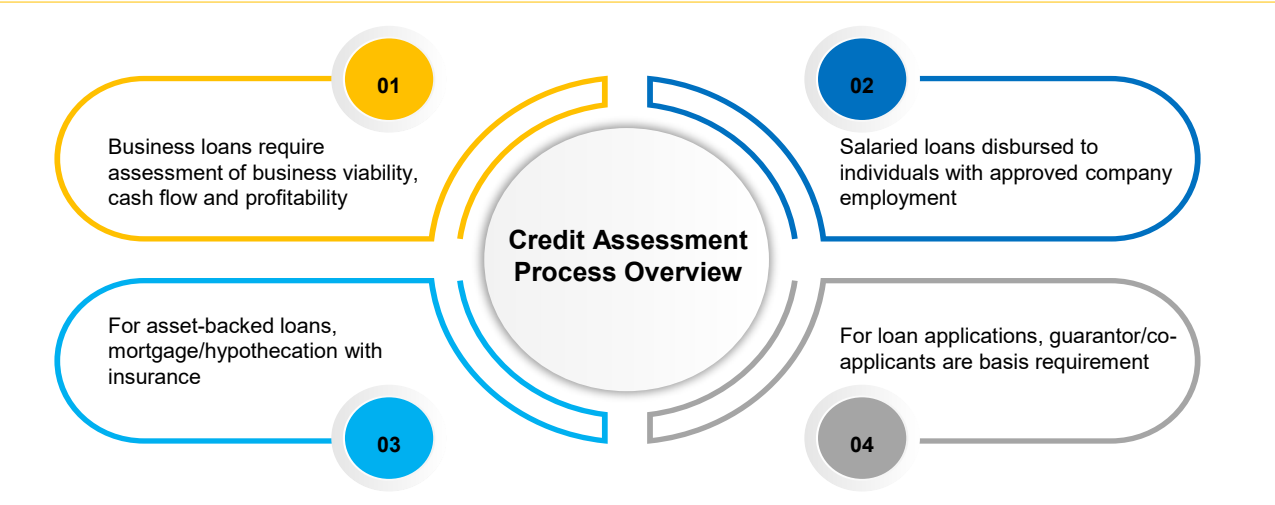
The BRE-enabled Loan Origination System automates credit policy enforcement through a predefined rules' engine. The system standardises underwriting across business lines, reduces manual intervention and materially shortens approval TAT. Its modular design allows rapid onboarding of new products and partners, lending flexibility with a structural advantage in replicating successful lending programs across geographies and asset classes.

MASFIN has Integrated its BRE-enabled LOS to Drive the Next Phase of Growth with Digital Underwriting



Source: MASFIN, Choice Institutional Equities

Stronger Credit Assessment Process Supports Lower Delinquencies



Source: MASFIN, Choice Institutional Equities

2.2 Superior Asset Quality led by In-house Developed Tech and Credit Appraisal System

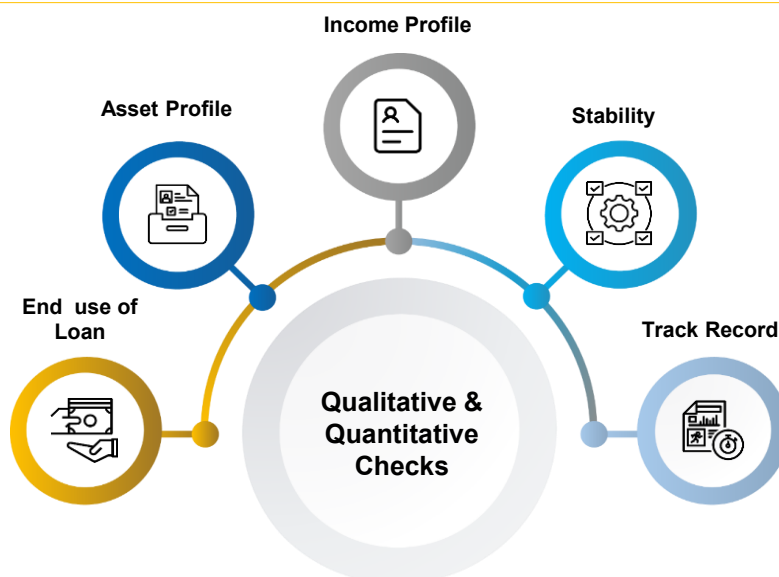
2.2.2 Systematic and Comprehensive Credit Assessment Framework Supports Industry-leading Asset Quality

Comprehensive credit assessment against pre-determined metrics supports in maintaining lower credit cost across lending cycle

MASFIN's platform embeds structured qualitative and quantitative credit checks across the lending lifecycle. The qualitative inputs include track record of the borrower, stability of his/her repayment capacity, income and asset profile and the end use of the loan so as to limit delinquencies.

Moreover, it integrates bureau verification, eKYC, ITR/GST-based income validation, bank statement analysis and real-time fraud detection through API workflows. These checks support early risk identification and precise underwriting.

Comprehensive Credit Assessment – End-to-End Process Powered by Automated and Intelligent Systems

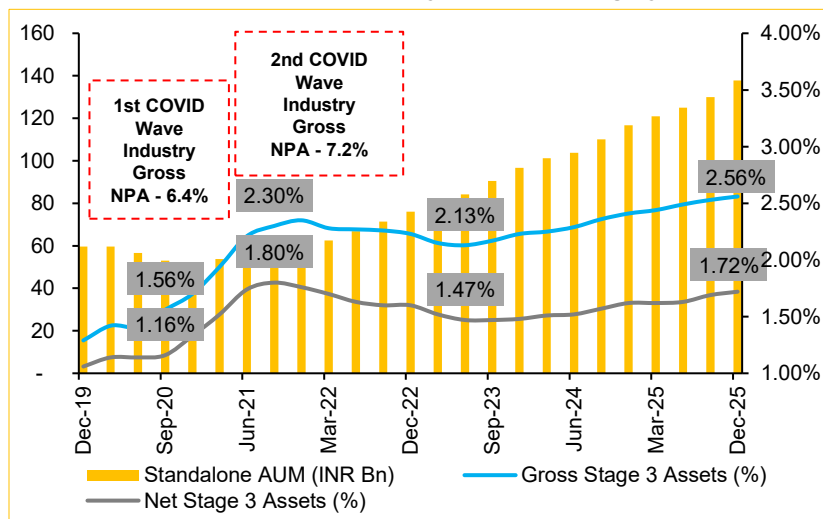


Source: MASFIN, Choice Institutional Equities

MASFIN's process-led framework supports stable portfolio quality while allowing it to scale up lending volumes with strong credit risk control. The company has been able to restrict gross stage 3 assets below 3.0% of the AUM in its operational history lending credibility to its robust credit assessment process and capabilities.

MASFIN has Maintained Asset Quality across Lending Cycles

The company has a track record of ~INR 290+ Bn cumulative disbursements through NBFC partners with <0.5% of total loss in the last decade



Source: MASFIN, Choice Institutional Equities

2.3 Improvement in Profitability Ratios led by Change in AUM Mix (%) and Higher Leverage

MASFIN's **profitability** is expected to **improve in the medium term**, driven by **asset mix optimisation, higher direct originations and prudent leverage**. Portfolio **yields are projected to increase, from ~12.4% in FY26E to ~12.8% by FY28E**, led by higher exposure to high-yield loans and increase in direct retail business. **Direct retail assets is anticipated to increase, from ~66% in FY25 and to ~70–75% by FY28E**, supporting higher NIMs.

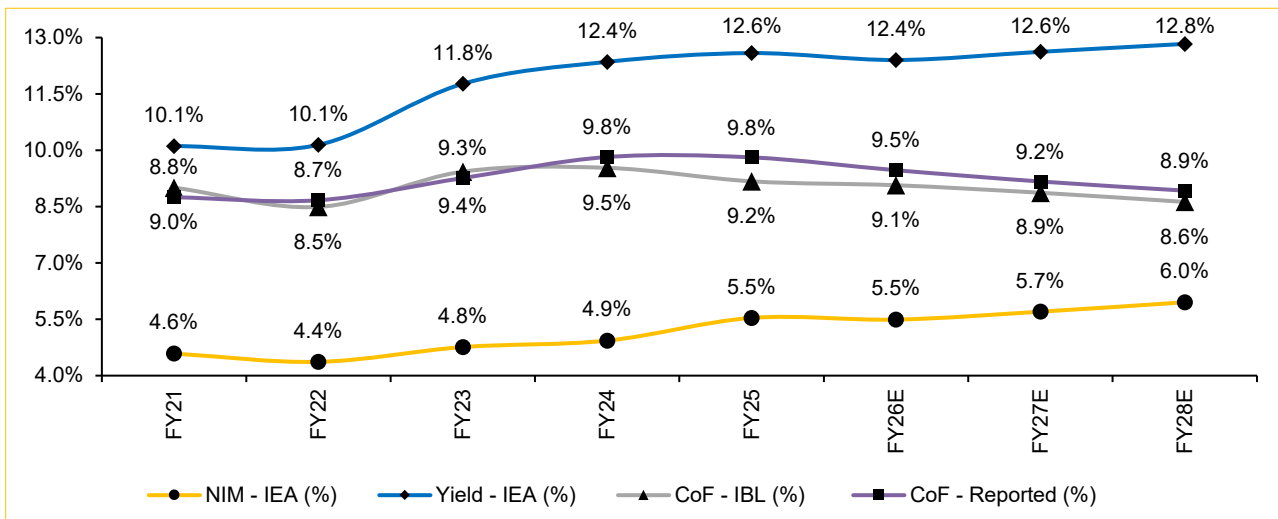
Improved underwriting policies driven by implementation of new LOS and portfolio seasoning is projected to drive lower credit cost (on average Loans) from ~1.7% in FY26E to ~1.4% in FY28E. **We project the Average RoA to remain sustainable at ~3.0% (over FY26E–FY28E)**, while **RoE would improve, from 13.2% in FY26E to 16.0% by FY28E**, driven by **higher leverage** (from ~4.5x in FY25 to ~5.4x by FY28E).

2.3.1 Improvement in Mix; Higher Direct Lending to Drive Higher NIMs

MASFIN is targeting Direct Retail distribution in the range of 70–75% of the Total Lending mix

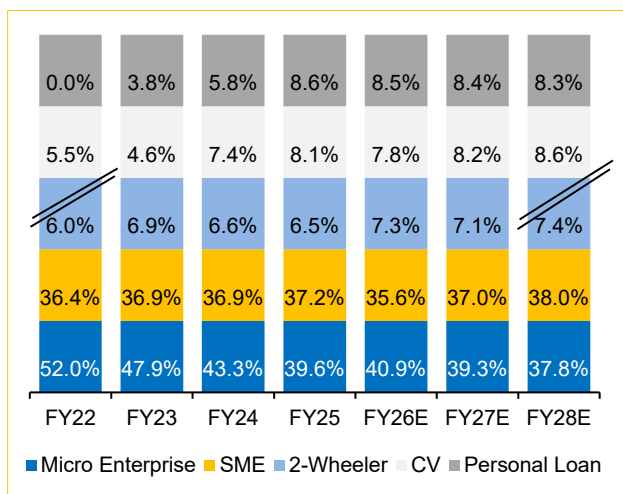
MASFIN strategises to increase direct retail distribution, from ~66% as of Q3FY26 to ~70–75% in the next 2–3 years. It is focussed on improving share of SME and Wheels Financing book, from 50.7% in FY26E to 54.0% in FY28E. This exercise is projected to drive improvement in blended yields and NIMs, from ~12.4% and ~5.5% in FY26E to ~12.8% and ~6.0% in FY28E, respectively.

Improvement in Blended NIMs is Led by Decline in Cost of Funds (CoF) and...

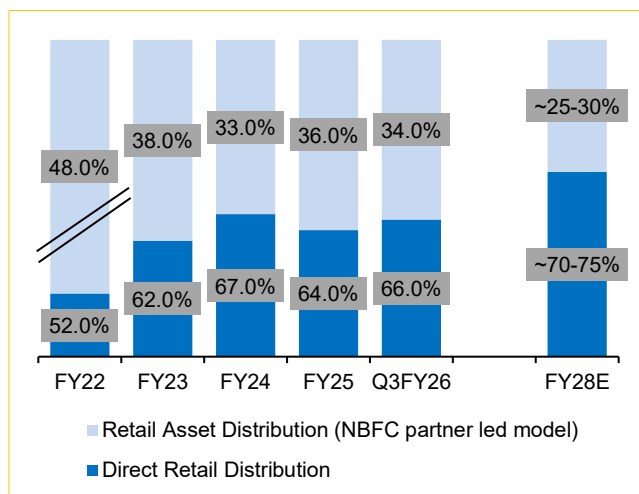


Source: MASFIN, Choice Institutional Equities

...evolving AUM Mix (%) towards High-Yield Products



... Increase in Direct Retail Distribution Mix (%)



Source: MASFIN, Choice Institutional Equities

2.3 Improvement in Profitability led by Change in AUM Mix (%) and Higher Leverage

2.3.2 Higher RoA driven by Lower Credit Cost; Improvement in RoE driven by Higher Leverage

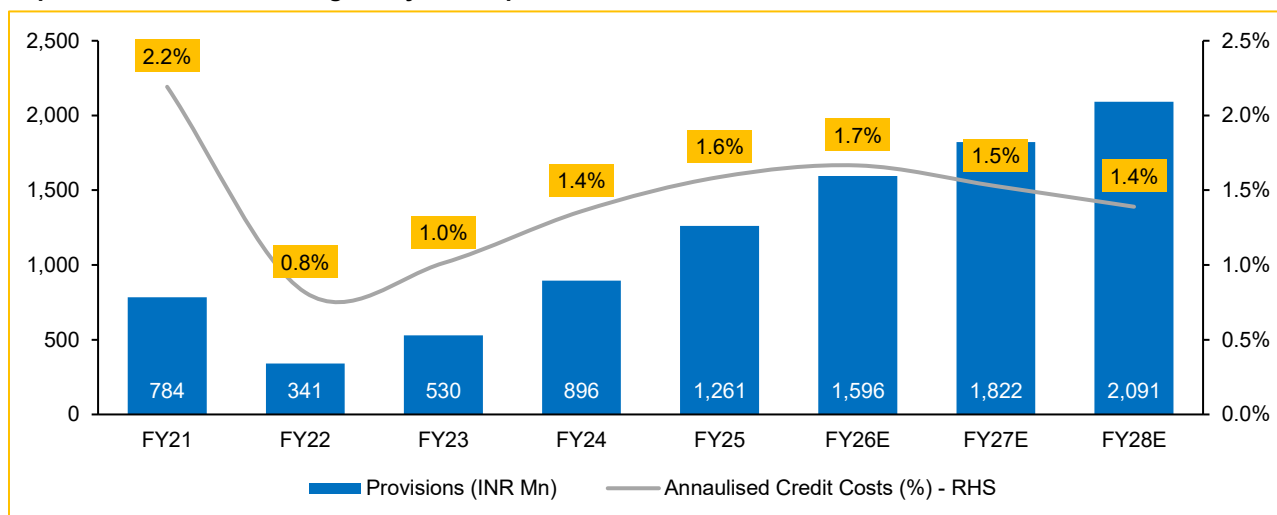
MASFIN employs a BRE-based LOS backed by framework of stringent underwriting standards. This framework supports it in maintaining one of the lowest credit costs in the industry for AUM with ~40.0% unsecured lending. Moreover, seasoning of the loan book and reduction in stress in the micro-finance sector is anticipated to drive lower credit cost over FY27E – FY28E.

Higher Leverage to drive Improvement in RoE from ~13.2% in FY26E to ~16.0% in FY28E

The Company is well-positioned to scale up its AUM after integration of technology across origination and operations. To support the next leg of growth, it has structured the yield and cost for each of the products, with an aim of maintaining product-level RoA at ~3.0%.

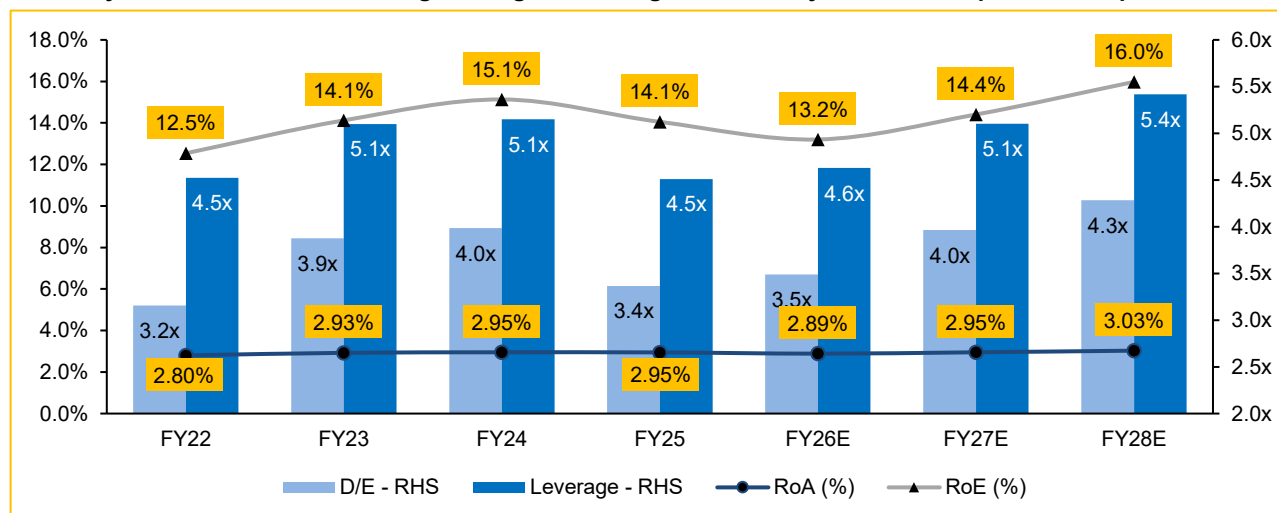
We anticipate MASFIN to maintain average RoA of ~3.0% over FY26E–FY28E and will focus on improving RoE of ~16.0% by FY28E, led by increase in financial leverage, from 4.6x in FY26E to 5.4x in FY28E.

Improvement in Underwriting led by LoS Implementation & Seasoned Loan Book to Drive Lower Credit Cost



Source: MASFIN, Choice Institutional Equities

Driven by Structured Product Pricing and Higher Leverage, Profitability Ratios are expected to Improve



Source: MASFIN, Choice Institutional Equities

3.1 Relative Analysis

Peer Analysis

Company	CMP (INR)	Market Cap. (INR Bn)	P/BV (x)		RoA		RoE	
			FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
MAS Financial	330.8	60.0	2.0	1.8	2.9%	3.0%	13.2%	14.4%
MSME Focused Financiers								
SBFC Finance*	97.4	106.7	3.0	2.6	4.2%	4.2%	12.7%	13.9%
Ugro Capital*	136.1	21.0	0.5	0.5	1.9%	2.3%	6.4%	7.9%
Five-Star Business Finance*	433.3	127.1	1.7	1.5	7.4%	7.3%	17.0%	17.1%
Other Financiers								
Capri Global*	177.7	170.9	2.4	2.1	3.4%	5.3%	16.7%	22.1%
IIFL Finance*	525.6	223.5	1.6	1.4	2.0%	2.3%	10.0%	12.6%
Northern Arc*	255.5	41.2	1.1	0.9	2.7%	3.2%	10.8%	13.4%

Source: Company, FactSet, Choice Institutional Research

Note: * denotes FactSet Consensus

Company	AUM CAGR FY26E–28E	BVPS CAGR FY26E–28E	Branches	AUM/ Branch (INR Mn)	MSME Mix	Secured Book	AUM 30+ DPD
MASFIN	23.4%	16.2%	208	663	76%	51%	5%
MSME Focused Financiers							
SBFC Finance*	24.9%	16.3%	230	456	81%	100%	NA
Ugro Capital*	20.3%	15.4%	325	376	82%	70%	6%
Five-Star Business Finance*	23.6%	17.1%	835	155	100%	100%	13%
Other Financiers							
Capri Global*	32.0%	18.4%	1,331	228	21%	100%	NA
IIFL Finance*	19.1%	15.7%	4,728	208	10%	85%	4%
Northern Arc*	22.8%	15.6%	368	411	39%	89%	NA

Source: Company, FactSet, Choice Institutional Research

Note: * denotes FactSet Consensus

Company	NIM	Yield	CoF	Cost-to- Income Ratio	CRAR	Gross NPA	Net NPA
MASFIN	5.4%	12.5%	9.5%	36.6%	22.8%	2.6%	1.6%
MSME Focused Financiers							
SBFC Finance	10.3%	17.8%	8.7%	39.1%	31.7%	2.7%	1.5%
Ugro Capital	NA	17.6%	10.4%	56.6%	25.4%	2.4%	1.5%
Five-Star Business Finance	16.0%	23.0%	9.1%	32.9%	51.6%	3.2%	1.9%
Other Financiers							
Capri Global	8.9%	16.9%	9.5%	54.2%	30.3%	1.2%	0.7%
IIFL Finance	NA	16.2%	9.3%	46.4%	27.7%	1.6%	0.8%
Northern Arc	9.9%	17.1%	8.5%	34.3%	23.1%	1.4%	0.7%

Source: Company, Choice Institutional Research

Company	RoA						
	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
MASFIN	3.0%	3.0%	2.9%	2.9%	2.8%	2.9%	2.9%
MSME Focused Financiers							
SBFC Finance	4.6%	4.6%	4.5%	4.5%	4.5%	4.6%	4.7%
Ugro Capital	2.4%	2.6%	2.5%	2.5%	2.0%	2.5%	2.2%
Five-Star Business Finance	8.2%	8.4%	8.1%	8.0%	7.2%	7.5%	7.0%
Other Financiers							
Capri Global	1.9%	2.3%	2.8%	3.6%	3.2%	4.0%	4.0%
IIFL Finance	2.3%	-0.7%	0.6%	1.6%	1.6%	1.9%	2.1%
Northern Arc	3.1%	3.1%	2.4%	1.2%	2.4%	2.6%	2.7%

Source: Company, Choice Institutional Research

3.2 Relative Valuation

AUM to witness growth of 23.4% CAGR over FY26E–FY28E, in line with its long-term trend

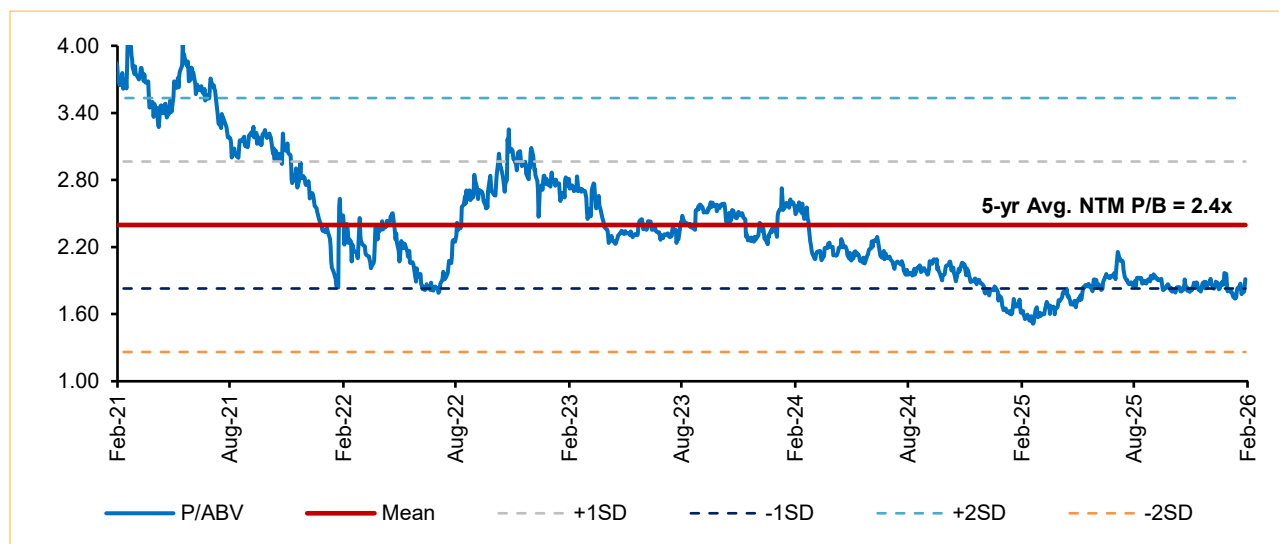
PPOP to expand at 23.5% CAGR over FY26E–FY28E

We recommend 'BUY' on MASFIN with an upside of 25.5%

MASFIN has a proven track record of maintaining stable RoA in range of 2.8–3.0%, both, in short and long term, despite having a lower share of secured book among MSME and diversified lenders

- MASFIN has built a well-diversified AUM across geographies. The company's AUM has witnessed a growth of 22.3% CAGR over FY23–FY25
- We forecast the AUM and NII to grow at 22.6% CAGR and 25.8% CAGR, respectively, over FY25–FY28E
- Growth in profitability is likely to remain healthy at 27.0% CAGR, led by an improvement in NIM margin and contained credit cost, resulting in average RoA of ~3.0% over FY26E–FY28E
- We initiate coverage on MASFIN with a 'BUY' recommendation. We value the standalone lending business at 2.0x FY28E ABV (based on peer-group benchmarking for financial and operational metrics), implying target price of INR 415.0 per share, with an upside potential of 25.5%**
- On performing relative analysis, we found **MASFIN has a proven track record of maintaining average RoA in range of ~2.8–3.0% in both, short term and long term**, despite having lower secured book among MSME focused lenders and diversified lenders. Moreover, the company led by its **prudent risk management practices has 30+ DPD of 5.0%, one of the lowest among MSME lenders**, whereas **higher leverage** is expected to **drive improvement in RoE from 13.2% in FY26E to 16.0% in FY28E**
- We believe the stock has de-rated in past 12–15 months, primarily led by **lower RoE on account of QIP fund raise and weaker AUM growth**. Higher loan growth and improved profitability should **aid the company in sustaining P/ABV of 2.0x** over the medium term
- As a sanity check, we **cross-validated our P/ABV derived TP with residual income approach TP of INR 410**

1-year Forward P/BV Chart



Source: BSE, Choice Institutional Research


3.3 Bull and Bear Case Scenarios




INR 470
42.1% Upside

BULL Assumptions

- We have considered stronger CAGR of 24.2% in IEA (Interest Earning Assets) over FY25–28E, led by improvement in credit offtake on account of high demand across end-user sectors. Assumed CAGR of 26.6% in IBL (Interest Bearing Liabilities)
- Higher NII CAGR of 27.6% over FY25–28E, coupled with similar operating expenses, to aid PPOp CAGR at 24.9% over FY25–28E
- Further, have assumed a lower average credit cost at 1.38% over FY26E–28E as compared to 1.53% in base case


INR 415
25.5% Upside

BASE Assumptions

- Growth in IEA (Interest Earning Assets) at 22.2% CAGR over FY25–FY28E. Growth in IBL (Interest Bearing Liabilities) at 24.6% CAGR over FY25–FY28E, to support increase in D/E from ~3.4x in FY25 to ~4.4x by FY28E
- NII CAGR to remain at 25.8%, whereas PPOp to expand at 22.9% CAGR
- Average credit cost at 1.53% over FY26E–FY28E


INR 300
9.3% Downside

BEAR Assumptions

- We have considered weaker CAGR of 17.2% in IEA (Interest Earning Assets) over FY25–28E, led by dull demand across micro enterprise and wheels financing. Assumed growth CAGR of 20.6% in IBL (Interest Bearing Liabilities)
- Weaker NII CAGR of 20.7% over FY25–28E, coupled with similar operating expenses, to lead to softer PPOp CAGR of 17.2% over FY25–28E
- Further, have assumed a higher average credit cost at 1.78% over FY26E–28E as compared to 1.53% in base case.

3.4 Risks to our Investment Thesis

MEL and SME accounts for ~76% of the AUM Mix; lower credit growth can affect overall disbursement

Inability to add branches and NBFC partners to its network can adversely impact the intended scaling up of AUM

Higher credit cost can affect the profitability in the medium term

Inability to increase financial leverage in medium to long term can affect improvement in RoE

▪ Lower Credit Growth across MEL, SME and CV Financing

MEL and SME Financing, accounting for ~76% of AUM, have a high co-relation with the overall economic activity. CV Financing is cyclical in nature; its performance is linked to the utilisation level of the vehicle fleet. Downturn in economy might affect the demand for credit across these segments, negatively impacting the disbursement patterns

▪ Inability to Scale Branches and NBFC Partnerships

Possible failure to secure partnerships with NBFCs and expansion of branch network might affect the intended scaling up of AUM and negatively impact its target to control operational expenses/.

▪ Higher Credit Cost

The MEL segment, accounting for ~40% of AUM, is largely unsecured in nature. The Micro-finance industry has witnessed higher stress in last two years. Moreover, the CV Financing faces higher risk of failure due to cyclical nature of the segments. Higher delinquencies across MEL and CV segments might lead to a higher credit cost in the short term. MEL and CV segments recorded gross NPA of ~3.0% and ~4.0%, respectively. Prolonged stress could lead to a short-term uptick in NPAs.

▪ Lower than Expected Financial Leverage

Improvement in RoE is anticipated to be primarily driven by increase in financial leverage. MASFIN intends to improve the financial leverage, from ~4.5x in FY25 to ~5.5x in the next 2–3 years, to target RoE in the range of 16.0–18.0%. Inability to drive increase in leverage will affect the intended profitability levels.

4.1 Key Insights from Management Meeting

Continue scaling up its AUM at 20.0%–25.0% CAGR in the next decade so as to reach ~INR 1.0 Tn

Targeting RoA and RoE in the range of 2.75%–3.00% and 16.0%–18.0%, respectively, supported by product structure, segmental yields and credit cost

Significant undrawn balances from banks to support higher credit growth in the short term

Higher share of direct sourcing business in SME vertical to drive improvement in blended yields

MEL loans have the highest approval ratio among all the segments, driven by its superior sourcing profile

MASFIN aims to increase its physical presence with a vision of ~500 branches in the next 12–15 years

Outlook:

- MASFIN has built a sufficient scale in its operational history of over 30 years. It has formulated a strategy to significantly scale its standalone AUM to INR 250.0 Bn and INR 1.0 Tn in the medium term (~3–4 years) and long term (in the next decade), respectively, by leveraging technology stack developed in house
- It plans to continue prioritising on its founding principles of extending credit to high creditworthy individuals and businesses in underserved geographies
- The company intends to enhance its direct sourcing business (from ~66% in Q3FY26 to ~75%) in the medium term. This will drive improvement in yields and support structural high credit cost products
- Higher yields will aid in sustaining long-term profitability goals of RoA in the range of 2.75%–3.00%, while higher leverage (from ~4.5x in FY25 to ~5.5x over the medium-to-long term) will support improvement in RoE in the range of 16.0%–18.0%
- Strategic Focus Segments include Micro Enterprise Loans, SME and Vehicle Financing loans to support higher blended yields

Borrowing and Lending Rate Profile:

- MASFIN's borrowing-mix is well diversified with ~60% floating rate-based borrowing. It maintains a high undrawn balance of cash credit and sanctioned term loans, which can support higher credit offtake as and when demand cycle improves across products and segments
- The CoF stood at ~9.6% as of Q2FY26. The company plans to drive improvement of 20 bps in FY26E to ~9.4% and of 20 bps in FY27E to ~9.2%.
- Micro Enterprise Loans, Vehicle Financing and Salaried Personal Loans are generally fixed in nature, while the SME loans are floating-based products with annual reset. The company intends to improve blended yields, through higher share of direct sourcing business.

Micro and SME Business:

- Although MEL segment has experienced significant slow-down (intentional and structural) in the past few quarters, the company intends to scale up the disbursement, with further improvement in collection efficiency
- SME (2nd highest contribution in AUM mix) has been witnessing stronger credit offtake as compared to MEL segment. MASFIN intends to drive significant ramp-up in the segment through improvement in average ticket price of the working capital and business loans (LAP)
- Micro enterprise loans approval ratio (login-to-sanction) stands at ~80.0%, whereas, for SME products, it ranges around 60.0%–70.0%

Wheel Financing Segment:

- MASFIN remains focussed on growing the segment materially, such that the AUM contribution mix improves from ~15.0% in Q2FY26 to ~20.0% in the medium term. The growth will be supported by stronger tailwind across the industry since GST rationalisation in Sep '25

Salaried Personal Loans:

- Although, the salaried personal loans has remained a key focus area (+71.3% YoY in Q2FY26), the company intends to cap lending at 10.0% of its AUM so as to pre-empt risk. Approval ratio for salaried personal loans stood at ~50.0%, indicating stringent credit appraisal process

Branch Network:

- The company plans to add ~25 branches every year and over 250 branches in the next decade to improve its penetration in existing geographies and enhance its pan-India presence

4.2 SME Loan Branch Visit

Branch Visit:

We visited a SME Loan branch in Nehru Nagar, Ahmedabad. The branch’s outstanding as of March 31, 2025, stood ~INR 1,200 Mn.

Branch Design:

Branches are categorised by size and location, namely – Large, Tier-II and Tier-III. Large branch accommodates ~7 employees (1 BM + 3 Loan Officers + 3 Support Staff), while Tier-II branch involves ~5 employees (1 BM + 2 Loan Officers + 2 Support Staff) and Tier-III branch houses ~3 employees (1 BM + 1 Loan Officer + 1 Support Staff).

MAS Financial, Nehru Nagar SME Division Loan Branch, Ahmedabad

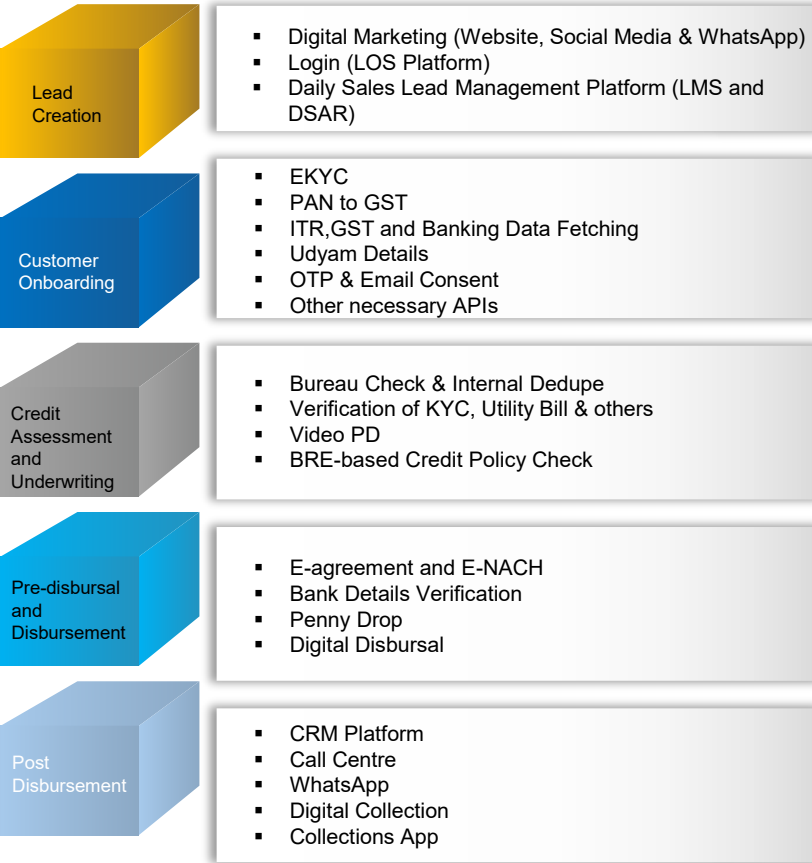


Source: Choice Institutional Research



Source: Choice Institutional Research

Digital Loan Process: From Origination to Disbursement



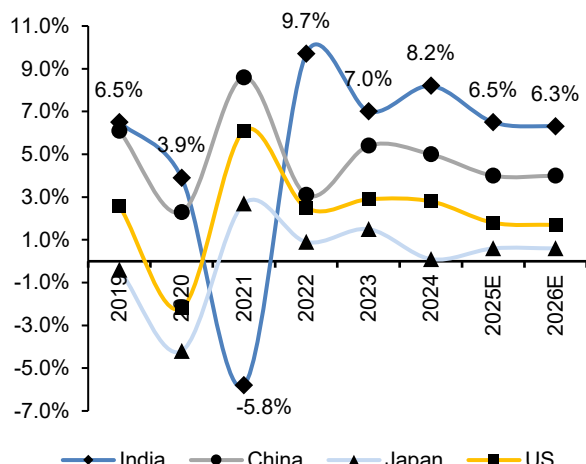
5.1 India's Macro and Overall Credit Market

India has Strong Tailwinds for Economic and Credit Growth

The Indian economy has remained resilient among large economies. It is anticipated to grow at 6.5% and 6.3% in 2025E and 2026E, respectively, as ~60%+ of its GDP is represented by domestic private consumption. Moreover, India's overall credit-to-GDP at 93.0% in 2024 remains one of the lowest among large economies.

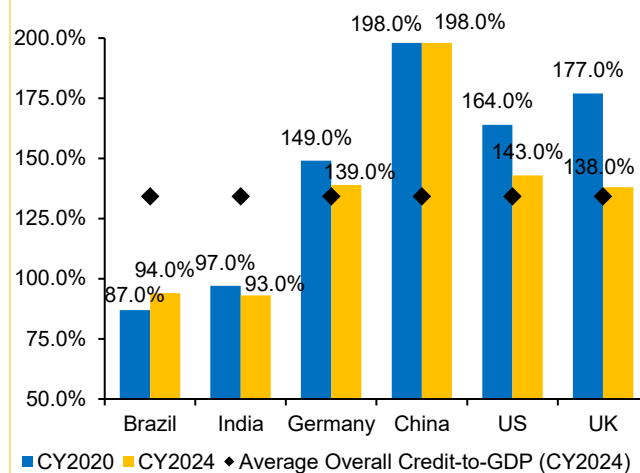
The government's and RBI's sustained intervention, including GST rate rationalisation, income tax rebate and lower interest rate, is expected to drive higher consumption, stronger economic and credit growth over FY26E–27E.

India to remain Fastest-growing Large Economy



Source: IMF, Choice Institutional Equities

India has Huge Potential for Growth in Credit-to-GDP

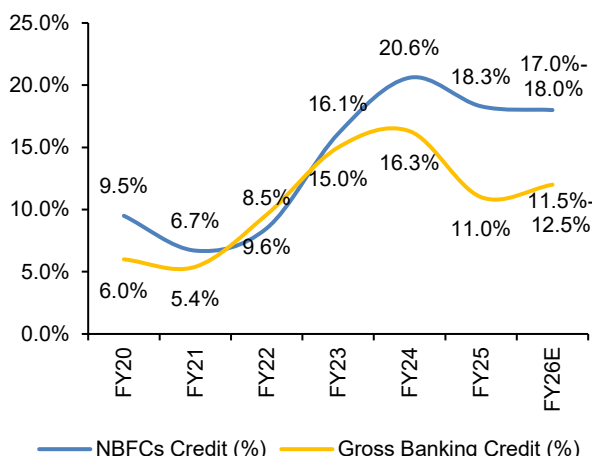


Source: Crisil Intelligence, Choice Institutional Equities

NBFCs Credit Growth has Outperformed Banks

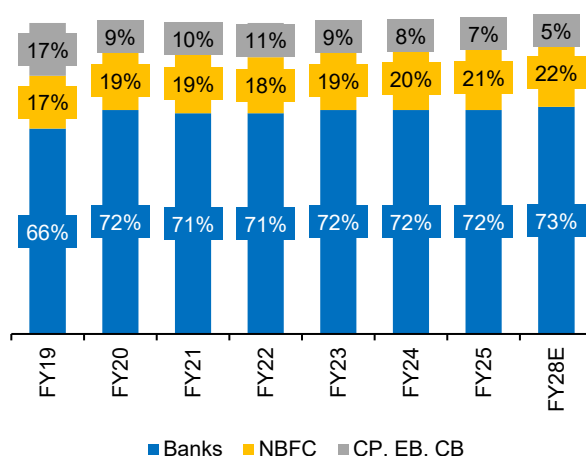
Credit growth for NBFCs has outperformed the gross banking credit over FY23–25. The superior performance was primarily led by niche expertise of NBFCs as compared to banks through tailored products and shorter turnaround time (TAT).

Moreover, NBFCs' credit growth is forecast to grow at 17.0–18.0% in FY26E as compared to 11.5–12.5% credit growth for banks. On account of stronger growth, NBFCs' credit share is projected to improve, from ~21.0% in FY25 to ~22.0% in FY28E.

NBFCs' Credit Growth to Outperform Banks for 4th Consecutive Year

Source: Crisil Intelligence, Choice Institutional Equities

Led by Higher Credit Growth, NBFCs' Credit Share to Improve by FY28E



Source: Crisil Intelligence, Choice Institutional Equities

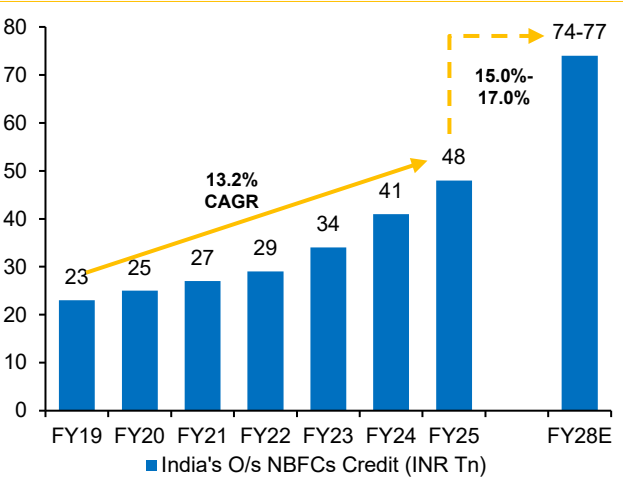
5.2 NBFC Credit Landscape

NBFCs to witness stronger credit growth of 15.0–17.0% CAGR over FY25–28E

NBFCs Credit Growth to Expand at Higher Rates

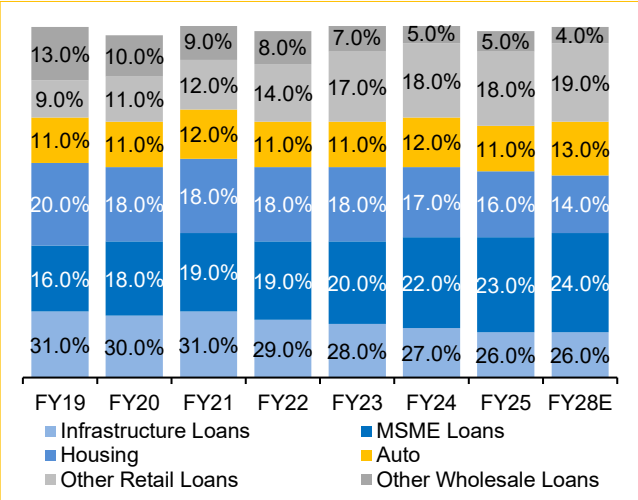
Historically, the credit growth of NBFCs has trended above the nominal GDP growth of India. NBFCs’ outstanding credit has witnessed a CAGR of 13.2% over FY19–25. It is anticipated that the credit growth will further gain momentum, with 15.0–17.0% CAGR over FY25–28E to reach INR 74–77 Tn, driven by rapid growth across MSME, Auto and Other Retail Loan segments.

NBFC’s Credit Growth is Expected to Remain above GDP Growth



Source: CRISIL Intelligence, Choice Institutional Equities

MSME and Auto Segments to Witness Expansion In Credit Mix for NBFCs

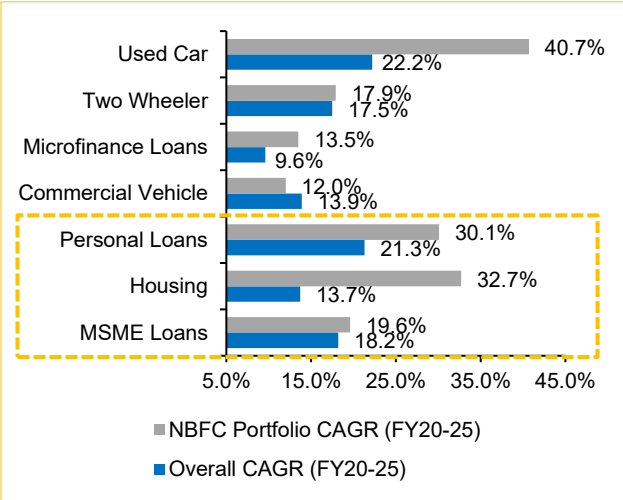


Source: CRISIL Intelligence, Choice Institutional Equities

NBFCs Dominate MSME and Retail Loan Segments

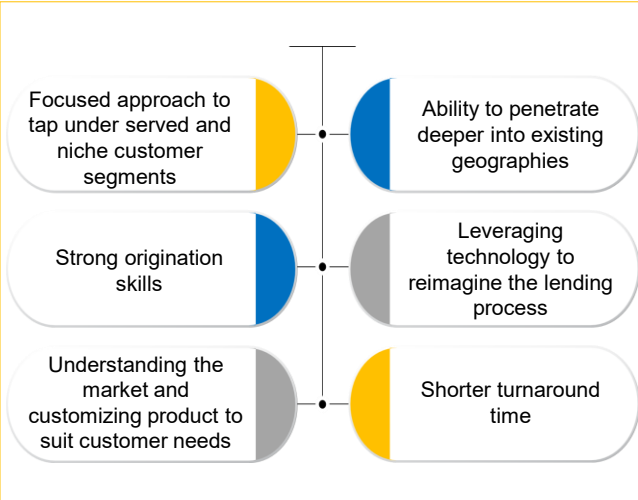
Overtime, NBFCs have built their niche in lending for selective products in segments including Used Vehicle Loans, Personal Loans, Micro-finance Loans, Housing and MSME. This expertise has supported them in scaling up their AUM faster than overall segment credit growth. Outperformance for NBFCs has been driven by stronger loan origination skills, leveraging technology to scale up rapidly, ability to penetrate deeper and serve unbanked borrowers.

MSME and Selective Retail Loans drove Higher Credit Growth for NBFCs over FY20–25



Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

Drivers Leading Faster Credit Growth for NBFCs



Source: CRISIL Intelligence, Choice Institutional Equities

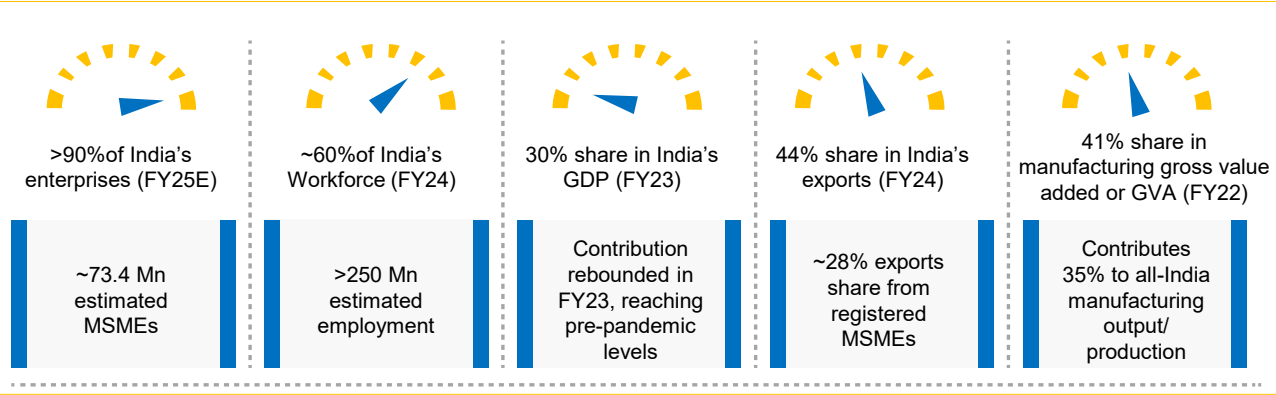
5.3 Credit Micro-markets

MSMEs – a Core Growth Driver for the Indian Economy

Micro & Small Medium Enterprises (MSMEs) is the structural backbone of the economy with its ~30% and ~44% share in India’s GDP and exports, respectively. There are estimated to be 73.4 Mn MSMEs in India, which employ ~60% of India’s workforce, thus supporting higher employment. Further, they play a pivotal role in balancing regional development across rural and backward regions, supporting in strengthening local economies.

Moreover, as MSMEs are concentrated in labour-intensive and manufacturing sectors, they contribute ~35–41% to India’s overall manufacturing output. To support higher economic growth, MSMEs should be supported with easy access to credit.

MSMEs Remain the Key Driver of the Indian Economy



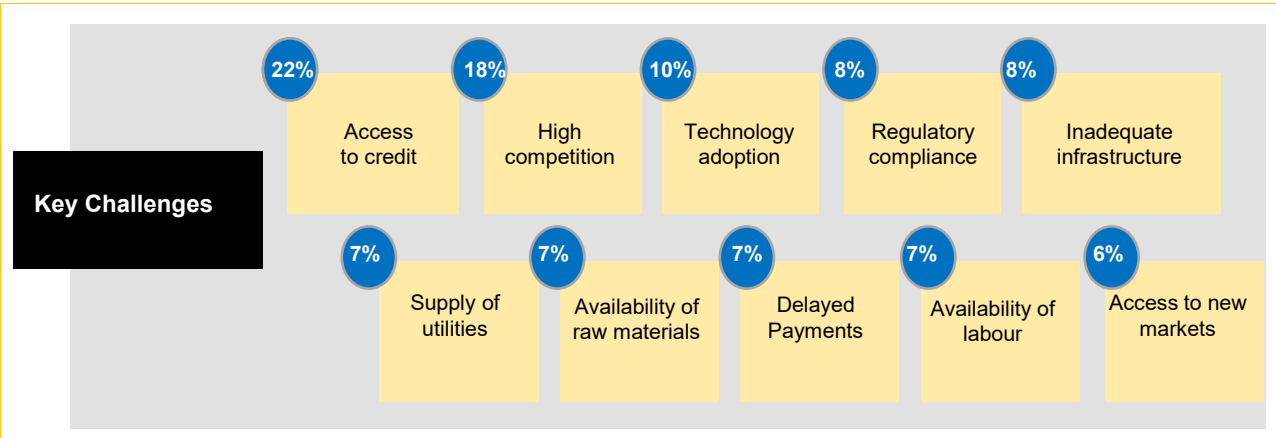
Source: SIDBI MSME Pulse, Choice Institutional Equities

Credit Access Remain the Key Challenge for NBFCs

Despite the integral role MSMEs play in shaping the Indian economy, they continue to face several challenges, hindering their overall economic growth trajectory. The top three challenges faced by MSMEs include access to credit (~22%), high competition intensity (~18) and adoption of technology in improving productivity (~10%).

Access to credit remains the top challenge for MSMEs, as majority of them operate in informal end-user sectors, limited credit history, inability to produce collateral security and poor financial records.

Top 10 Challenges MSMEs Face



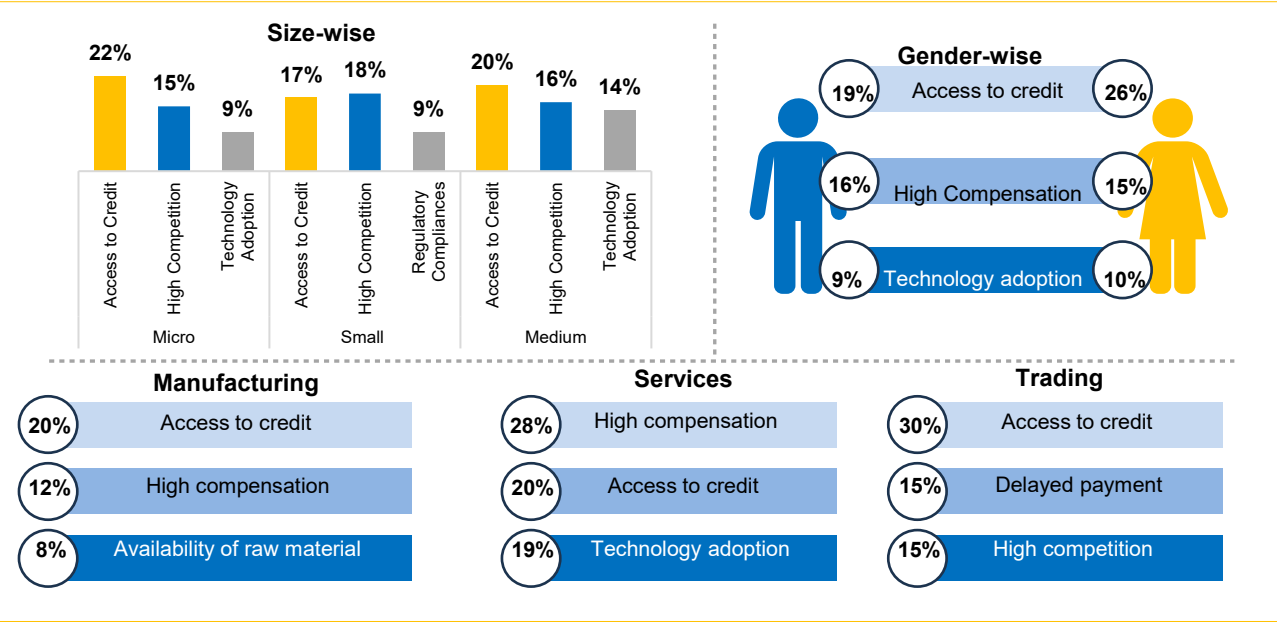
Source: SIDBI MSME Pulse, Choice Institutional Equities

5.3 Credit Micro-markets

Challenge of Access to Credit across MSMEs Varies with Scale and Industry

MSMEs with smaller scale face higher level of difficulty in availing credit as compared to larger units. Similarly, trading and service companies face bigger challenge in access to credit due to their inability in providing collateral security.

Access to Credit Remains among 3 Primary Challenges across MSME Segment

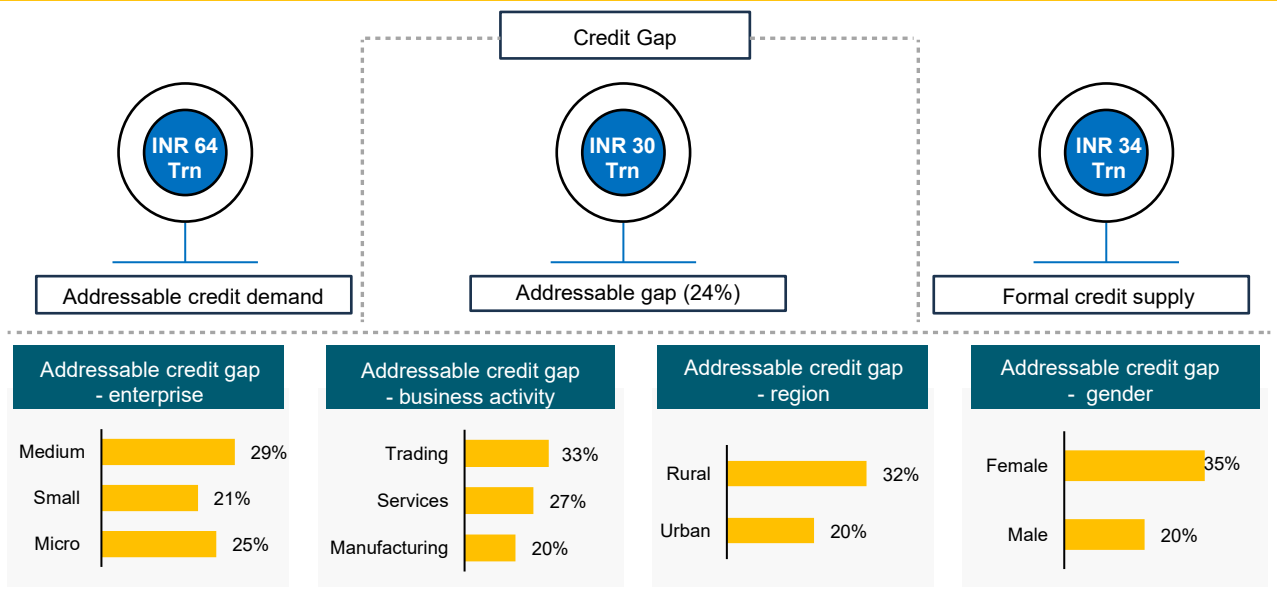


Source: SIDBI MSME Pulse, Choice Institutional Equities

MSMEs: Large Addressable Credit Gap

MSMEs in India are estimated to have a total addressable credit demand of ~INR 64 Tn, of which formal debt supply by banks and NBFCs is estimated at ~INR 34 Tn. This provides a huge addressable untapped credit gap of INR 30 Tn. NBFCs with a niche in MSME segment can capitalise on this opportunity through cash-flow-based lending as compared to collateral-based lending, availing government aid, such as CGTSME, MCGS-MSME and export credit schemes.

Large Addressable Credit Gap Lends Strong Sectoral Growth Tailwind

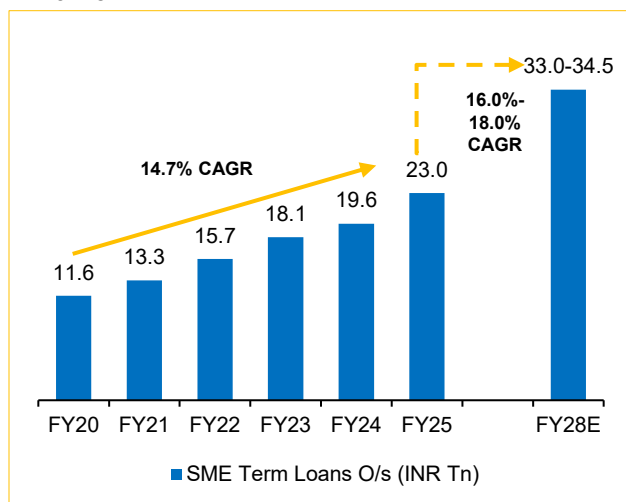


Source: SIDBI MSME Pulse, Choice Institutional Equities

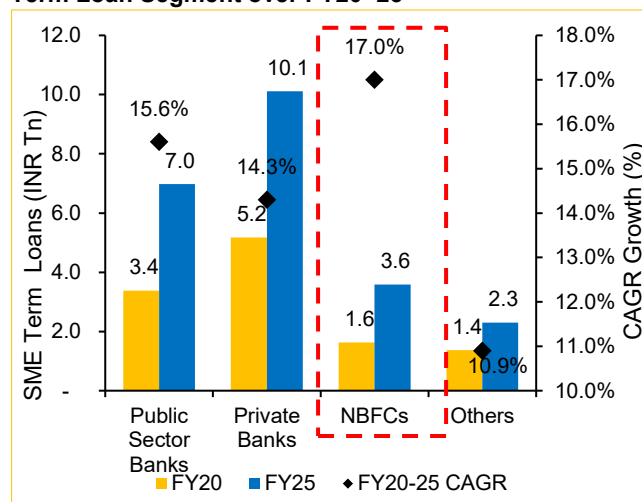
5.3 Credit Micro-markets

Formalisation of Economy and Expansion of MSMEs to Drive Growth in SME Term Loans

India's MSMEs account for ~40% of overall manufacturing output. Further, increase in formalisation of enterprises across geographies would drive a strong demand for term loans. The loans will be utilised to fund capital expansion and working capital need. SME term loans are estimated to expand at 16–18.0% CAGR over FY25–28E.

SME Term Loans to Expand at 16–18.0% CAGR over FY25–28E

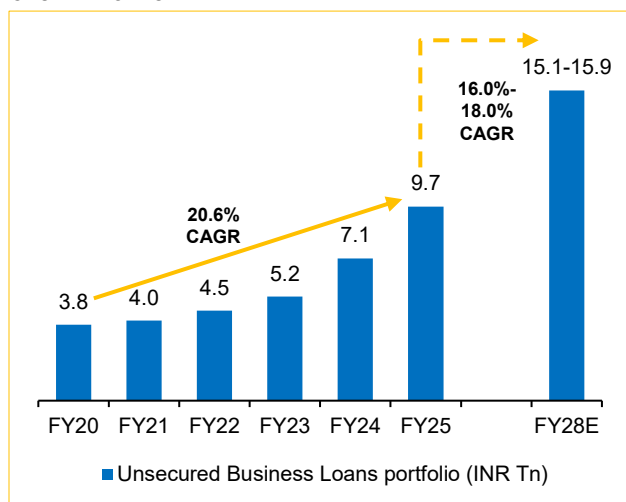
Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

NBFCs have Outperformed Other Lenders in SME Term Loan Segment over FY20–25

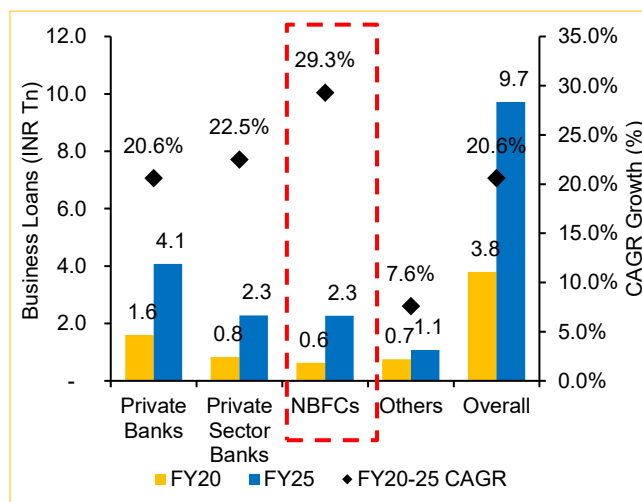
Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

Led by Increase in Enterprises and Higher Rural Penetration, Business Loans to Witness Stronger Growth

Business Loans is one of the most sought-after loans, as it is offered without the requirement of any collateral security. The segment has witnessed a strong CAGR of 20.6% over FY20–25E. It is projected to expand at 16.0–18.0% CAGR over FY25–28E, as India witnesses rapid increase in entrepreneurship in rural and semi-urban areas.

Business Loans to Expand at 16.0–18.0% CAGR over FY25–28E

Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

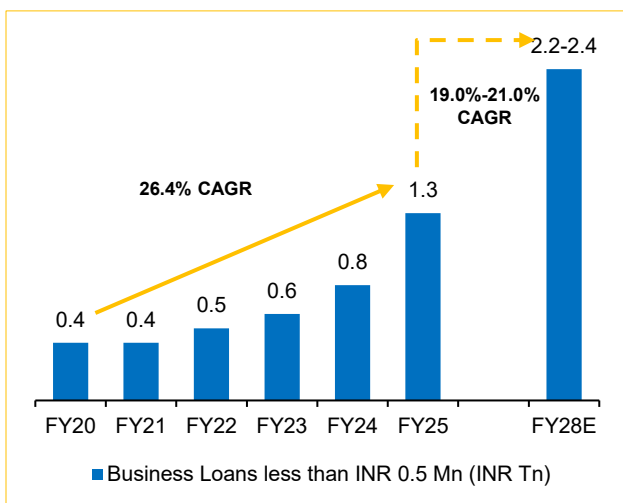
NBFCs have Witnessed Higher CAGR of 29.3% over FY20–25

Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

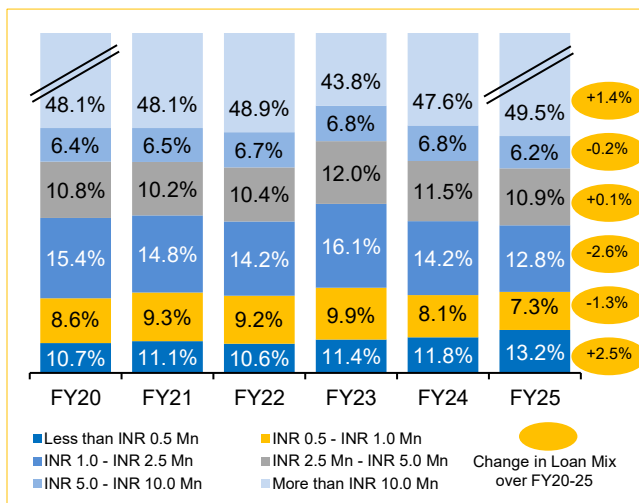
5.3 Credit Micro-markets

Budding Micro and Small Enterprises in Rural and Semi-Urban Areas to Drive Higher growth

Penetration of technology is anticipated to improve in rural and semi-urban areas. This is expected to drive the demand for business loans of ticket size less than INR 0.5 Mn, leading to stronger credit of 19–21.0% CAGR over FY25–28E so as to reach INR 2.2–2.4 Tn.

Lower Ticket Size Business Loans (<INR 0.5Mn) to Grow Faster at 19.0–21.0% CAGR over FY25–28E

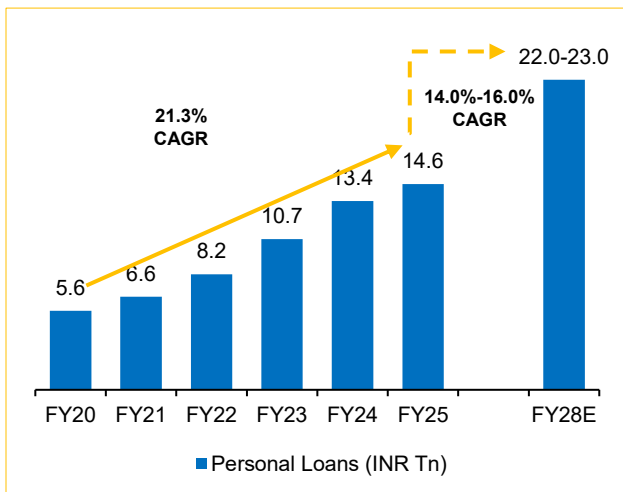
Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

Business Loans with Ticket Size of <INR 0.5Mn to Witness Higher Market Share Gains

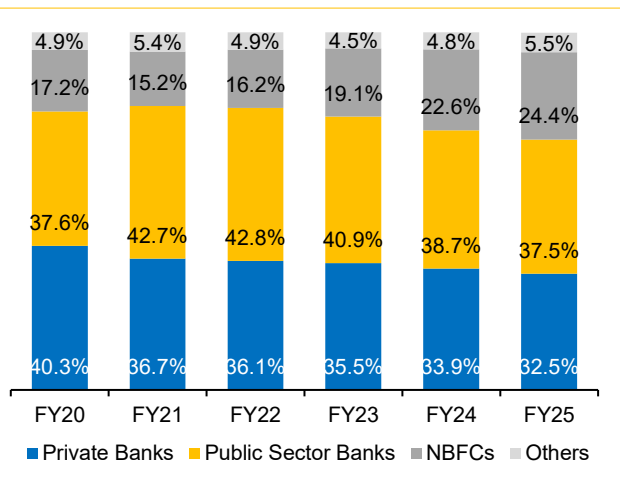
Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

Personal Loans to Cash in on High Consumption-driven Economy

After COVID-19, the spending and consumption patterns of Indians witnessed a significant structural shift. Aspirations for luxury and discretionary products increased across regions, driving a strong demand for personal loans, which expanded at 21.3% CAGR over FY20–25. Further, with increase in digital lending, rise of new-age lenders (Fintechs) and demand beyond Tier-I cities, the Personal Loans segment is estimated to witness CAGR of 14.0–16.0% over FY25–28E so to reach INR 22–23 Tn.

Personal Loans to Expand at at 14.0–16.0% CAGR over FY25–28E

Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

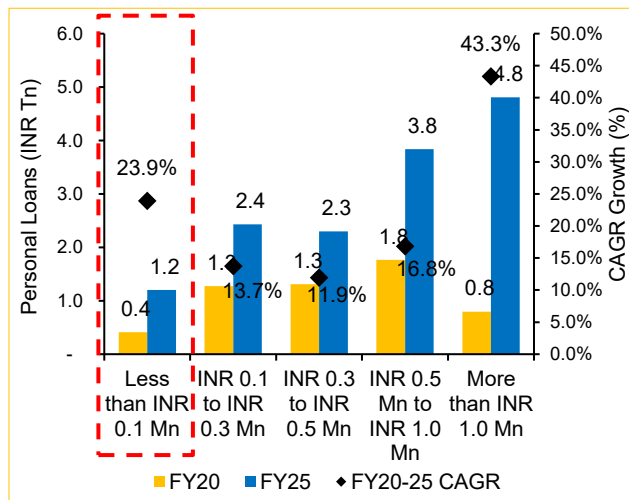
NBFCs have Witnessed Expansion in Personal Loans' Credit Share over FY20–25

Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

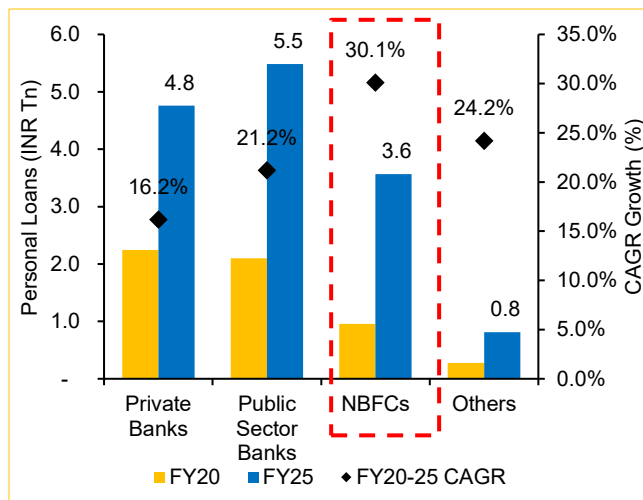
5.3 Credit Micro-markets

Driven by Increase in Fintechs & New-age Lenders, Personal Loans (ATS of <INR 0.1 Mn) Grew at a Higher Pace

Personal loans with ticket size of <INR 0.1 Mn involve basic verification as compared to big-ticket loans. This helped the fintechs and new-age lender, to leverage technology to disburse higher volume of loans. Their pan-India presence and tie-ups with leading NBFCs and banks supported their strong CAGR of 23.9% over FY20–25. Moreover, NBFCs led by their shorter TAT and improved origination skill grew at a pace faster than private banks and public banks.

Personal Loans with ATS of <0.5Mn Grew at a Faster Pace

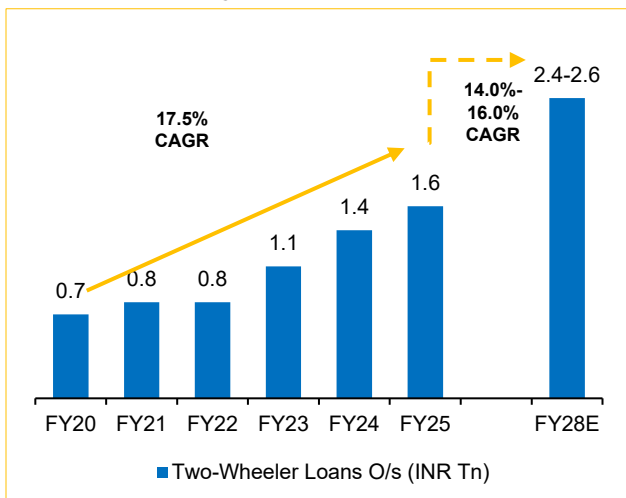
Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

NBFCs' Growth Dominated the Personal Loan Segment

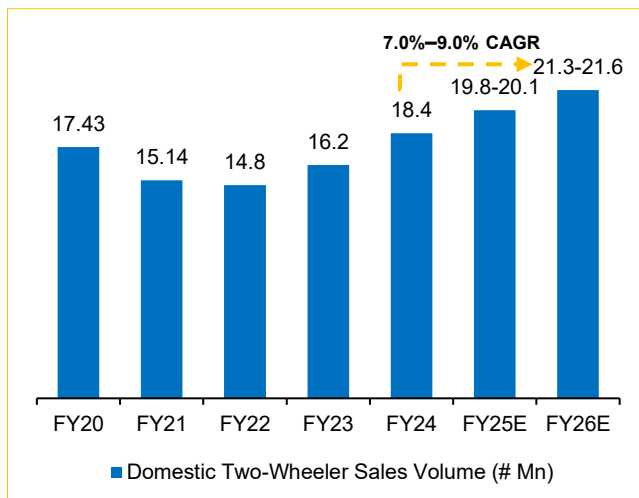
Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

Stronger Domestic Sales Volume to Drive Higher Credit Offtake for 2W Loan Segment

Domestic 2W sales grew at 14% to reach 18.4 Mn in FY24, whereas it is estimated to expand at ~7.0–9.0% CAGR over FY24–26E, driven by higher discounts offered by OEMs, evolution of 2W EVs and improvement in road infrastructure in India. Stronger domestic sales volume of 2Ws is anticipated to drive credit growth at 14.0–16.0% CAGR over FY25–28E to reach INR 2.4–2.6 Tn.

2W Loans to Expand at 14.0–16.0% CAGR over FY25–28E driven by...

Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

....stronger Domestic 2W Sales Volume, Expected at 7.0–9.0% CAGR over FY24–26E

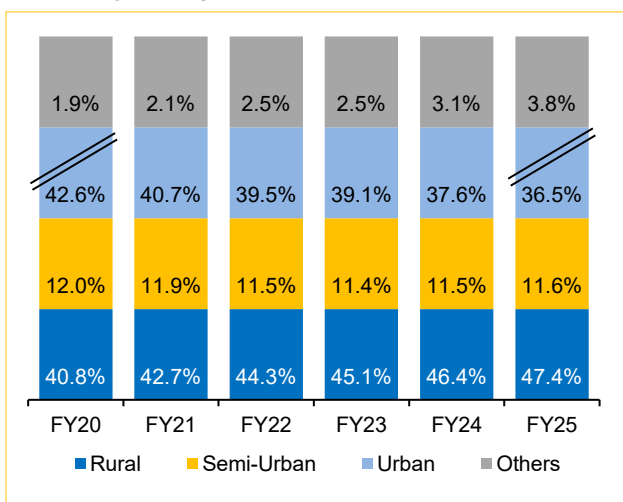
Source: CRISIL Intelligence, SIAM, Choice Institutional Equities

5.3 Credit Micro-markets

Rural India Witnessed Expansion in 2W Loan Mix

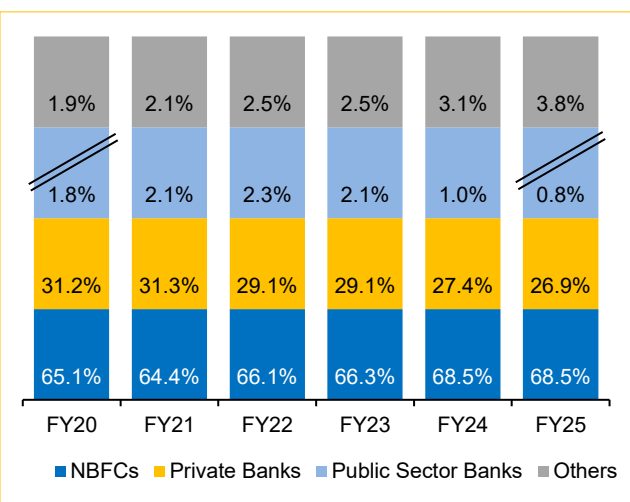
Stronger recovery in rural markets driven by improved crop output and rising income level led to higher credit demand for 2Ws in rural and semi-urban areas. Rural 2W loan mix has witnessed significant increase, from 40.8% in FY20 to 47.4% in FY25. NBFCs have maintained their leadership in 2W financing, led by their ability to offer loans rates lower than unorganised peers.

Rural India Witnessed Increase in 2W Loan Mix Driven by Stronger Sales Volume



Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

NBFCs Maintained their Leading Position in 2W Loan Segment

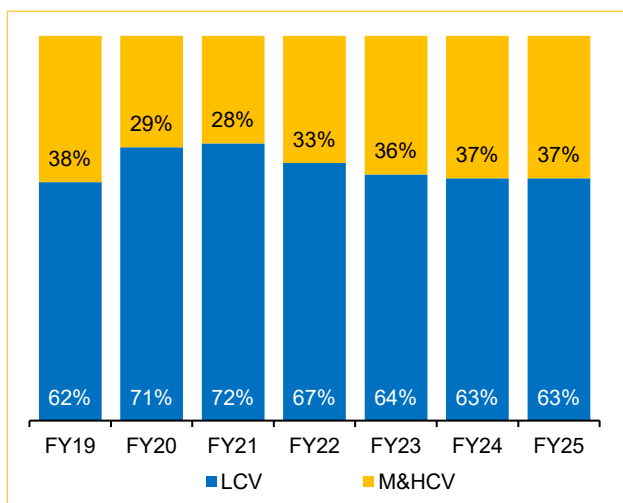


Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

M&HCVs Sales Mix Remained Healthy over FY22–25, led by Higher Infrastructure Activities

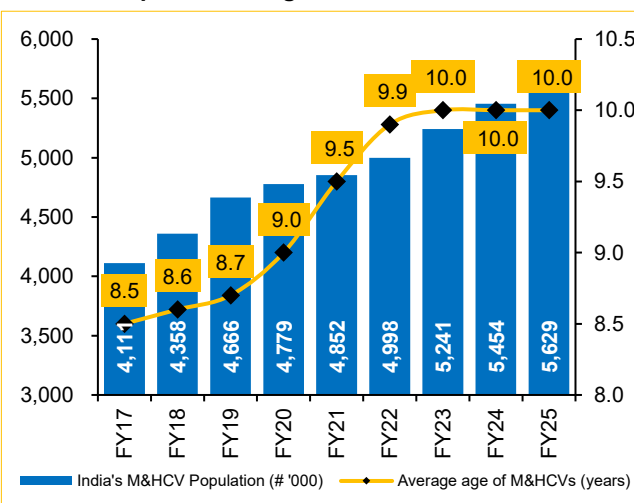
A gradual increase in M&HCVs share was witnessed in India's CV sales mix in the last four years. This was led by robust infrastructure activities on account of higher government capex. Moreover, the M&HCV population has aged, from average ~8.5 years in FY17 to ~10.0 years in FY25, primarily driven by higher tonnage capacity and overall increase in cost of ownership.

Despite Rise in Share of M&HCVs in Overall Sales Mix...



Source: CRISIL Intelligence, SIAM, Choice Institutional Equities

...Avg. age of M&HCVs Increased, led by Higher Cost of Ownership and Tonnage

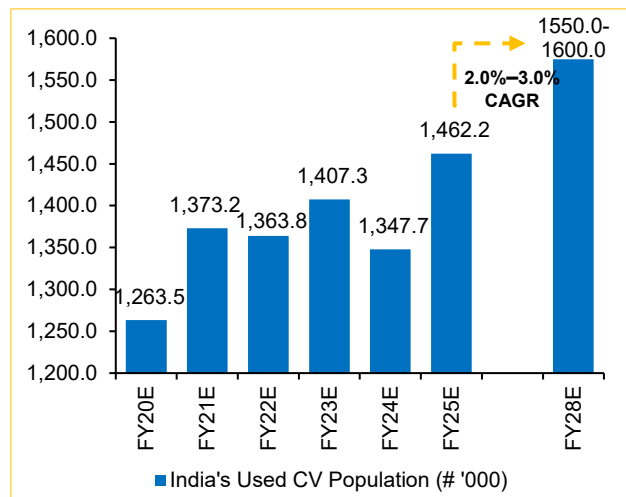


Source: Crisil Intelligence, SIAM, Choice Institutional Equities

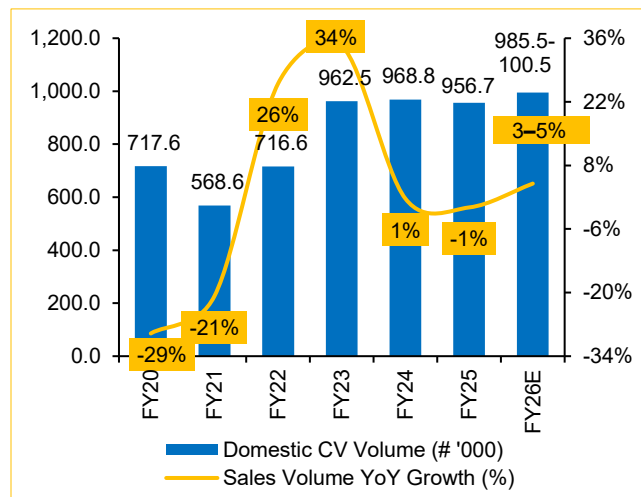
5.3 Credit Micro-markets

Replacement Demand and GST Rationalisation to Drive Sustained CV Volume Offtake

Driven by higher supply in the secondary market and the higher cost of ownership, overall CV volume offtake has remained muted in the last two years. With rationalisation of GST in September 2025, the demand for autos turned sentimentally positive. Domestic CV volumes is forecast to grow at 3.0–5.0% in FY26E. Similarly, the demand for used CV vehicle is expected to witness CAGR of 2.0–3.0% over FY25E–FY28E.

Used CV Population to Witness Steady Demand

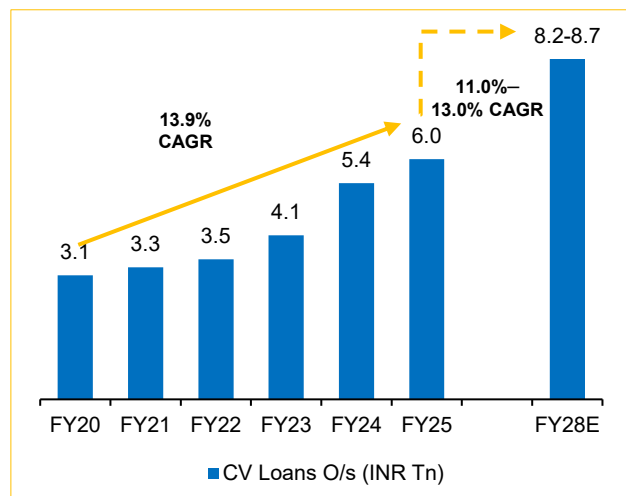
Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

CV Volumes is Projected to Expand at 3.0–5.0% in FY26E

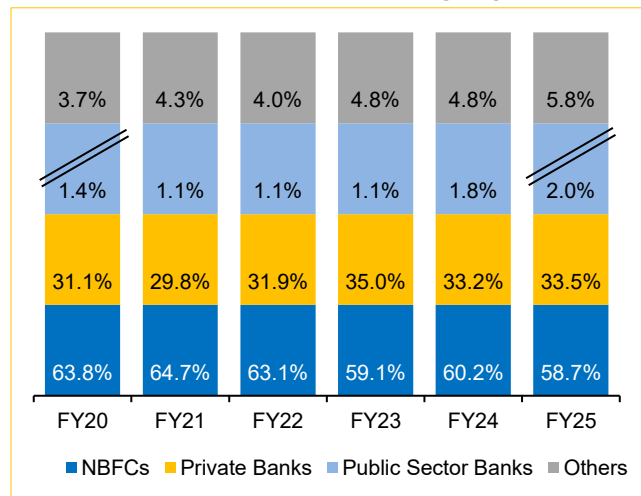
Source: SIAM, ICRA, Choice Institutional Equities

Strong Demand for Used and New Commercial Vehicles to Facilitate Sustained Growth in CV Loan Segment

Stronger economic activity and sustained demand for CV vehicles, both, new and used, is expected to drive momentum in CV lending space. Credit to CV segment is anticipated to expand at 11.0%–13.0% CAGR over FY25–28E. Moreover, NBFCs, led by their niche and underwriting expertise in commercial vehicles, have maintained their dominant position in CV Lending space.

CV Loans to Grow at 11.0–13.0% CAGR over FY25–28E NBFCs Maintained Lead in CV Lending Segment

Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities



Source: CRISIL Intelligence, CRIF Highmark, Choice Institutional Equities

6.1 Introduction

Promoters have significant ownership in the business with 66.6% stake

As of Q3FY26, operations are spread across 208 branches and 15,500+ customer locations with a presence in 13 states & UTs

MAS Financial Services (MASFIN) is an Ahmedabad-headquartered leading NBFC incorporated in 1995. It is focused on serving tailored credit solutions to underserved and emerging customer segments, particularly the needs of lower and middle-income households as well as MSMEs.

Over the years, the company has progressively developed a strategic partnership and co-lending framework which enhances its ability to scale up credit distribution efficiently while deepening financial inclusion across markets. This model is anchored in collaborations with banks, other NBFCs, Micro-finance Institutions (MFIs) and other specialised lending partners, allowing MASFIN to widen its reach beyond its direct branch network.

6.2 Product Portfolio

MASFIN focuses on underserved customers across MSME, 2W & CV financing, salaried personal loans and affordable & rural housing

Micro Enterprise Loans and SME Term Loans – Major products

- **Micro Enterprise Loans (MEL):** The segment offers credit access across informal and semi-formal economy. Credit is provided to over 190 business categories including retailers, small manufacturers, service-providers and local traders with the aim to support income-generating activity.
- **SME Loans (SME):** The loans are extended for supporting short and long-term needs of small and medium-sized enterprises. These loans are for business expansion and working capital requirements of enterprises engaged in manufacturing, trading and services
- **2-Wheeler Loans (2W):** The product caters to a diverse set of borrowers including farmers, small business owners, professionals and salaried individuals. These loans are offered across semi-urban and rural geographies so as to support mobility and creation of livelihood
- **Commercial Vehicle Loans (CV):** These loans are mainly offered for used commercial vehicle loans to enable individuals and small businesses to expand their logistics, transport and distribution capabilities, and support economic productivity
- **Personal Loans (PL):** These loans are offered to salaried individuals, who are employees of approved companies, for the purpose of meeting their immediate personal and family needs
- **Housing Loans (through subsidiary):** These loans are extended for affordable housing to low and middle-income borrowers, in semi-urban and rural areas for purchasing, constructing and renovating residential units. Moreover, these loans are extended to developers engaged in constructing affordable housing units

Product Summary

Product KPI	MEL	SME Loans	2-Wheeler Loan	CV Loan	Personal Loan
Sub- Products	Micro Enterprise Loans	Machinery Loan, Business Loan (LAP) and Supply Chain/Working Capital Loan	New and Used 2-Wheeler	New and Used LCV/SCV	Salaried Personal Loan
Ticket Size	INR 0.05–1.0 Mn	INR 1.0–50.0 Mn	INR 0.025–0.2 Mn	INR 0.1–1.5 Mn	Up to INR 1.0 Mn
Tenure	Up to 60 months	Up to 180 months	Up to 36 months	Up to 60 months	Up to 60 months
ATS	~INR 0.08 Mn	~INR 3.1 Mn	~INR 0.08 Mn	~INR 0.4 Mn	~INR 0.11 Mn
Lead Generation	Self and NBFC Partner Originated	Self and DSA Partner Originated	Dealer and NBFC Partner Originated	Self and NBFC Partner Originated	Self and NBFC Partner Originated
Share of NBFC Partner	35.0–40.0%	30.0–35.0%	25.0–30.0%	25.0–30.0%	15.0–20.0%
TAT	4–5 days	2–7 days	Less than 2–3 days	3–5 days	Less than 2–3 days
O/s AUM	INR 55,927 Mn	INR 49,255 Mn	INR 10,224 Mn	INR 10,558 Mn	INR 11,859 Mn
Typical Yields	19.0–21.0%	12.0–16.0%	19.0–21.0%	20.0–22.0%	17.0–21.0%

Source: MASFIN, Choice Institutional Equities

6.2 Product Portfolio

Q3FY26: Active Loan Accounts crossed over 1.1 Mn

Higher PSL eligible book as MSMEs, CVs and 2W account for ~90% of the AUM

Has a pan-India presence through 215 NBFC partners

Authenticated data sourcing has enabled faster credit assessment and significant reduction in TAT across segments

MEL Loans, is the oldest and largest segment for MASFIN, accounting for ~41% of standalone AUM

Despite unsecured in nature, MEL segment has lower Gross NPAs of ~3.0%, as it is covered by CGTMSE scheme for 85% of the loan amount up to INR 0.5 Mn

MASFIN has built a strong presence across urban, semi-urban and rural markets. Pan-India presence supports it in bridging credit gaps in segments traditionally underserved by formal credit, while maintaining disciplined underwriting and diversified risk exposure.

As of Q3FY26, its Assets Under Management (AUM) is diversified across multiple lending products. Its significant focus is on priority sector loans (PSL), such as micro enterprise (MEL), SME financing, 2-Wheeler and Commercial Vehicle financing. This demonstrates the company's strategic commitment to inclusive finance. MASFIN's diversified lending portfolio along with a strong emphasis on priority sector lending allows it to balance risk with higher blended yields and tap into high-growth segments with deep structural demand.

MASFIN's unique and market-first NBFC partnership business model is based on co-lending arrangements with banks and financial institutions. These tie-ups are governed by formal policies defining risk-sharing, capital allocation and borrower outreach. It leverages partner's balance sheet strength and credit appetite to scale lending operations, backed by its proprietary underwriting expertise.

Further, it collaborates with digital lending platforms and Direct Selling Agents (DSAs) specialising in loan sourcing and servicing for micro and small enterprises. This collaboration facilitates rapid customer acquisitions, while strengthening localised servicing and collection capabilities.

The company continues to invest in technology and strengthen its in-house capabilities so as to enhance operational efficiency. With a fully integrated technology platform, it develops and maintains all core systems and applications which are tailored to the evolving needs of borrowers.

Notably, MASFIN has developed an in-house Business Rules Engine (BRE)-based Loan Origination System (LOS). Moreover, it has collaborated with over 50 APIs so as to support origination, decision-making, disbursement and collections.

Micro Enterprise Loans (MEL)

MASFIN offers Micro Enterprise Loans to small businesses from semi-formal and informal economy which lack adequate access to formal credit. These loans are primarily structured as working capital facilities so as to support business expansion and operational needs. They are extended to enterprises with a minimum operating history of three years, whereas owners with minimum industry experience of five years and monthly income of INR 20,000.

While Micro Enterprise Loans are unsecured in nature, such as personal loans, decisions are driven by detailed credit assessment of the underlying business strength and cash-flow sustainability. Over its 30 years of operating history, the company has continuously strengthened its credit appraisal framework, enabling disciplined portfolio growth and controlled credit cost.

India's micro-enterprise segment continues to face a significant structural shortfall in access to formal credit, constrained by limited documentation, collateral availability, and banking outreach. MASFIN has strategically built its business model around co-lending and direct assignment structures, with a large proportion qualifying under Priority Sector Lending (PSL) norms, enabling scalable growth while supporting financial inclusion.

As of Q3FY26, the MEL segment's AUM grew by 18.9% YoY to INR 55,927 Mn, despite the sector reeling under asset quality stress.

6.2 Product Portfolio

SME Loans (SME)

MASFIN extends SME loans to small and medium enterprises across manufacturing, trading and service sectors. These facilities are structured as term loans for general business purposes, working capital loans and loans against property (LAP).

Business loans are offered to enterprises with a minimum operating history of three years and ownership of at least one property. The facilities are primarily underwritten against business cash flows, with additional collateral in the form of fixed property, providing enhanced protection during cyclical business slowdowns. These loans are offered up to INR 10.0 Mn with a maximum tenure of 36 months.

Loans against property are provided to meet working capital and business expansion requirements against existing residential or commercial properties. Owing to a strong collateral coverage and prudent loan-to-value margin, LAP products represent a lower-cost financing option for borrowers. These loans are offered up to INR 50.0 Mn with tenures of up to 180 months.

SME loans are originated both, directly and through a nationwide network of Corporate Direct Selling Agents (DSAs). Credit appraisal is conducted through MASFIN's in-house LOS based on predefined underwriting parameters. Customer onboarding is largely digital, while end-to-end credit evaluation incorporates multi-source document verification, including credit bureaus, regulatory databases and third-party data-providers.

SME lending remains a key growth driver for MASFIN, supported by rise in average ticket sizes and geographic expansion. The demand is led by sectoral tailwind on account of growth aspiration among enterprises. SMEs accounts for a substantial share of India's organised and semi-organised economic output. The credit is required to fund capital and operational expenditure, particularly to scale up and modernise businesses.

As of Q3FY26, SME loan AUM grew 15.3% YoY to INR 49,255 Mn. The segment also reports the lowest gross NPA level (~2.0%) within the portfolio, reflecting its secured nature and focus on high credit-worthy borrowers.

Salaried Personal Loans (SPL)

MASFIN launched Salaried Personal Loan Segment in FY23, with the focus on enhancing the share of retail customers and cash in on the high unmet needs of the segment. Such loans are offered to employees of approved organisations for supporting their immediate personal and family needs. These loans are offered up to INR 1.0 Mn with tenures of up to 60 months.

SPLs are originated both, directly and through NBFC partners with a pan-India presence. Turnaround time is minimal (typically 2–3 days), as applications are evaluated against stringent in-house business rule engines and credit filters, ensuring lending is restricted to genuine and credit-worthy borrowers.

Since inception, the segment has witnessed exponential growth supported by a strong sectoral tailwind and strong consumption cycle. As of Q3FY26, the SPL AUM grew by 28.6% YoY to INR 11,859 Mn. With its rise in share in overall AUM mix, the company remains focussed on containing the exposure to maximum of 10.0%.

Although the portfolio is unsecured in nature, the gross NPA levels remain broadly in line with the Micro Enterprise and Two-Wheeler loan segments, reflecting prudent underwriting and portfolio monitoring practices.

MASFIN is focused in improving share of SME Loans in the overall AUM mix, majorly led by increase in avg. ticket size (ATS)

SME Loans is the second-largest product segment, accounting for ~36% of the standalone AUM mix

Although SPL was launched as late as 2023, it has become the third-largest product segment, accounting for ~9% of the standalone AUM mix

6.2 Product Portfolio

Commercial Vehicle Loans (CV)

MASFIN offers CV loans, for both, used and new Small Commercial Vehicles (SCV) and Light Commercial Vehicles (LCV), to enterprises and individuals for improving their business efficiency and productivity. Such loans are generally extended for end use across logistics, passenger transport and goods distribution, which enhances economic output. These loans are offered up to INR 1.5 Mn with tenures of up to 60 months. The TAT for processing such loans ranges between 3 to 5 days (delay is generally led by late receipt of third-party valuer report).

CV Loans are both, self-originated and sourced through NBFC partners. Following lead generation, borrower profiles are assessed against internal credit appraisal benchmarks for the proposed loan amount. For used vehicles, applications are routed to third-party valuers to assess vehicle condition and market value. For a new vehicle, cases are processed through dealers after completion of regulatory documentation, and physical due diligence.

As of Q3FY26, the CV AUM grew by 8.9% YoY to INR 10,558 Mn. The company continues to prioritise this segment, targeting growth through geographic expansion, deeper penetration in existing markets and additional NBFC partnerships to capitalise on seasonally strong demand.

While the CV portfolio has higher gross NPA level of ~4.0%, the product is structured to deliver stable long-term profitability, with return on assets maintained within the company's target range of 2.75%–3.00%.

MASFIN is targeting improvement of its share of Wheels Financing (CV and 2W) in the standalone mix, so as to cash in on the buoyant demand and scale up AUM rapidly

2-Wheeler Loan (2W)

MASFIN extends two-wheeler loans to farmers, self-employed professionals and non-professionals and salaried borrowers in urban, semi-urban and rural markets. These loans are offered up to INR 0.2 Mn with tenures of up to 36 months, wherein average TAT ranges between 2–3 days.

Lead generation is primarily driven through MASFIN's extensive network of OEM dealers across geographies, complemented by selective direct sourcing. The segment has witnessed strong momentum, with two-wheeler loan AUM growing 26.4% YoY to INR 10,224 Mn as of Q3FY26. Growth is expected to remain healthy, supported by favourable industry dynamics and improving disposable income level of borrowers.

Credit cost in this segment has remained under control and broadly in line with portfolio averages, reflecting the company's robust credit appraisal framework and disciplined underwriting practices.

2W Loan as a product has witnessed significant reduction in TAT, led by technology integration with approvals and disbursements occurring in real time

Housing Loans (Subsidiary)

Housing loans (except LAP to SME customers) are extended through its subsidiary - MAS Rural Housing & Mortgage Finance Limited (MRHMFL). The credit is offered for purchase of new and old affordable housing units, construction of homes and renovation of existing properties to borrowers belonging to lower and mid-income demography. The loans are provided for residential properties across rural and semi-urban geographies. It also offers project financing to developers engaged in construction of affordable housing units.

Housing loans are offered with a maximum tenure of 300 months for residential properties and 144 months for commercial properties. The segment has witnessed strong traction in the past few years as the formal credit penetration remains low in rural and semi-urban areas. As of Q3FY26, the housing loan AUM grew stronger at 22.5% YoY to INR 8,592 Mn.

MRHMFL extends housing loans across rural and semi-urban areas of Gujarat, Maharashtra, Rajasthan and Madhya Pradesh

6.3 SWOT Analysis

Strengths

- 30+ years of industry track record of catering to underserved geographies
- Diversified Loan Book portfolio with controlled stress level across lending cycles
- Ability to maintain profitability (RoA) across business cycles at ~2.75%–3.00%

S

W

Weaknesses

- Focussed on North and West India through its direct presence
- High dependence on NBFC partners for scaling up its business
- Significant exposure to riskier segment, such as micro enterprise loans

Opportunities

- High opportunity in scaling vehicle financing and SME business, led by sectoral tailwinds and BRE-based LOS developed in house.
- Improve pan India penetration through new branches and NBFC partnerships
- Strong scaling up of AUM through co-lending and direct assignment

O

T

Threats

- Regulatory and compliance risk
- Rise in delinquencies
- Possible-slowdown in credit offtake
- Tightening in funding and liquidity

Source: MASFIN, Choice Institutional Equities

7.4 Porter's Five Forces' Analysis

Competition Intensity – High

- Intense competition for pricing, customer service & technology

Threat of New Entrants – Low

- Highly regulated by RBI
- New licenses are rarely issued for NBFCs

Bargaining Power of Buyers – Moderate

- Borrowers can leverage their strong credit score to secure loans at favourable terms

Threat of Substitutes – Moderate

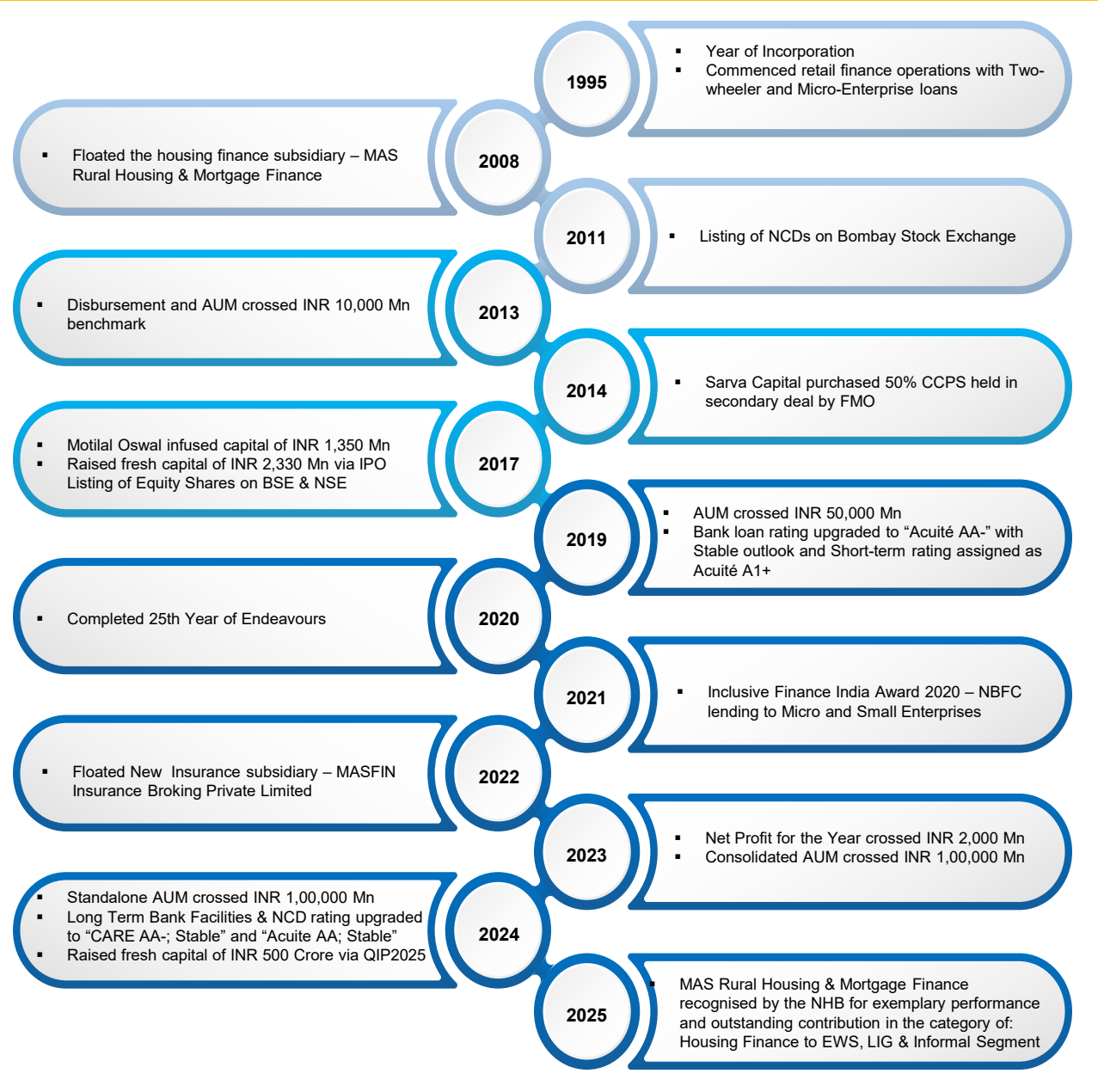
- Alternative financing channels, such as banks, fintech lending & informal sources

Bargaining Power of Suppliers – Moderate

- Well-financed capital base and strong credit rating support MASFIN in keeping CoF lower

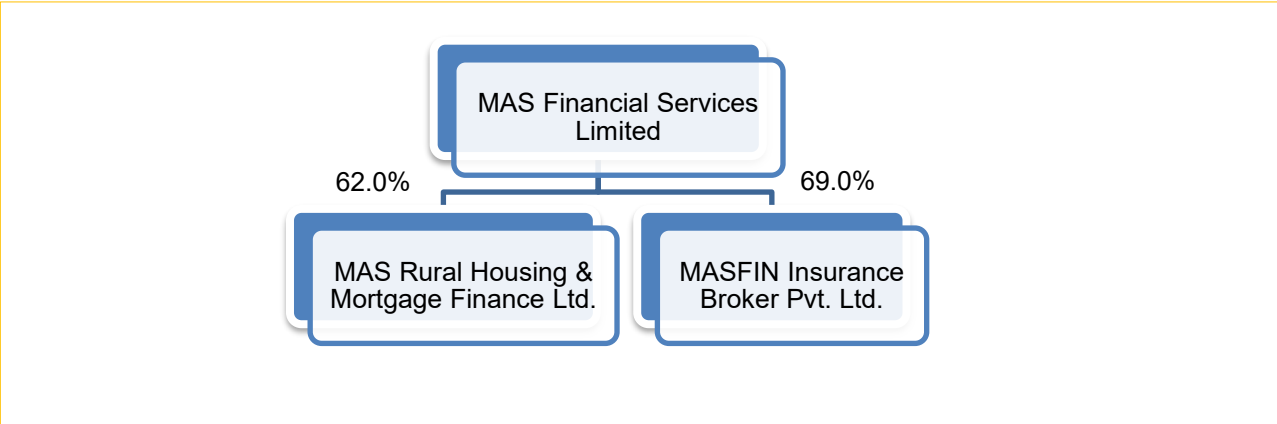
Source: MASFIN, Choice Institutional Equities

6.5 Key Milestones and Corporate Structure



Source: MASFIN, Choice Institutional Equities

Corporate Structure



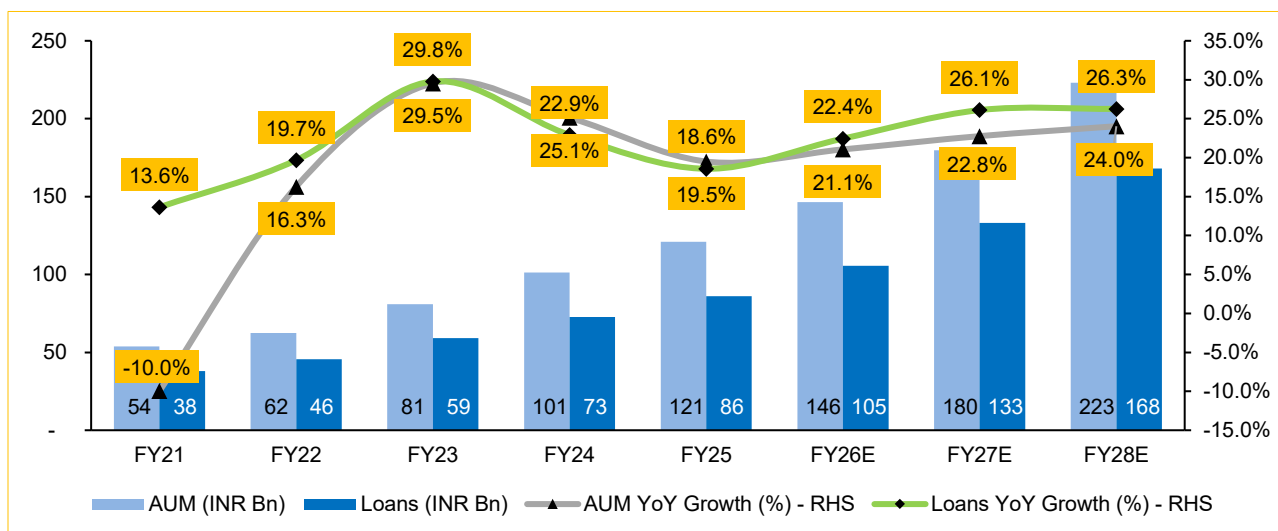
Source: MASFIN, Choice Institutional Equities

6.6 Board of Directors and KMP Profiles

Name	Designation	Qualification	Experience
 Mr. Kamlesh C. Gandhi	Chairman & Managing Director	Graduate	Mr. Kamlesh is associated with the Company since 1995 and has 30+ years of experience in financial services. He holds key positions in industry bodies like GCCI, GFCA, FIDC, ASSOCHAM, and SME Chamber of India.
 Mrs. Darshana S. Pandya	Executive Director & CEO	Graduate	Mrs. Darshana has been associated with the Company since 1996 and has 25+ years of experience in financial services. She leads operations at the Company and drives partnerships with 100+ NBFC-MFIs and NBFCs. She holds a bachelor's degree in commerce from Gujarat University.
 Mr. Dhvanil K. Gandhi	Executive Director	MBA	Mr. Dhvanil has been associated with the Company since 2014. He leads the SME vertical and drives key initiatives including insurance broking, investor relations, and technology. He holds a master of business administration degree from ISB, Hyderabad.
 Mr. Ankit Jain	Chief Financial Officer	MBA	Mr. Ankit has been the CFO of the Company since November 2019, while has been associated with the Company since 2010. He has 15+ years of experience in financial services. He holds a bachelor's degree in commerce from Pune University and is an MBA from ICFAI University.
 Mr. Nishant Jain	Chief Risk Officer	CA	Mr. Nishant has been associated with the company since 2018. He has 5+ years of experience in the financial services industry.
 Mr. Rajen Shah	Chief Technology Officer	MCA	Mr. Rajen has been associated with the Company since 2003. He has experience of 30+ years in Information Technology and Infrastructure. His responsibilities at the Company include overseeing IT Infrastructure solutions, EDP, Project Management, Data Science and Software Development.
 Mr. Saumil Pandya	President – Retail Assets	Graduate	Mr. Saumil has been associated with the company since 1996. He has 25+ years of experience in the financial services industry. He is responsible for managing Micro Enterprise, Two-Wheeler, Commercial Vehicle and Salaried Personal Loan products.

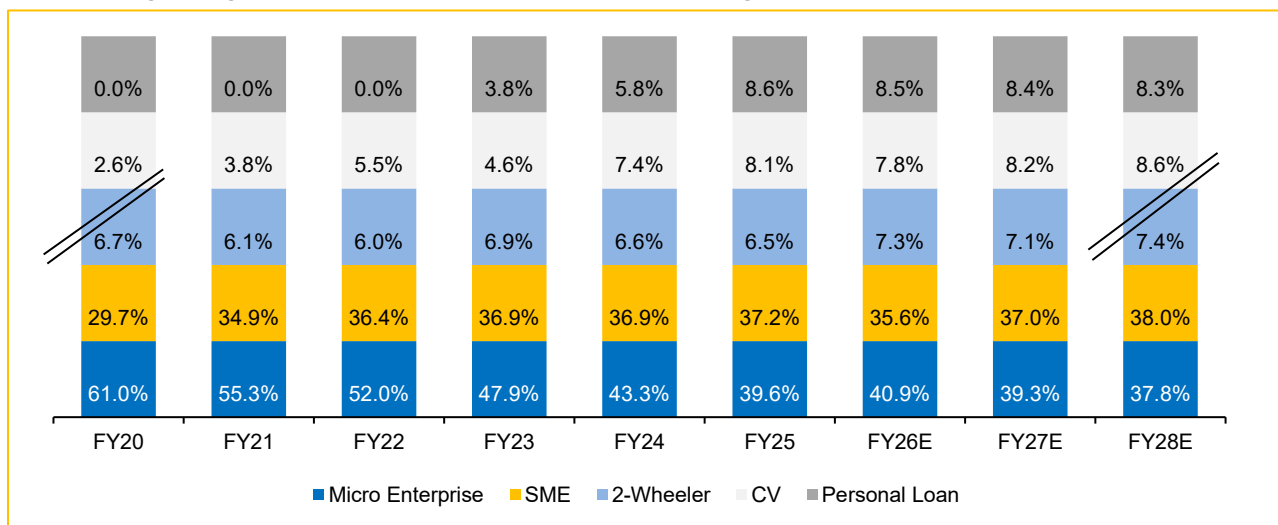
7.1 Trends and Forecasts

AUM Growth Expected at ~23% over FY25-28E, Largely in line with Historic-Trend



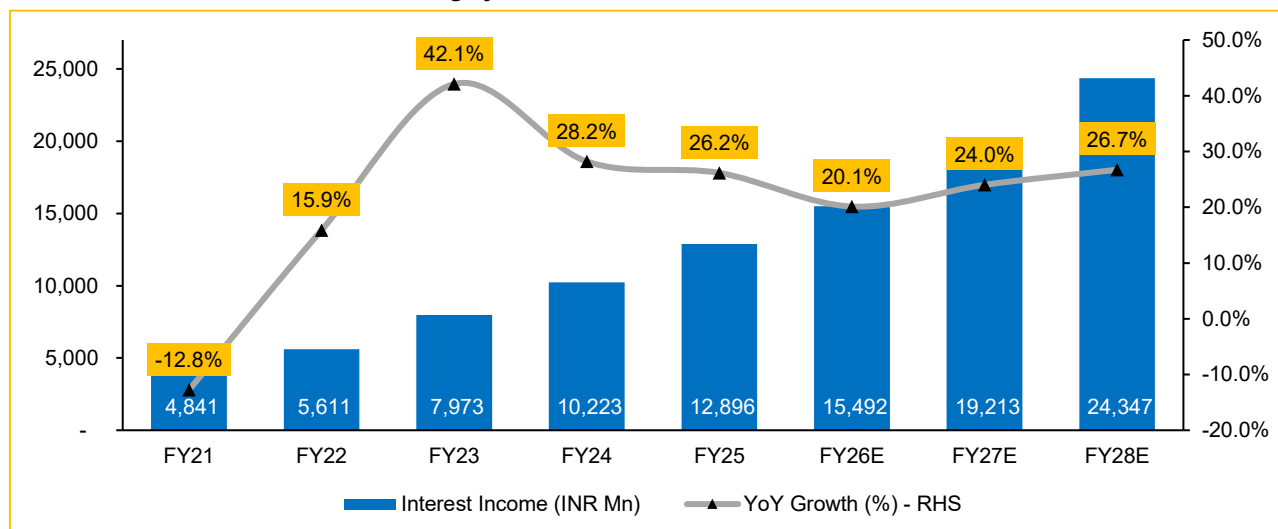
Source: MASFIN, Choice Institutional Equities

MASFIN Targets Higher AUM Mix for SMEs and Wheels Financing in the Medium Term



Source: MASFIN, Choice Institutional Equities

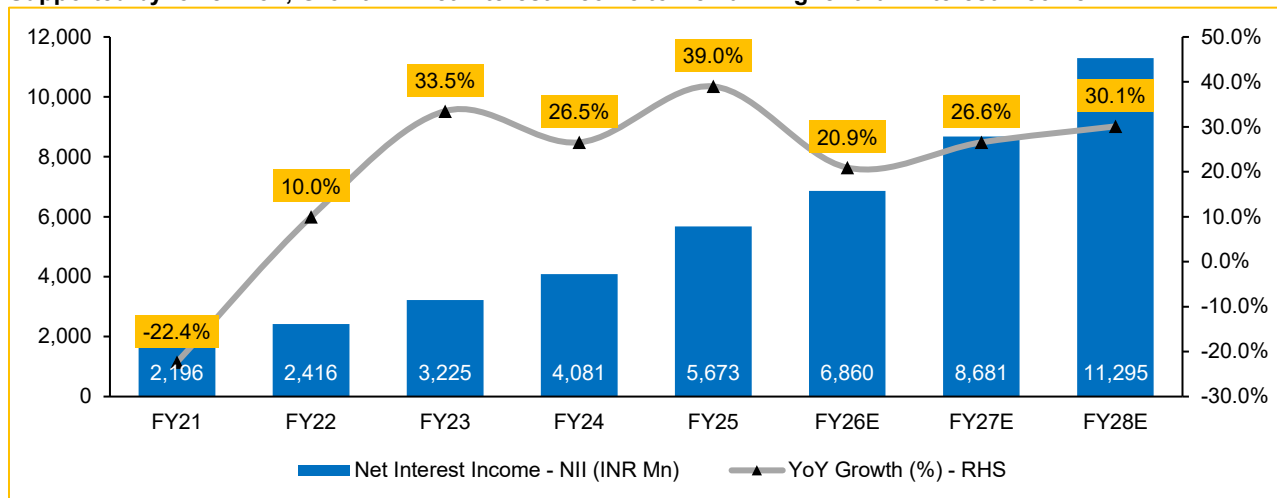
Interest Income to Witness Growth Largely in line with Loan Growth



Source: MASFIN, Choice Institutional Equities

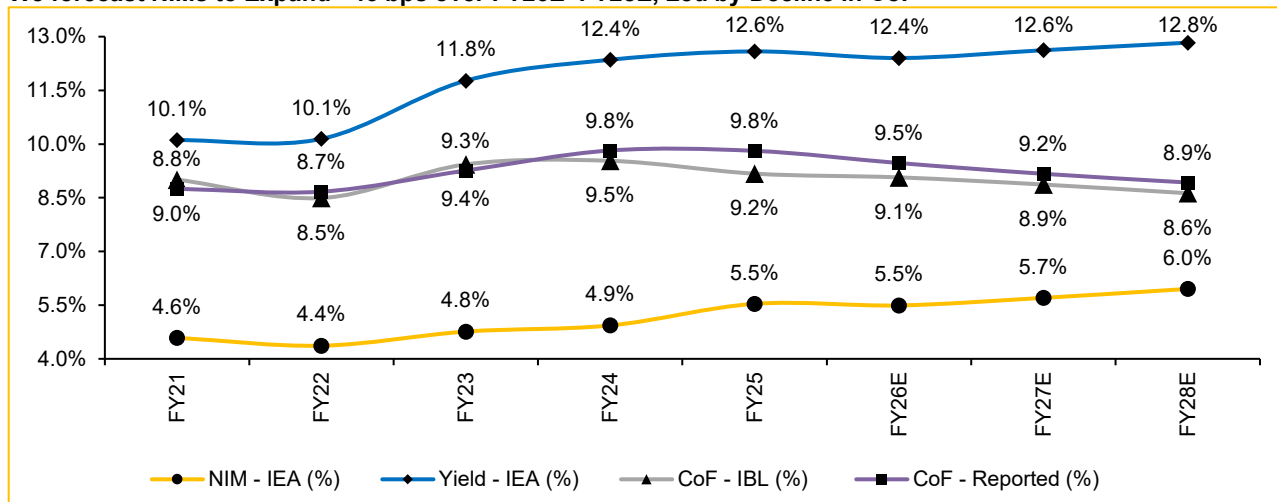
7.1 Trends and Forecasts

Supported by lower CoF, Growth in Net Interest Income to Remain Higher than Interest Income



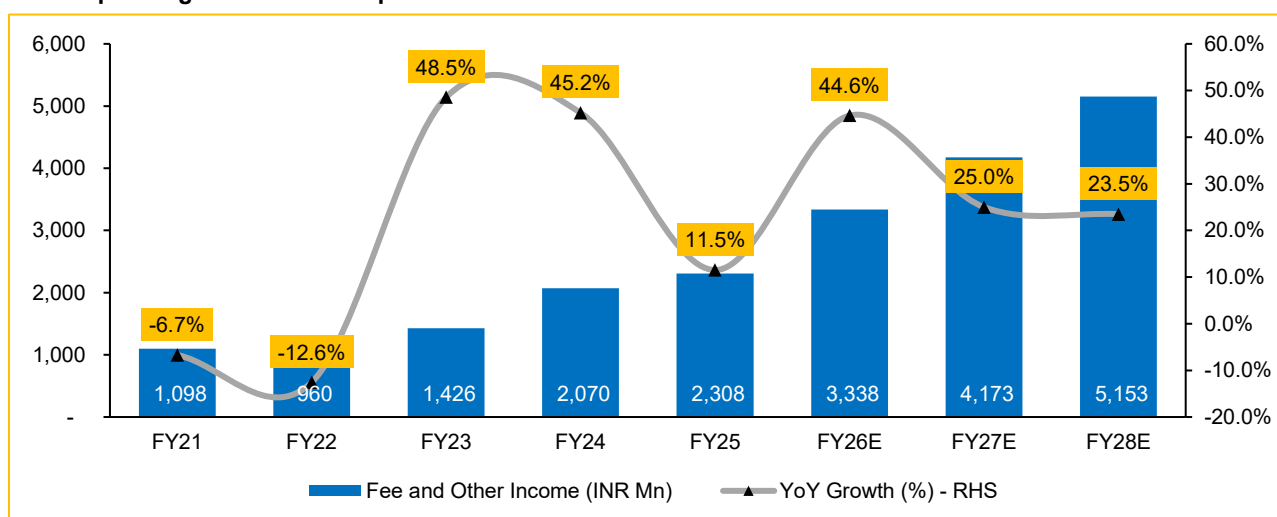
Source: MASFIN, Choice Institutional Equities

We forecast NIMs to Expand ~45 bps over FY26E–FY28E, Led by Decline in CoF



Source: MASFIN, Choice Institutional Equities

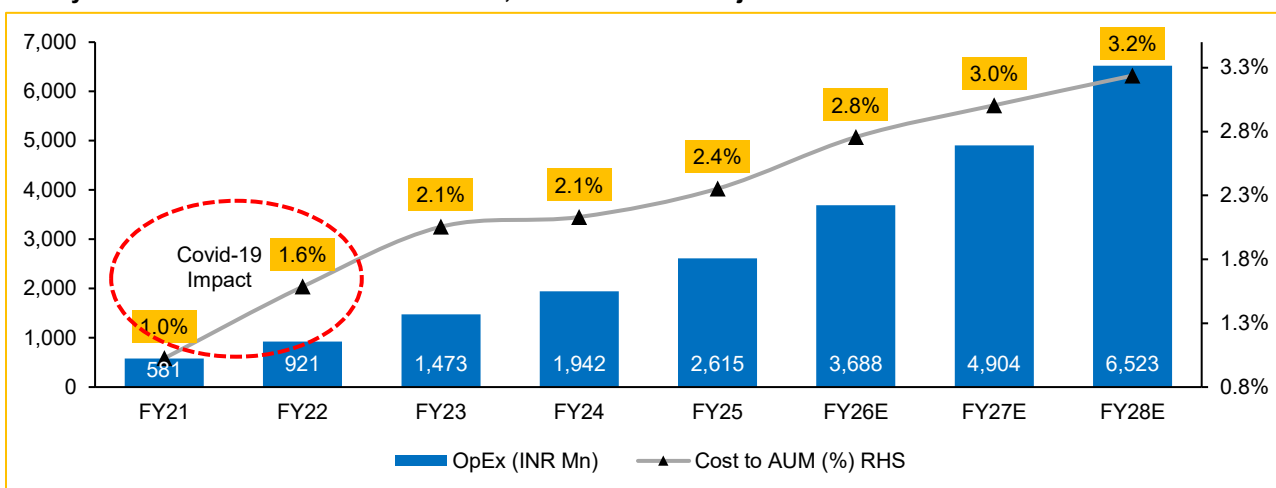
Other Operating Revenues to Expand in Line with AUM Growth in FY27E and FY28E



Source: MASFIN, Choice Institutional Equities

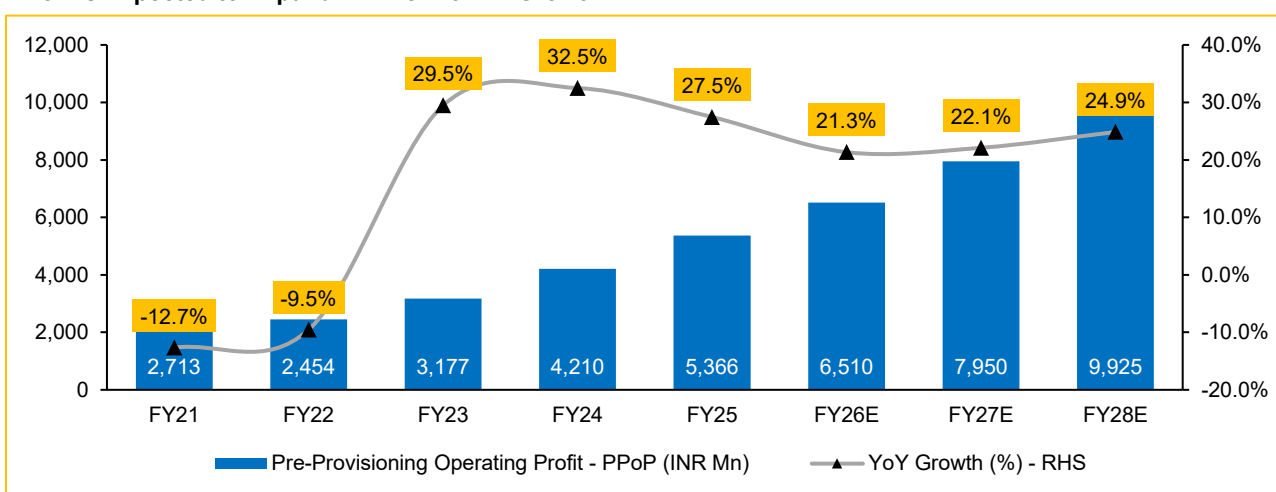
7.1 Trends and Forecasts

Led by Increase in Direct Retail Distribution, Cost-to-AUM is Projected to Increase over Time



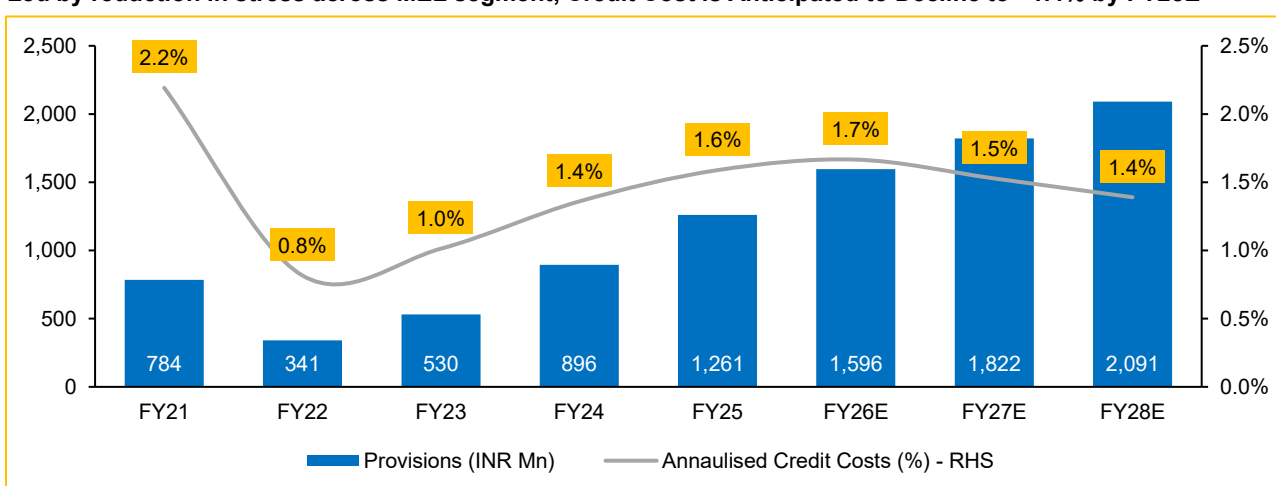
Source: MASFIN, Choice Institutional Equities

PPoP is Expected to Expand in Line with NII Growth



Source: MASFIN, Choice Institutional Equities

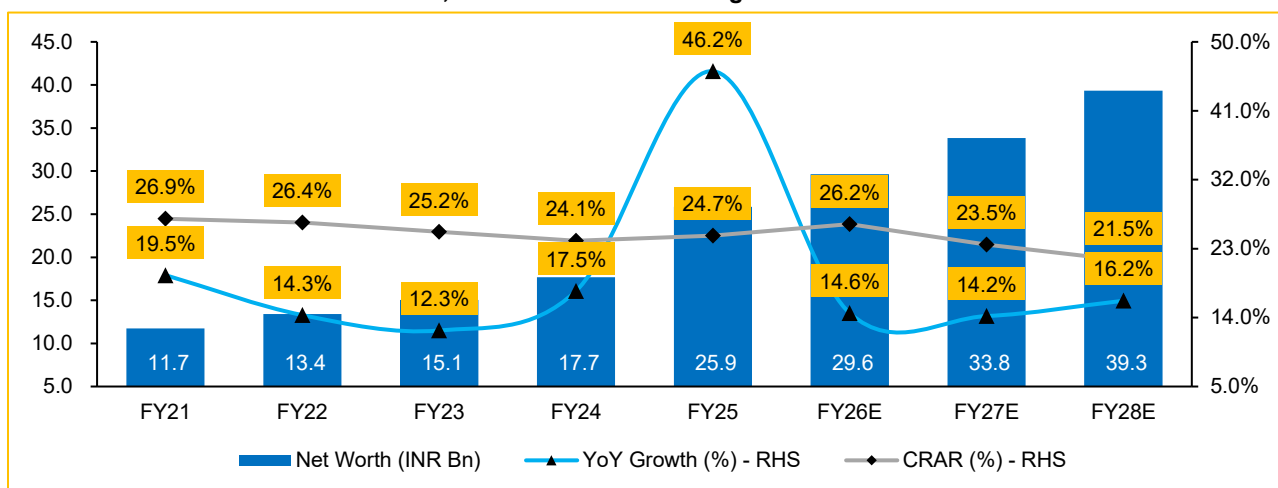
Led by reduction in stress across MEL segment, Credit Cost is Anticipated to Decline to ~1.4% by FY28E



Source: MASFIN, Choice Institutional Equities

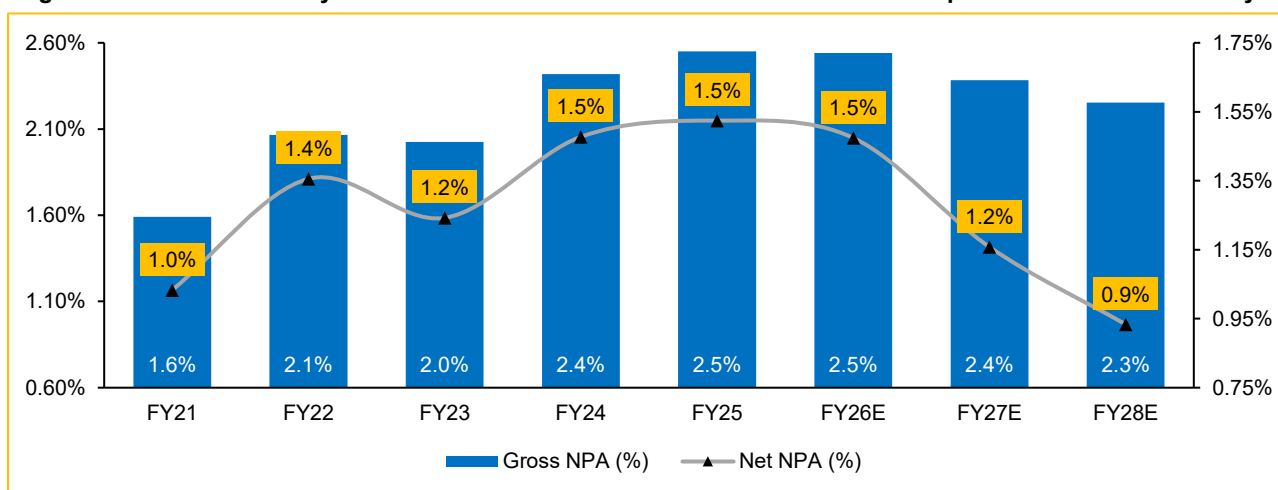
7.1 Trends and Forecasts

MASFIN's CRAR at Comfortable Level, Sufficient to Fund AUM growth until FY28E



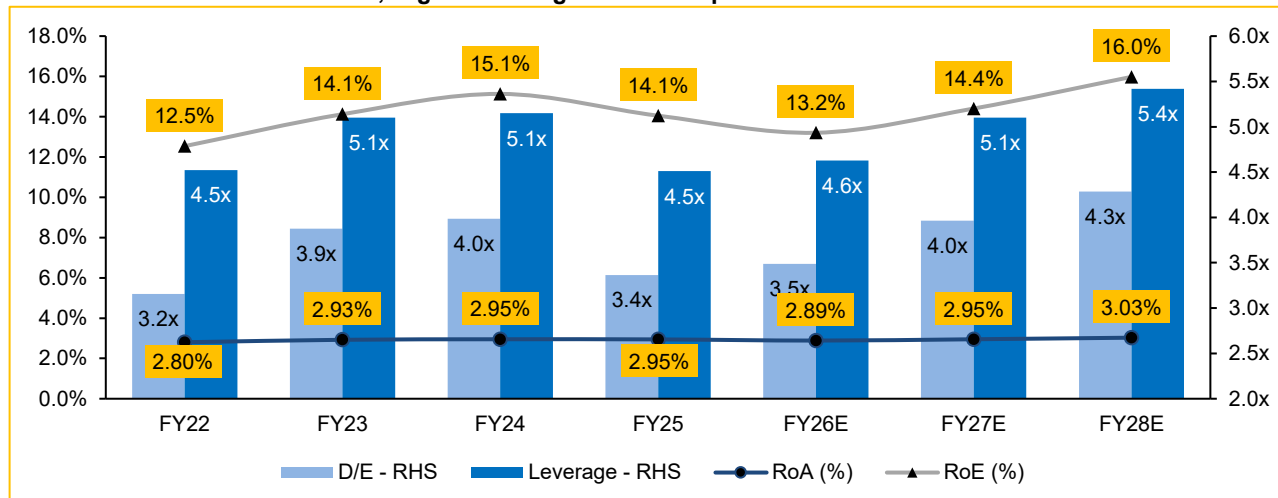
Source: MASFIN, Choice Institutional Equities

Higher Collection Efficiency and Reduction in Stress across Portfolios to Drive Improvement in Asset Quality



Source: MASFIN, Choice Institutional Equities

Lower Credit Cost to Boost RoA; Higher Leverage to Drive Improvement in RoE



Source: MASFIN, Choice Institutional Equities

7.2 Financials

Income Statement (Standalone)

INR Mn	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	10,223	12,896	15,492	19,213	24,347
Interest Expense	6,142	7,224	8,633	10,532	13,051
Net Interest Income	4,081	5,673	6,860	8,681	11,295
Growth (YoY %)	26.5	39.0	20.9	26.6	30.1
Non-Interest Income	2,070	2,308	3,338	4,173	5,153
Total Operating Income	6,151	7,981	10,198	12,854	16,448
Growth (YoY %)	32.3	29.7	27.8	26.0	28.0
Operating Expenses	1,942	2,615	3,688	4,904	6,523
Growth (YoY %)	31.8	34.7	41.0	33.0	33.0
PPoP	4,210	5,366	6,510	7,950	9,925
Growth (YoY %)	32.5	27.5	21.3	22.1	24.9
Provisions	896	1,261	1,596	1,822	2,091
Exceptional Items	-	-	-	-	-
Profit Before Tax	3,314	4,104	4,914	6,128	7,834
Tax Expense	837	1,045	1,252	1,556	1,990
Profit After Tax	2,478	3,059	3,663	4,571	5,844
Growth (YoY %)	23.3	23.5	19.7	24.8	27.8
EPS (INR)	15.1	16.9	20.2	25.2	32.2
Key Ratios	FY24	FY25	FY26E	FY27E	FY28E
Profitability Ratios					
Yield on IEA (%)	12.4	12.6	12.4	12.6	12.8
Cost of Funds(%) – Calc.	9.5	9.2	9.1	8.9	8.6
Spread (%)	2.8	3.4	3.3	3.8	4.2
NIM - IEA (%)	4.9	5.5	5.5	5.7	6.0
RoE (%)	15.1	14.1	13.2	14.4	16.0
RoA (%)	3.0	2.9	2.9	3.0	3.0
Capital Adequacy					
Tier-I Capital	20.3	22.6	24.4	22.1	20.4
Tier-II Capital	3.7	2.1	1.8	1.4	1.1
CRAR	24.1	24.7	26.2	23.5	21.5
Asset Quality Ratios					
Gross Stage 3 (%)	2.4	2.5	2.5	2.4	2.3
Net Stage 3 (%)	1.5	1.5	1.5	1.2	0.9
Stage 3 ECL Provisions (%)	38.9	40.2	42.0	51.4	58.6
Credit Costs (bps)	136	159	167	153	139
Valuation Ratios					
P/ABV	2.8	1.8	2.2	1.9	1.6
P/E	18.8	14.6	16.4	13.1	10.3

Balance Sheet (Standalone)

INR Mn	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,640	1,815	1,815	1,815	1,815
Reserves & surplus	16,050	24,044	27,815	32,023	37,505
Shareholder's Fund	17,690	25,858	29,630	33,838	39,320
Borrowings	70,493	87,018	103,358	134,142	168,492
Other liabilities and Provisions	2,910	3,769	4,142	4,661	5,246
Total Equity and Liabilities	91,092	116,645	137,130	172,642	213,058
Loans	72,648	86,139	105,471	133,004	167,931
Other Financial Assets	17,123	28,699	29,209	36,771	41,774
Non-Financial Assets	1,321	1,807	2,450	2,866	3,353
Total Assets	91,092	116,645	137,130	172,642	213,058
RoA Tree (%)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	12.2	12.4	12.2	12.4	12.6
Interest Expense	7.3	7.0	6.8	6.8	6.8
Net Interest Income	4.9	5.5	5.4	5.6	5.9
Non-Interest income	2.5	2.2	2.6	2.7	2.7
Total Operating Income	7.3	7.7	8.0	8.3	8.5
Operating Expenses	2.3	2.5	2.9	3.2	3.4
Operating Profit	5.0	5.2	5.1	5.1	5.1
Provisions	1.1	1.2	1.3	1.2	1.1
Exceptional Items	-	-	0.0	-	-
Profit Before Tax	3.9	4.0	3.9	4.0	4.1
Tax Expense	1.0	1.0	1.0	1.0	1.0
RoA	3.0	2.9	2.9	3.0	3.0
Leverage	5.1	4.8	4.6	4.9	5.3
RoE	15.1	14.1	13.2	14.4	16.0

Source: MASFIN, Choice Institutional Equities

Institutional Research Team

Utsav Verma, CFA	Head of Institutional Research	utsav.verma@choiceindia.com	+91 22 6707 9440
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhanshree Jadhav	Analyst – Technology	dhanshree.jadhav@choiceindia.com	+91 22 6707 9535
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Fenil Brahmabhatt	Analyst – Realty & Building Materials	fenil.brahmbhatt@choiceindia.com	+91 22 6707 9930
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9867
Karan Kamdar	Analyst – Consumer Discretionary, Small and Midcaps	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Aayush Saboo	Sr. Associate– Realty	aayush.saboo@choiceindia.com	+91 22 6707 9930
Abhinav Kapadia	Sr. Associate – Capital Goods	abhinav.kapadia@choiceindia.com	+91 22 6707 9987
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9521
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Subhash Gate	Sr. Associate – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Komal Jain	Associate – Healthcare	komal.jain@choiceindia.com	+91 22 6707 9513
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9901
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

CHOICE RATING DISTRIBUTION & METHODOLOGY
Large Cap*

BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months

Mid & Small Cap*

BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months

Other Ratings

NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change

Sector View

POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap

*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

Disclaimer & Disclosure

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited is a registered Research Analyst Entity (Reg. No. INH000000222) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Salian. Tel. 022-6707 9999-Ext. 896. Email- Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.

Email- ig@choiceindia.com

General Disclaimer:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This report ("Report") is prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL") in its capacity as a SEBI-registered Research Analyst and is intended solely for informational and educational purposes. This Report is meant exclusively for the recipient and shall not be circulated, reproduced, or distributed, in whole or in part.

This Report does not take into account the specific investment objectives, financial situation, risk profile, or particular needs of any individual or class of investors and does not constitute a personal recommendation or investment advice. Any views, opinions, or recommendations expressed herein are based on publicly available information and internal analysis and are subject to change without notice.

Nothing contained in this Report shall be construed as an offer, solicitation, or inducement to buy, sell, or subscribe to any securities, derivatives, or other financial instruments, nor shall it be considered as investment, legal, accounting, or tax advice. Recipients are advised to conduct their own independent analysis and are encouraged to seek independent professional advice before making any investment or trading decisions.

The information contained in this Report has been compiled from sources believed to be reliable; however, CEBPL does not represent or warrant the accuracy, completeness, or reliability of such information. CEBPL, its directors, employees, or associates shall not be liable for any losses, damages, or expenses arising directly or indirectly from the use of or reliance upon this Report.

Investments in securities are subject to market risks. The price and value of investments and the income from them may fluctuate, and investors may incur losses. Past performance is not indicative of future results. Opinions expressed herein are as of the date of this Report and may differ from views expressed in other research reports due to differences in methodology, assumptions, or time horizons.

Disclaimers in respect of Jurisdiction:

This Report is not intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in, any jurisdiction where such distribution, publication, or use would be contrary to applicable laws or regulations, or would subject CEBPL to any registration or licensing requirements in such jurisdiction.

No action has been taken or will be taken by CEBPL in any jurisdiction outside India where such action would be required for distribution of this Report. Accordingly, this Report shall not be directly or indirectly distributed, published, or circulated in any such jurisdiction except in compliance with applicable laws and regulations.

Recipients of this Report are required to inform themselves of, and comply with, all applicable legal and regulatory restrictions at their own expense and without any liability to CEBPL. Any dispute arising out of or in connection with this Report shall be subject to the exclusive jurisdiction of the competent courts in Mumbai, India.

Disclosure on Ownership and Material Conflicts of Interest:

- "CEBPL", its Research Analyst(s), their associates and relatives may have any financial interest in the subject company covered in this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have actual or beneficial ownership of one percent (1%) or more of the securities of the subject company, as on the last day of the month immediately preceding the date of publication of this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have any other material conflict of interest at the time of publication of this Research Report.

Disclosure on Receipt of Compensation:

- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months.
- "CEBPL" or its associates may have managed or co-managed public offerings of securities for the subject company during the past twelve months.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for products or services other than investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates have not received any compensation or other benefits from the subject company or any third party in connection with the preparation or publication of this Research Report.
- Research Analyst may have served as an officer, director or employee of the subject company covered in this Research Report.
- "CEBPL" and Research analyst may engage in market-making activity in the securities of the subject company.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. [www. https://choiceindia.com/research-listing](https://choiceindia.com/research-listing)

Copyright:

This research report is confidential and intended solely for the recipient. Unauthorized reproduction, distribution, or disclosure of this report, in whole or in part, in any form or by any means, without the prior written permission of the Company is strictly prohibited.