

Diversified Financials

India | Sector Update

Golden age for gold financiers behind

11 April 2025

Per our comprehensive analysis of Reserve Bank of India (RBI) guidelines on gold lending, issued on 9 April 2025, expect significant impact on gold financiers, with potential implications for business growth, market share, operating models and compliance and risk management systems. Post these guidelines, we analyze the growth forecast scenario, the base-case of which indicates that the INR 7,100bn (FY24) organized gold lending market may grow at a 12.1% CAGR through FY24-27E, down from the earlier industry CAGR of 15% and 19.8% CAGR in FY20-24. While demand for gold loan and lower penetration (~6%) offer tailwinds, competitive intensities from the banks may flare up.

Per our comparative assessment, the impact of guidelines is more pronounced for gold loan NBFCs than for banks due to stringent LTV norms and end-use consumption limits, thus near-term disbursement constraints, compliance rejig and subsequent higher operational and credit costs. Longer term, as the market consolidates with unorganized exits, expect modest market share gains for Muthoot Finance (MUTH IN), Manappuram Finance (MGFL IN) and IIFL to the tune of 100-200bps. MUTH may navigate the waters with greater ease – just 6% impact on operating profit and a subsequent 15bps dip in RoA. MGFL may face increased compliance challenges but diversification initiatives will provide support. We expect a 9% drop in operating profit, which should drag down FY26E RoAs by 25bps for MGFL as we model in implications. But against this backdrop, we downgrade MUTH to Accumulate from Buy and reiterate Accumulate on MGFL.

Gold loan market to evolve: Post these guidelines, the base-case growth scenario indicates that the INR 7,100bn (FY24) organized gold lending market may grow at a 12.1% CAGR through FY24-27E, down from the earlier industry CAGR of 15% and 19.8% CAGR in FY20-24. MUTH and MGFL will continue to lead with combined market share of 40-45% due to scale & unorganized market shrinkage followed by IIFL with 4-5%.

MUTH may navigate waters with ease; challenges transient: MUTH's strong market presence, robust compliance history, adaptability, strong valuation and auction processes and prudence will enable it to navigate the new norms with greater ease. However, MUTH may require system enhancements and staff training to maintain LTV compliance and categorize loans based on end-use. Subsequently, we model a marginal drop in the average LTV to 60% from 63%, a dip of 6-10% in disbursements, loan growth pared to 18.5% in FY26E (15% in FY27E) and modest NIM compression assuming no near-term product diversification with 2% operational costs spike in FY26E. Subsequently, the operating profits may dip by 7%, translating into 5.0-5.2% RoAs and ~18% RoEs in FY26E-27E. With EPS being pared by ~7%, we trim our TP by 2%, valuing the core business at 2.5x FY27E P/ABV to arrive at an SoTP TP of INR 2,467 (from INR 2,551).

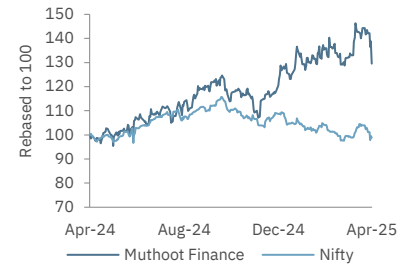
MGFL – Compliance requirements to weigh on near-term profits, diversification to aid: MGFL's reported average LTV of 60-65% might marginally be hit but stricter monitoring may limit higher volumes, with subsequent impact of 10% on disbursements and loan growth likely at 15.5% in FY26E-27E. Lower disbursements in FY26E and elevated operational and credit costs may dent operating profits by 9% and EPS by 10-11%, driving down RoAs to 3.6-3.7% and RoEs to 16% in FY26E-27E. Our TP for MGFL is unchanged at INR 250 as we value its consolidated book at 1.4x FY27E P/ABV, factoring in the positives from strategic Bain investment (*refer our 20th Mar'25 report: [Turning point](#)*).

Coverage matrix

Company	Ticker	Rating	Mcap (USD mn)	CMP (INR)	Target (INR)	Upside (%)	P/E (x)			P/BV(x)			ROE (x)		
							FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Muthoot Finance	MUTH IN	Accumulate	9,909	2,140	2,467	15.3	18.4	14.7	12.1	3.2	2.7	2.2	16.6	17.6	18.0
Manappuram Finance	MGFL IN	Accumulate	2,196	225	250	11.2	11.0	9.2	7.7	1.8	1.4	1.2	15.1	16.3	16.4

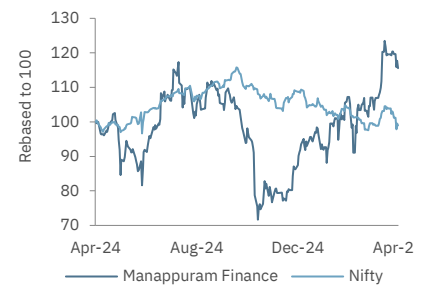
Note: Pricing as on 9 April 2025; Source: Company, Elara Securities Estimate

Muthoot Finance versus the Nifty



Source: Bloomberg, Elara Securities Research

Manappuram Finance versus the Nifty



Source: Bloomberg, Elara Securities Research

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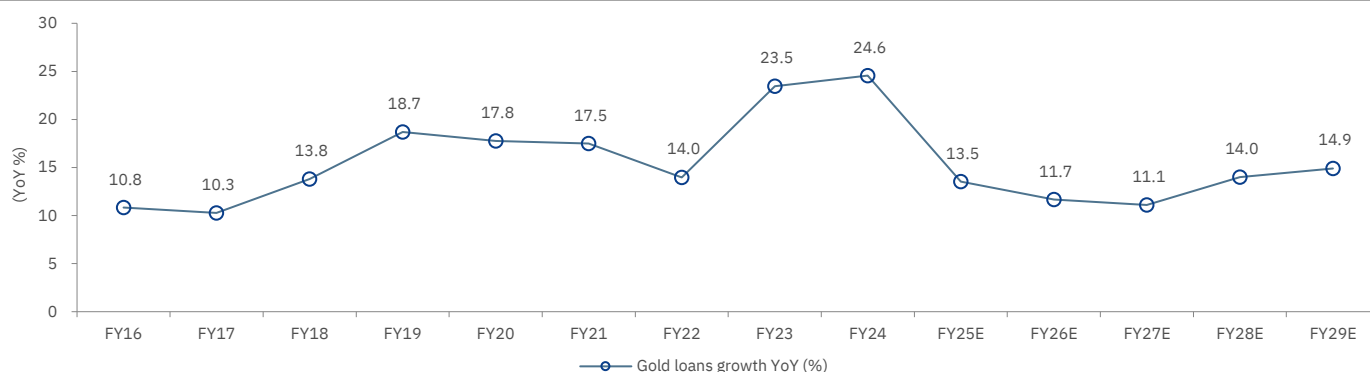


Exhibit 1: RBI's new gold loan norms to raise compliance costs; near term business momentum to tad moderate as companies adapt

Parameters	Old guidelines	New guidelines	Key changes	Impact on gold financiers
Loan-to-value (LTV) ratio	75% LTV cap typically applied at loan origination; interpretation varied on whether it included interest.	75% LTV cap enforced throughout the loan tenure (principal + interest); periodic monitoring required. Banks can exceed for income-generating loans with board approval.	Stricter enforcement of LTV cap over the loan lifecycle; flexibility for banks on productive loans.	Reduces loan sizes (5-10% disbursal hit), especially for NBFCs; banks gain an edge with LTV flexibility.
End-use classification	No mandatory classification; loans could be used for mixed purposes without segregation.	Loans classified as "consumption" or "income-generating"; same collateral cannot secure both types concurrently.	Explicit segregation required; restricts dual-purpose loans.	Limits flexibility, increases operational complexity (end-use verification); affects consumption loan demand.
Tenure of consumption loans	No specific tenure cap; loans often renewed beyond 12 months based on lender discretion.	Consumption loans with bullet repayments capped at 12 months; co-operative banks/RRBs limited to INR 0.5mn per borrower.	Introduces a hard 12-month cap for bullet repayment consumption loans.	Forces shorter repayment cycles, potentially raising defaults; impacts ~60-75% of NBFC portfolios.
Collateral eligibility	Loans against gold jewelry/ornaments allowed; some laxity in verifying ownership or re-pledging.	Only gold ornaments, jewelry, and minted coins (22 carat+, max 50g per borrower) allowed; re-pledged gold prohibited.	Tightens collateral standards; bans advances against bullion, silver, or re-pledged gold.	Reduces fraud risk but narrows eligible collateral, affecting small NBFCs with lax practices.
Valuation process	Valuation norms existed but enforcement was inconsistent; transparency not mandated.	Standardized, transparent valuation in borrower's presence; purity/weight assessment required.	Mandates transparency and borrower involvement in valuation.	Increases compliance costs (e.g., training, systems); benefits large players with existing processes.
Auction process	Auctions upon default had no specific reserve price; practices varied widely.	Reserve price set at ≥90% of current market value; transparent auction process mandated; surplus from auction proceeds must be refunded	Higher reserve price ensures fair recovery; standardizes auction norms.	Limits losses on defaults but raises operational costs; smaller NBFCs may struggle with compliance.
Infrastructure requirements	No explicit requirement for vaults or employee-only handling at branches.	Safe deposit vaults required at branches; collateral managed only by employees, not third parties.	Mandates physical infrastructure and internal control.	Increases capex/opex (2-5% cost rise); larger financiers adapt easier than small players.
Portfolio concentration	No formal cap on gold loan exposure; some NBFCs had 80-100% gold loan portfolios.	Lenders must set an internal ceiling on gold loan portfolio share, reviewed periodically by boards.	Introduces diversification pressure; limits over-reliance on gold loans.	Pushes NBFCs (e.g., Muthoot, Manappuram) to diversify, impacting profitability if new segments underperform.
Provisioning requirements	Standard provisioning based on asset classification (e.g., 0.25-1% for standard assets).	Additional 1% provisioning for loans not adhering to new norms (e.g., LTV breaches, improper auctions).	Adds a penalty for non-compliance.	Raises credit costs for non-compliant loans; pressures margins, especially for smaller NBFCs.
Monitoring & risk management	Basic credit policies; end-use monitoring not explicitly required.	Gold loan norms integrated into credit/risk policies; periodic end-use monitoring mandated.	Strengthens risk oversight; requires proactive monitoring.	Increases administrative burden; large financiers with systems cope better than smaller ones.
Renewals/top-ups	Renewals and top-ups allowed with minimal restrictions, often irrespective of loan status.	Permitted only for standard loans (non-default); tied to ongoing LTV compliance.	Ties renewals to loan performance and LTV adherence.	Limits rollover flexibility, potentially reducing repeat business for consumption loans.
Release of collateral after repayment	No specific timeframe for release of gold collateral post repayment	Maximum period of seven working days upon full repayment/settlement of the loan; lenders must compensate borrowers INR 5,000/day for delays	Adds a timeframe and a penalty for expediting release of collateral	Adds compliance pressure and cost for lenders
Multiple loans monitoring	No explicit mandate for heightened scrutiny of multiple gold loans to the same borrower or related groups	Running multiple gold loans simultaneously to a borrower or related group flagged for audit scrutiny, supervisory examination.	Prevents over-leverage and fraud risk	Reduced disbursements in certain borrower segments

Source: RBI, Elara Securities Research

Exhibit 2: Gold loan market to witness lower growth at a 12.1% CAGR through FY24-27E, down from earlier 15% & 19.8% CAGR of FY20-24



Source: RBI, PWC, Elara Securities Estimate

Exhibit 3: MUTH remains the largest player; compelled to diversify due to imminent cap on gold loan in mix

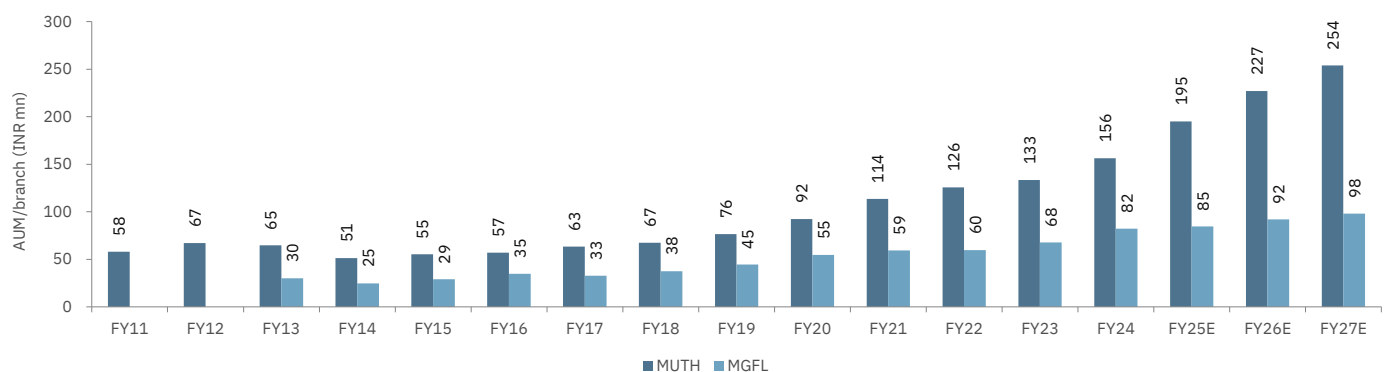
NBFC	Gold loan AUM (INR mn, Q3FY25)	Market share (%)	Gold loan as % of overall AUM
MUTH	929,636	13.1	95.4
MGFL	245,043	3.5	55.4
IIFL	150,440	2.1	21.0
BAF	72,670	1.0	2.5
SHFL	54,881	0.8	2.2
CGCL	37,424	0.5	18.1

Source: Company, Elara Securities Research

Exhibit 4: AUM traction expected to slow for both the key players as operational anomalies get aligned with regulatory requirements

Particulars	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Gold price per gram (INR)	862	1,100	1,232	1,550	1,858	2,492	2,908	2,637	2,483	2,437	2,705	2,708	3,050	4,332	4,048	4,716	5,473	6,160	6,714	7,050	7,403
YoY growth (%)	-	27.5	12.0	25.9	19.9	34.1	16.7	(9.3)	(5.8)	(1.9)	11.0	0.1	12.6	42.0	(6.6)	16.5	16.1	12.6	9.0	5.0	5.0
MUTH																					
Gold AUM (INR bn)	14	22	33	73	157	244	260	216	233	243	272	288	336	408	519	575	619	729	948	1,124	1,293
YoY growth (%)	-	53.4	51.5	122.5	114.2	55.2	6.5	(16.9)	8.0	4.2	11.9	6.0	16.4	21.4	27.4	10.8	7.6	17.8	30.1	18.6	15.0
Gold branches (units in no.)	-	-	-	1,605	2,733	3,678	4,082	4,270	4,245	4,275	4,307	4,325	4,480	4,567	4,632	4,617	4,739	4,854	5,009	5,109	5,259
YoY growth (%)	-	-	-	-	70.3	34.6	11.0	4.6	(0.6)	0.7	0.7	0.4	3.6	1.9	1.4	(0.3)	2.6	2.4	3.2	2.0	2.9
Gold holdings (in tonnes)	23	30	39	65	112	137	134	118	131	142	149	155	169	176	171	187	180	188	230	238	315
YoY growth (%)	-	30.4	30.0	66.7	72.3	22.3	(2.2)	(11.9)	11.0	8.4	4.9	4.0	9.0	4.1	(2.8)	9.4	(3.7)	4.4	22.3	3.5	32.4
MGFL																					
Gold AUM (INR bn)	4	6	10	26	64	96	99	82	92	101	111	117	130	170	191	202	197	213	252	285	322
YoY growth (%)	-	51.6	70.6	165.3	143.3	51.0	3.4	(18.0)	13.0	9.4	10.4	5.5	10.4	30.9	12.5	5.7	(2.1)	8.0	18.4	13.0	13.0
Gold branches (units in no.)	-	-	-	-	2,064	2,908	3,295	3,293	3,293	3,293	3,293	3,330	3,372	3,529	3,524	3,524	3,985	4,044	4,125	-	-
YoY growth (%)	-	-	-	-	-	40.9	13.3	(0.1)	0.0	0.0	0.0	1.1	1.3	4.7	(0.1)	0.0	13.1	1.5	2.0		
Gold holdings (in tonnes)	-	-	-	-	53	66	51	46	53	60	61	64	68	72	65	68	60	59	61		
YoY growth (%)	-	-	-	-	-	23.8	(21.5)	(11.4)	16.5	12.2	2.5	4.7	5.5	7.3	(9.8)	4.1	(11.6)	(2.2)	3.0		

Source: Company, Elara Securities Estimate

Exhibit 5: MUTH – AUM/branch projected to be ~3x that of MGFL, underscoring stronger branch-level productivity to aid growth


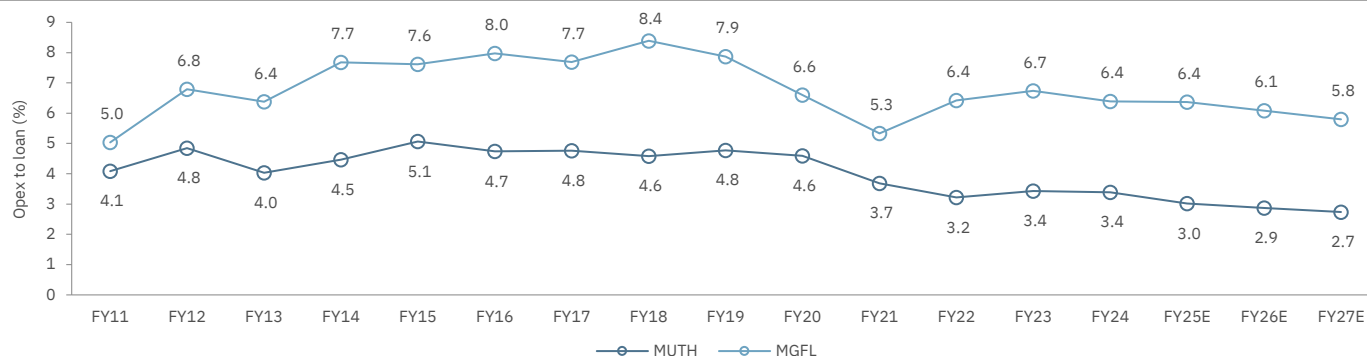
Source: Company, Elara Securities Estimate

Exhibit 6: New norms might compel player like MUTH to rethink business strategy and increase tad share towards non-gold, MGFL benefits

Loan mix (%)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
MUTH																	
Gold	99.1	99.0	98.5	98.9	99.7	99.8	99.8	90.4	87.7	87.0	89.1	89.2	86.5	81.8	82.8	82.4	81.4
Non gold	0.9	1.0	1.5	1.1	0.3	0.2	0.2	9.6	12.3	13.0	10.9	10.8	13.5	18.2	17.2	17.6	18.6
MGFL																	
Gold	84.3	82.7	99.9	99.9	96.6	88.2	81.5	74.4	66.7	67.3	70.1	66.6	55.7	49.2	55.2	54.0	52.8
Non gold	15.7	17.3	0.1	0.1	3.4	11.8	18.5	25.6	33.3	32.7	29.9	33.4	44.3	50.8	44.8	46.0	47.2

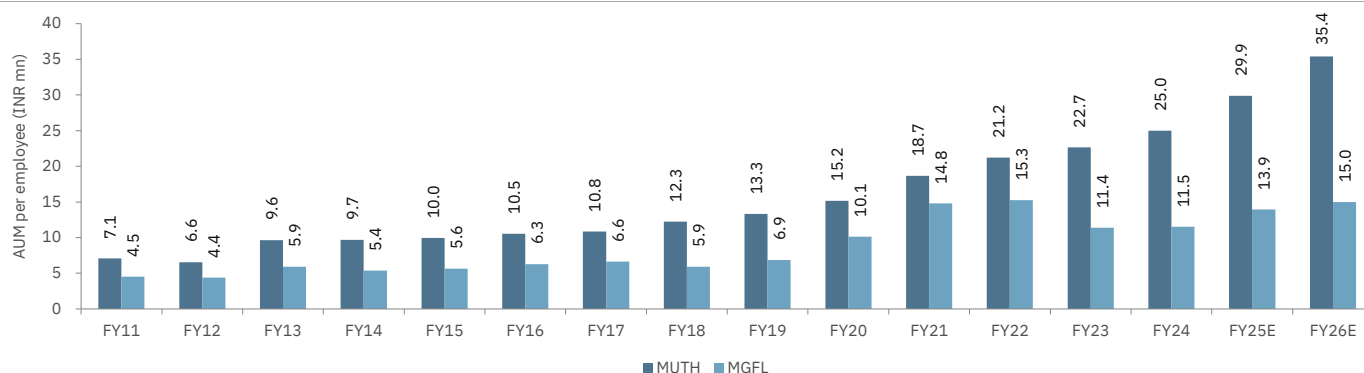
Source: Company, Elara Securities Estimate

Exhibit 7: Guidelines to weigh on opex – MUTH capably poised to navigate smoothly, MGFL continue to experience pressures



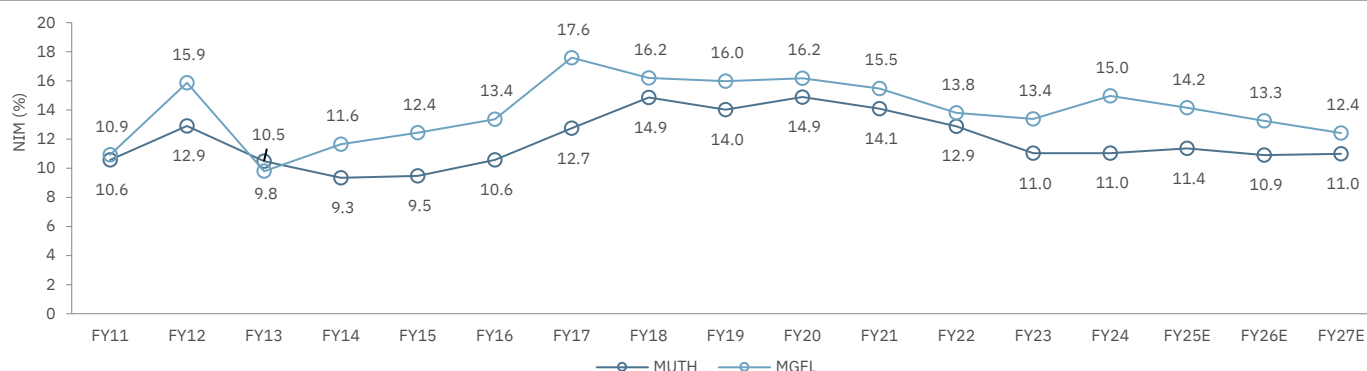
Source: Company, Elara Securities Estimate

Exhibit 8: Focus on productivity gains to increase – MUTH scores higher, however, AUM per employee in interims to witness dip



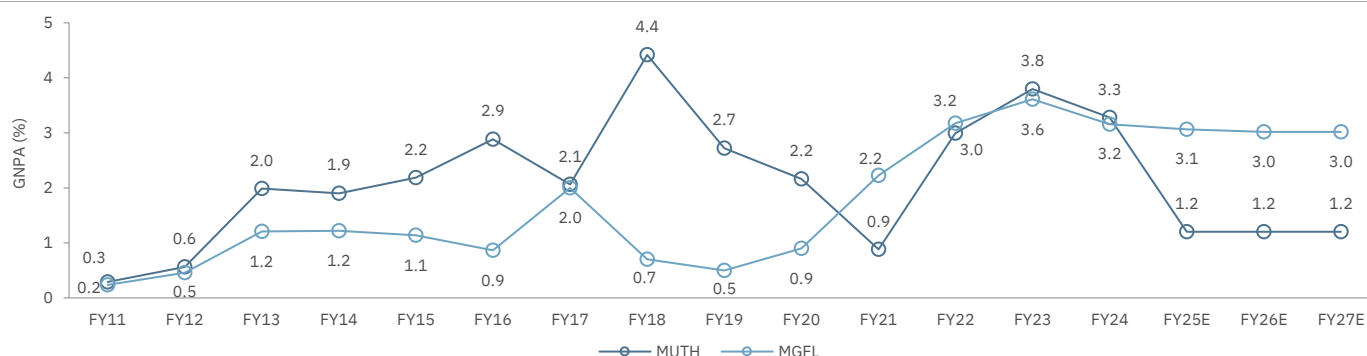
Source: Company, Elara Securities Estimate

Exhibit 9: NIMs for FY26 to taper as PSL benefits to reduce with banks becoming competitive, business rejig to moderately impact yields



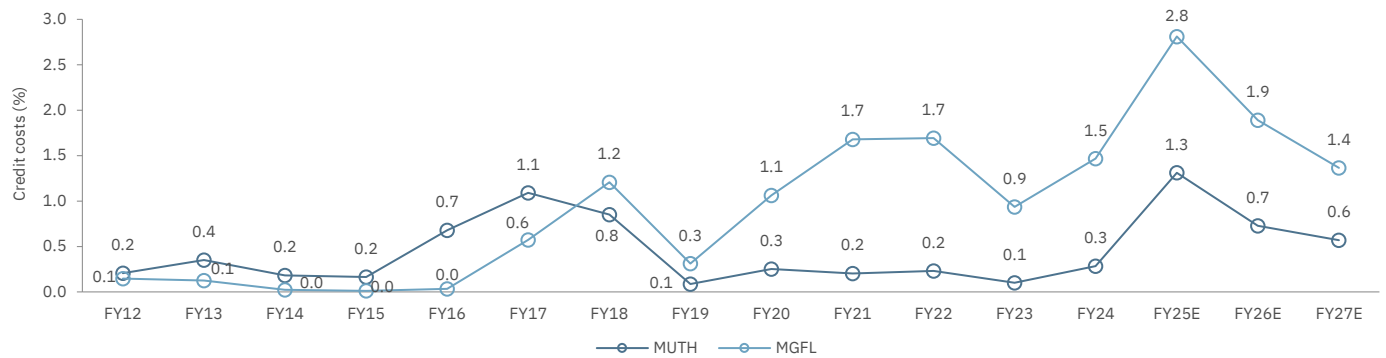
Source: Company, Elara Securities Estimate

Exhibit 10: GNPA's may not show improvement in near term as repayment structures change albeit both largely operate <12month tenure



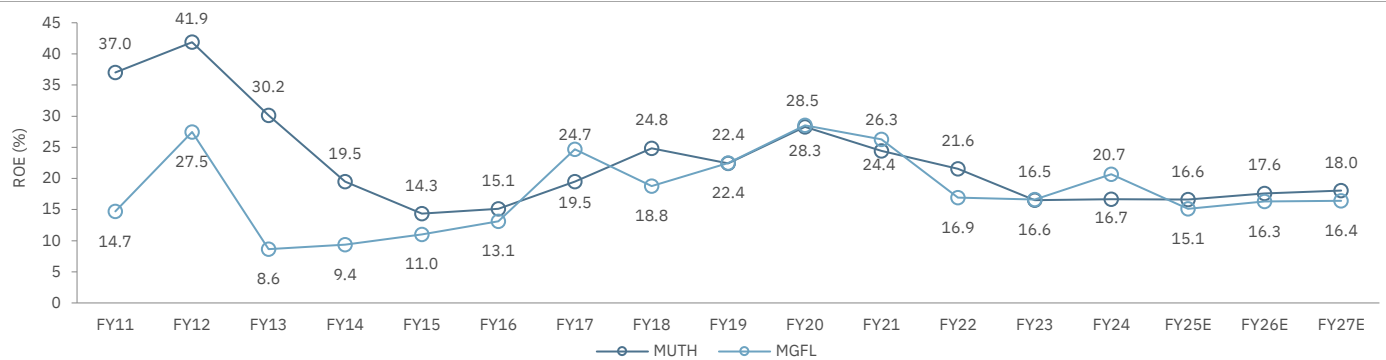
Source: Company, Elara Securities Estimate

Exhibit 11: Credit costs to remain under control given the underlying high asset value; albeit higher than earlier expected levels



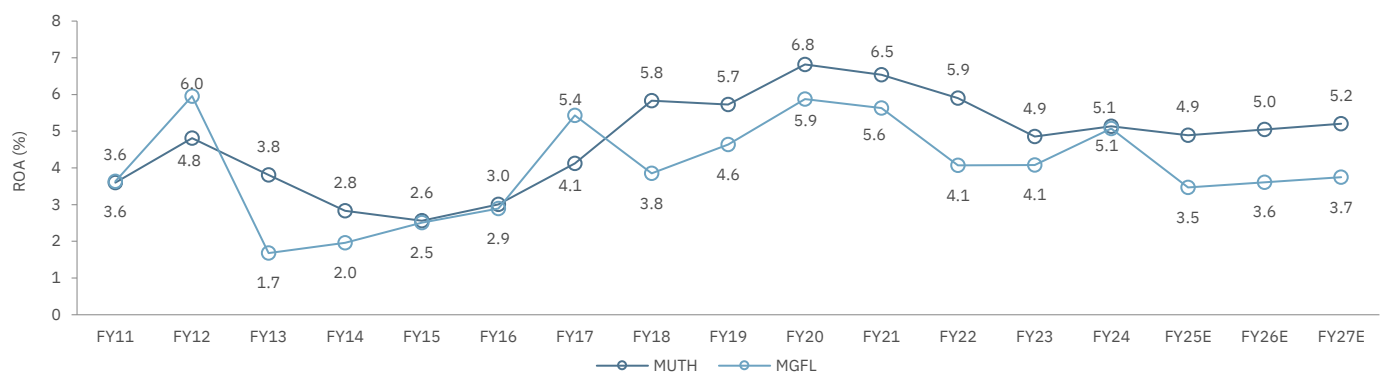
Source: Company, Elara Securities Estimate

Exhibit 12: Guidelines to moderately impact returns – MUTH continues to maintain 18% RoEs, MGFL will lurch at 16% levels



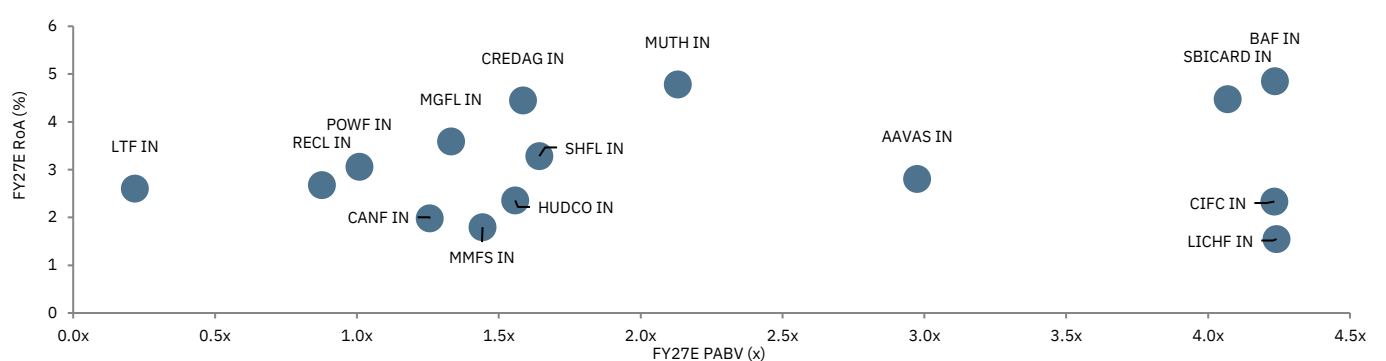
Source: Company, Elara Securities Estimate

Exhibit 13: Guidelines to dent MUTH RoAs by mere 10-15bps, MGFL by 25bps; 5%+ maintained by MUTH



Source: Company, Elara Securities Estimate

Exhibit 14: Positive levers largely factored in MUTH valuations; halfway rally already behind, going forward expect a range-bound scenario



Source: Company, Elara Securities Estimate

Exhibit 15: SoTP valuation – MUTH – TP: INR 2467 promising 15% upside – revise down to Accumulate

SoTP metrics	% share in overall business	Multiple FY27E (x)	Per share (INR)
Muthoot Finance	86.0	2.5	2,433.8
Home Finance	2.2	0.5	5.8
Belstar Micro	8.2	1.2	29.1
Muthoot Money	0.5	0.1	3.0
Asia Asset (Sri Lanka)	0.7	0.1	2.0
Total value of ventures			40.0
Less: 20% holding discount			8.4
Value of Key ventures			31.6
Target price (INR)			2,467
CMP (INR)			2,140
Upside (%)			15.3

Note: Pricing as 9th April 2025; Source: Elara Securities Estimate

Exhibit 16: Valuation – MGFL – TP: INR 250 valued at 1.4x PABV FY27E, maintain Accumulate

Fair price – EVA (INR)	190
Fair price – Gordon growth (INR)	309
Average of the two (INR) – TP:	250
Target P/ABV (x)	1.4
Target P/E (x)	7.7
Current price, (INR)	225
Upside (%)	10.9

Note: Pricing as 9 April 2025; Source: Elara Securities Estimate

Exhibit 17: Change in estimates – MUTH – operating profit pared down by average 6% over FY26-27E

(INR mn)	Earlier			Revised			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net interest income	98,107	121,445	142,658	97,859	113,414	133,407	(0.3)	(6.6)	(6.5)
Operating profit	74,543	93,097	107,892	74,295	86,260	102,891	(0.3)	(7.3)	(4.6)
Net profit	50,116	62,767	74,379	46,763	58,344	71,187	(6.7)	(7.0)	(4.3)
EPS (INR)	124.8	156.3	185.3	116.5	145.3	177.3	(6.7)	(7.0)	(4.3)
Target price (INR)	2,551			2,467			(3.3)		

Source: Elara Securities Estimate

Exhibit 18: Change in estimates – MGFL – operating profits pared down by 9% for FY26-27E

(INR mn)	Earlier			Revised			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net interest income	65,885	69,410	77,312	63,066	65,290	70,729	(4.3)	(5.9)	(8.5)
Operating profit	39,690	41,693	45,808	36,845	37,794	41,659	(7.2)	(9.4)	(9.1)
Net profit	19,572	23,439	27,848	17,353	20,712	24,858	(11.3)	(11.6)	(10.7)
EPS (INR)	23.1	27.7	32.9	20.5	24.5	29.4	(11.2)	(11.7)	(10.7)
AUM	473,760	553,136	642,906	457,337	528,144	610,121	(3.5)	(4.5)	(5.1)
BV (INR)	137.2	171.4	201.9	134.6	165.6	192.5	(1.9)	(3.4)	(4.7)

Source: Elara Securities Estimate

Financials (YE March) - Muthoot Finance

Income statement (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
NII	66,695	77,928	97,859	113,414	133,407
Other income	1,751	2,465	2,465	2,711	2,711
Gross income	68,446	80,393	100,324	116,125	136,118
Operating expenses	21,177	23,927	26,029	29,865	33,227
PPOP	47,270	56,466	74,295	86,260	102,891
Provisions	605	1,978	11,376	7,758	7,110
PBT	46,664	54,488	62,919	78,502	95,781
Tax	11,929	13,991	16,156	20,157	24,594
PAT	34,735	40,497	46,763	58,344	71,187
Balance Sheet (INR bn)	FY23	FY24	FY25E	FY26E	FY27E
Capital	4,014	4,015	4,015	4,015	4,015
Reserves and surplus	206,605	238,888	277,622	327,937	390,774
Net worth	210,619	242,903	281,637	331,952	394,788
Borrowings	497,343	587,831	727,600	862,318	990,853
Other liabilities	18,236	19,551	54,102	56,153	100,918
Total liabilities	726,198	850,284	1,063,339	1,250,422	1,486,559
Fixed assets	3,392	4,384	5,775	6,708	8,163
Loans	642,649	770,014	953,102	1,129,572	1,297,944
Investments	13,169	22,683	32,891	47,692	73,922
Cash and bank balances	64,612	50,459	66,382	61,018	97,236
Other assets	2,377	2,744	5,190	5,434	9,295
Total assets	726,198	850,284	1,063,339	1,250,423	1,486,559
Per Share data & Valuation Ratios	FY23	FY24	FY25E	FY26E	FY27E
EPS- (INR)	87	101	116	145	177
BV (INR)	525	605	702	827	983
ABV- (INR)	484	566	679	800	983
P/E- (x)	24.7	21.2	18.4	14.7	12.1
P/ABV-(x)	4.4	3.8	3.2	2.7	2.2
Yield and cost (%)					
Yield on advances	17.1	18.0	17.9	17.3	17.4
Interest income/ avg. assets	14.5	15.8	16.2	16.0	15.9
Interest expense/ avg. assets	5.2	5.9	6.0	6.2	6.1
Net interest margin (%)	11.0	11.0	11.4	10.9	11.0
Asset quality (%)					
Gross NPA	3.8	3.3	2.5	2.5	2.5
Net NPA	2.6	2.0	0.9	0.9	0.9
% coverage of NPA	31.9	37.6	62.3	62.3	62.4
credit cost (calc)	0.1	0.3	1.3	0.7	0.6
Capital adequacy					
Tier 1	31.0	29.6	21.4	21.1	21.6
CAR	31.8	30.4	22.1	21.9	22.4
Growth rates					
Loan growth	8.2	19.8	23.8	18.5	14.9
Earnings growth	(12.2)	16.6	15.5	24.8	22.0
Business ratios					
RoAA (%)	4.9	5.1	4.9	5.0	5.2
Core RoE (%)	16.5	16.7	16.6	17.6	18.0
Leverage (x)	3.4	3.2	3.4	3.5	3.5

Note: Pricing as on 9 April 2025; Source: Company, Elara Securities Estimate

About 60-70% of MUTH's gold loans by value could be for consumption purposes, which will be subject to 12-month tenure cap for bullet repayment structure but MUTH's low LTV may provide resilience, limiting the impact.

MUTH might see a 6% operating profit hit and 10-15bps RoA dent due to implications from RBI norms

Financials (YE March) - Manappuram Finance

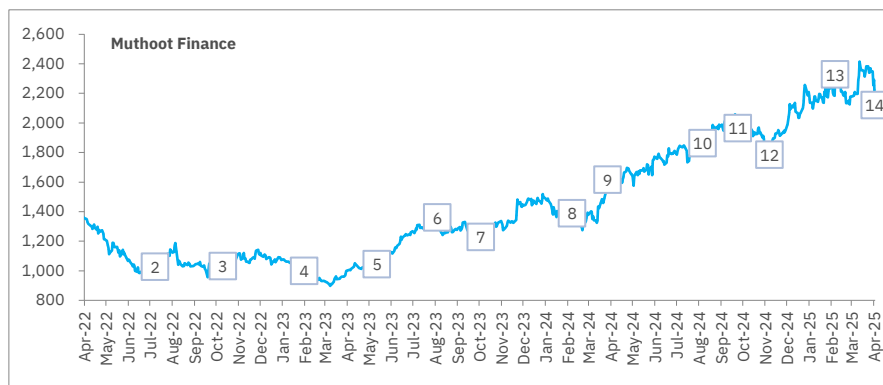
Income statement (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
NII	43,980	58,994	63,066	65,290	70,729
Other income	1,641	1,550	2,166	2,497	3,941
Gross income	45,622	60,544	65,232	67,787	74,670
Operating expenses	22,140	25,165	28,387	29,994	33,011
PPOP	23,482	35,379	36,845	37,794	41,659
Provisions	3,071	5,783	12,525	9,310	7,780
PBT	20,411	29,595	24,319	28,484	33,879
Tax	5,409	7,620	6,109	7,155	8,510
PAT	15,002	21,975	18,210	21,329	25,368
Minority interest	42	88	857	617	511
Profit after tax and minority interest	14,960	21,887	17,353	20,712	24,858
Balance sheet (INR bn)	FY23	FY24	FY25E	FY26E	FY27E
Capital	1,693	1,693	1,693	1,693	1,693
Reserves and Surplus	94,959	114,077	112,525	138,756	161,520
Net worth	96,652	115,770	114,217	140,449	163,212
Borrowings	230,486	336,535	340,523	376,607	445,192
Other liabilities	67,903	15,174	79,219	96,150	105,883
Total liabilities	395,041	467,479	533,959	613,206	714,288
Fixed assets	11,104	4,737	4,880	5,026	5,178
Loans	341,945	409,476	458,502	529,366	611,405
Investments	5,340	7,263	7,062	7,421	8,639
Cash and bank balances	30,351	31,812	36,154	36,516	45,645
Other assets	6,301	14,191	27,361	34,876	43,421
Total assets	395,041	467,479	533,959	613,206	714,288
Per share data & valuation ratios	FY23	FY24	FY25E	FY26E	FY27E
EPS- (INR)	17.7	25.9	20.5	24.5	29.4
BV (INR)	114.0	136.4	134.6	165.6	192.5
ABV- (INR)	107.3	129.5	126.9	156.6	183.0
P/E- (x)	12.7	8.7	11.0	9.2	7.7
P/ABV-(x)	2.1	1.7	1.8	1.4	1.2
Yield and cost (%)					
Yield on advances	18.4	24.3	22.5	22.1	21.7
Cost of funds	10.4	10.6	10.5	10.3	10.4
Net interest margin (%)	13.4	15.0	14.2	13.3	12.4
Asset quality (%)					
Gross NPA	3.6	3.2	3.1	3.0	3.0
Net NPA	1.6	1.4	1.4	1.4	1.3
% coverage of NPA	55.7	56.9	53.7	52.2	56.5
credit cost (calc)					
Capital adequacy					
Tier 1	30.7	27.9	25.4	22.7	16.8
CAR	30.8	28.1	25.5	22.9	17.0
Growth rates					
Loan growth	18.0	19.7	12.0	15.5	15.5
Earnings growth	13.1	46.5	(17.1)	17.1	18.9
Business ratios					
RoAA (%)	4.1	5.1	3.5	3.6	3.7
Core RoE (%)	16.6	20.7	15.1	16.3	16.4
Dividend yield (%)	1.6	1.6	1.6	1.6	1.6
Leverage (x)	4.1	4.1	4.4	4.5	4.4

Note: Pricing as on 9 April 2025; Source: Company, Elara Securities Estimate

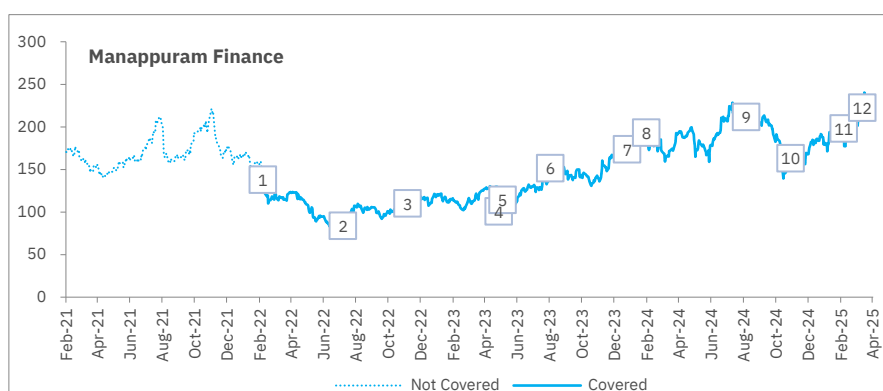
About 70% of MGFL's loans may fall into consumption loan category subject to 12-month tenure cap and ongoing 75% LTV maintenance and this portfolio would require significant adjustments; diversification into non-gold could aid in mitigation to an extent

MGFL might witness a 9% hit on operating profits and 10-11% of PAT with subsequent 25bps dip in RoAs due to portfolio adjustments and compliance needs

Coverage History



Date	Rating	Target Price	Closing Price
1 14-Feb-2022	Buy	INR 1,657	INR 1,355
2 15-Jul-2022	Buy	INR 1,522	INR 1,018
3 14-Oct-2022	Accumulate	INR 1,200	INR 1,014
4 7-Feb-2023	Accumulate	INR 1,156	INR 1,011
5 19-May-2023	Accumulate	INR 1,200	INR 1,035
6 11-Aug-2023	Accumulate	INR 1,404	INR 1,350
7 10-Oct-2023	Buy	INR 1,520	INR 1,218
8 14-Feb-2024	Accumulate	INR 1,520	INR 1,379
9 3-Apr-2024	Buy	INR 1,948	INR 1,630
10 13-Aug-2024	Buy	INR 2,214	INR 1,853
11 1-Oct-2024	Accumulate	INR 2,214	INR 1,956
12 14-Nov-2024	Buy	INR 2,266	INR 1,776
13 13-Feb-2025	Accumulate	INR 2,551	INR 2,316
14 9-Apr-2025	Accumulate	INR 2,467	INR 2,140



Date	Rating	Target Price	Closing Price
1 14-Feb-2022	Accumulate	INR 164	INR 143
5 12-May-2022	Reduce	INR 117	INR 110
3 14-Nov-2022	Sell	INR 95	INR 116
4 5-May-2023	Reduce	INR 110	INR 106
5 12-May-2023	Reduce	INR 117	INR 110
6 10-Aug-2023	Reduce	INR 140	INR 146
7 2-Jan-2024	Accumulate	INR 200	INR 169
8 7-Feb-2024	Accumulate	INR 210	INR 190
9 13-Aug-2024	Accumulate	INR 233	INR 207
10 5-Nov-2024	Accumulate	INR 185	INR 159
11 13-Feb-2025	Reduce	INR 185	INR 194
12 20-Mar-2025	Accumulate	INR 250	INR 218

Guide to Research Rating

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

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