

L&T Finance

BSE SENSEX 83,311
S&P CNX 25,510



Bloomberg	LTF IN
Equity Shares (m)	2500
M.Cap.(INRb)/(USDb)	688.3 / 7.8
52-Week Range (INR)	284 / 129
1, 6, 12 Rel. Per (%)	4/63/82
12M Avg Val (INR M)	1260

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	86.7	97.5	121.3
PPP	59.6	67.5	85.9
PAT	26.4	29.8	40.2
EPS (INR)	10.6	11.9	16.1
EPS Gr. (%)	13.8	12.6	34.9
BV/Sh. (INR)	102	112	125

Ratios

NIM (%)	9.9	9.3	9.5
C/I ratio (%)	40.1	40.0	38.0
RoAA (%)	2.4	2.3	2.6
RoE (%)	10.8	11.1	13.6
Payout (%)	26.0	26.0	25.0

Valuation

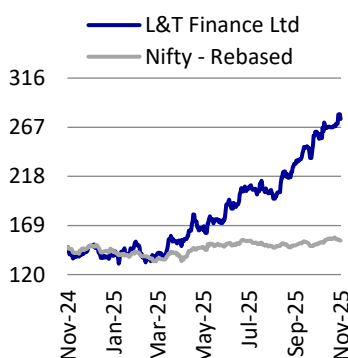
P/E (x)	26.0	23.0	17.1
P/BV (x)	2.7	2.5	2.2
Div. Yield (%)	1.0	1.1	1.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	66.1	66.2	66.3
DII	14.3	14.1	12.3
FII	6.4	6.2	6.7
Others	13.2	13.5	14.7

FII Includes depository receipts

Stock performance (one-year)



CMP: INR275

TP: INR330 (+20%)

Buy

Engineering resilience and digital engagement

Deep-dive into LTF's strategy for risk-calibrated growth and profitability

We attended the L&T Finance (LTF) Investor Digital Day 2025, where the company showcased the progress of its digital lending model, AI-driven underwriting platform Cyclops, automated portfolio management engine Nostradamus, Planet 3.0 and Helios (AI underwriting co-pilot).

Below are the key takeaways:

- The central theme was LTF's drive to become a "risk first, tech first, multi-product, retail financier of choice". The event highlighted significant achievements in core business acceleration, the scale-up of proprietary AI systems, cultural transformation, and key financial metrics, particularly strong disbursement growth and improved asset quality indicators.
- LTF demonstrated tangible improvements in credit outcomes, superior customer selection, and better risk-adjusted returns across key businesses. The company outlined strong growth momentum across retail businesses, strategic scaling of digital partnerships, full integration of the newly acquired gold loan business, and strengthening organizational culture with better talent stability and execution accountability at branch levels.
- The company shared that Nostradamus is now live in the 2W business, and the company plans to push Cyclops in personal loans through Nov/Dec'25 while laying the foundation for implementation in rural business loans and mortgage segments.
- Digital partnership disbursements stood at INR11.4b in 2QFY26 and are currently growing at 7-10% monthly, driven by mega partnerships with PhonePe, CRED, Amazon, Google Pay and SuperMoney. The company has also entered the gold loan segment after observing that its microfinance customers had cumulatively borrowed ~INR170b of gold loans from external lenders. The integration of the acquired gold portfolio was completed within three months, and the company now operates ~130 branches, with plans to expand by an additional ~200 by year-end. The strategic intent is to scale a high-yield secured product in a market that is expanding at over 20% CAGR.
- LTF indicated that its priorities over the next 12-18 months are to announce the Lakshya 2031 goals in 1QFY27, drive 20-25% risk-calibrated AUM growth, improve RoA to 2.8-3% by 4QFY27, develop the Service Intelligence layer, roll out an AI-enabled next-generation collections stack and progressively bring down credit costs toward ~2%.

Integrated digital architecture driving structural RoA expansion

LTF is building a unified, intelligence-led digital and risk architecture that connects customer acquisition, underwriting, portfolio monitoring and servicing into one scalable framework. Proprietary engines such as Cyclops for underwriting and Nostradamus for portfolio surveillance are central to this transformation, enabling the company to lower credit costs, accelerate decision-making, and reduce cost-to-serve. In SME, the Helios AI co-pilot automates data extraction and preliminary assessment, sharply reducing underwriter workloads and enabling materially faster TATs—critical in higher-quality, speed-sensitive segments. With AI models increasingly influencing risk selection, collections, field efficiency, and customer servicing across businesses, the technology stack is structurally improving return ratios, allowing the company to expand into better-yielding yet controlled-risk segments without compromising growth momentum.

Cyclops and Nostradamus-led risk interventions delivering measurable asset-quality gains

LTF's deployment of agentic AI across underwriting and collections is yielding visible improvements in delinquency and credit-cost outcomes. Under Cyclops, gross non-starters are now less than two-thirds of pre-Cyclops levels, while 30+ dpd rates on Cyclops-underwritten loans have dropped to ~34% of earlier levels—implying potential credit-cost reduction to roughly one-third of previous run-rates. Farmer Finance shows particularly strong traction, with Cyclops-led originations reporting net non-starters (NNS) eight times lower than non-Cyclops pools. Nostradamus is driving higher collections productivity, with pan-India 30+ dpd at 6 MOB in the two-wheeler book improving by ~221bp over 12 months. These interventions are reinforcing portfolio stability across retail, farm, and SME segments, underpinning sustained RoA expansion.

Diversified retail engines scaling up with superior operating metrics

Across rural and urban retail businesses, LTF is leveraging its calibrated digital and analytics framework to scale up profitably while maintaining high-quality asset performance. The Micro-Finance and Micro-LAP businesses continue to gain market share, supported by fully digital customer journeys, disciplined underwriting, and consistently superior collection efficiencies (JLG CE ~99.5%, 96% 0-dpd mix). Farmer Finance is witnessing steady improvement as indexed NNS declines sharply to ~35%, while a supportive macro and strong dealer network enhance origination quality. In Urban Finance, stronger Cyclops-led underwriting has reduced GNS to ~57% of Dec'24 levels, improved bounce rates by 41% and delivered higher self-cure rates and improved X-bucket behavior. Mortgages and two-wheelers are also benefitting from better TATs, prime customer mix enrichment, and digital-first governance mechanisms like Project Nostradamus.

Emerging growth vectors: Partnerships, SME and gold finance scaling well

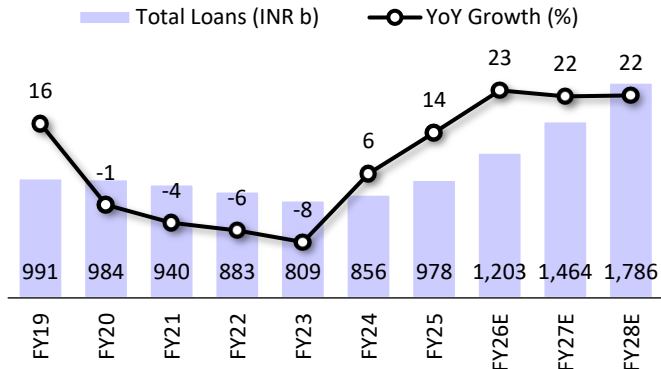
High-quality sourcing partnerships in the unsecured business (PhonePe, CRED, Amazon, Google Pay and SuperMoney) have scaled up rapidly, contributing ~43% of sourcing vs. ~2% a year ago, and significantly improving customer mix and portfolio behavior. Cross-selling now forms ~25% of the unsecured book, supported by enhanced policy frameworks, digital-led collections, and an upgraded onboarding journey. In SME, paperless operations and 200+ automation workflows are

improving scalability and risk selection, with cyclops-led pools showing ~160bp better GNS performance. The Gold Finance foray provides a high-yield, secured growth vector within a large addressable market, supported by rigorous asset verification, AI-enabled surveillance, and a planned expansion from 130 to 200 branches by end-FY26. With ambitions to grow gold AUM 10x over two years and roll out integrated Sampoorana branches, LTF is adding a strong, capital-efficient profit engine to its diversified retail franchise.

Valuation and View

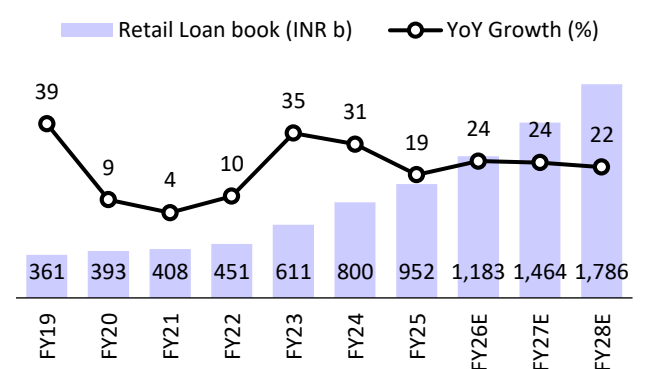
- LTF has invested in process automation and customer journeys. This, along with large partnerships with digital behemoths, should lead to stronger and more sustainable retail loan growth. While there is industry-wide stress in non-MFI retail segments like unsecured business loans and micro-LAP, we expect the stress to subside within the next few quarters.
- LTF's relatively better navigation of the MFI credit cycle and diversification into non-leveraged MFI markets demonstrate its resilience and adaptability. Supported by digital partnerships with major players, LTF is poised for sustainable earnings growth in the years ahead.
- LTF can deliver a PAT CAGR of ~24% over FY25-28E, which will result in RoA/RoE of 2.7%/15% in FY28E. Reiterate our BUY rating on the stock with a TP of INR330 (based on 2.5x Sep'27E P/BV). Key risks: 1) stress in microfinance lingering beyond the next 3-4 months, 2) asset quality deterioration in relatively vulnerable retail segments such as 2W, unsecured business loans and micro-LAP and 3) any near-term pressure on NIM and fee income.

Exhibit 1: Total loans CAGR of ~22% over FY25-28E



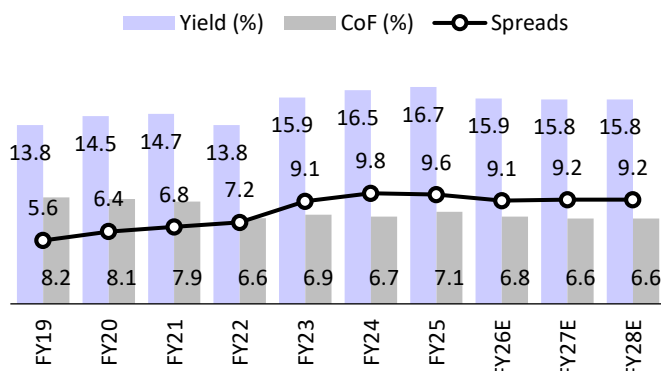
Source: MOFSL, Company

Exhibit 2: Retail loans CAGR of ~23% over FY25-FY28E



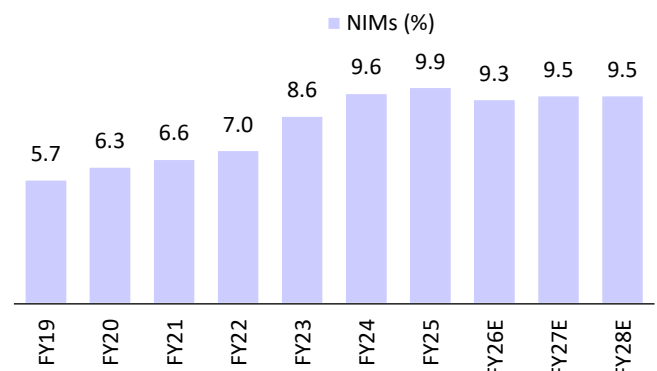
Source: MOFSL, Company

Exhibit 3: Spreads to decline in FY26 driven by decline in MFI in the overall loan mix



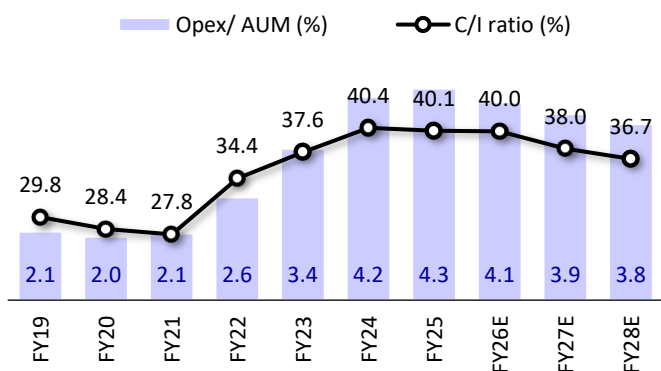
Source: MOFSL, Company

Exhibit 4: NIM expected to moderate driven by product mix



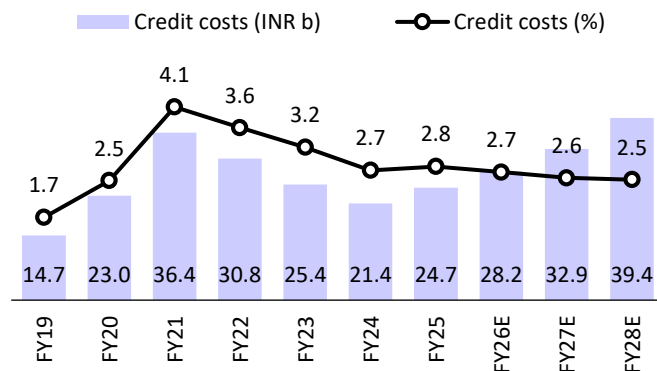
Source: MOFSL, Company

Exhibit 5: Cost ratios to improve, led by better productivity



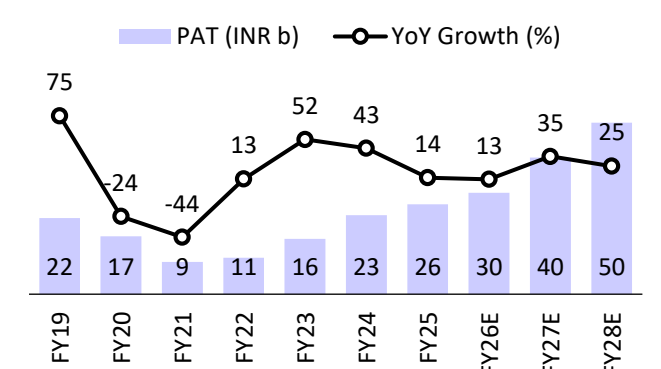
Source: MOFSL, Company

Exhibit 6: Credit costs expected to moderate going forward



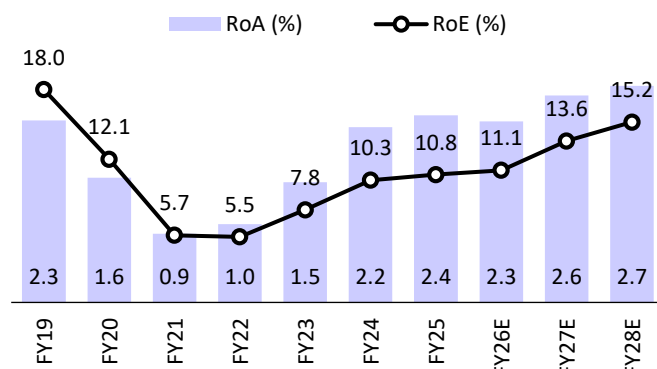
Source: MOFSL, Company

Exhibit 7: Expect PAT CAGR of ~24% over FY24-27E



Source: MOFSL, Company

Exhibit 8: ROA/ROE to improve to 2.7%/15% by FY28E

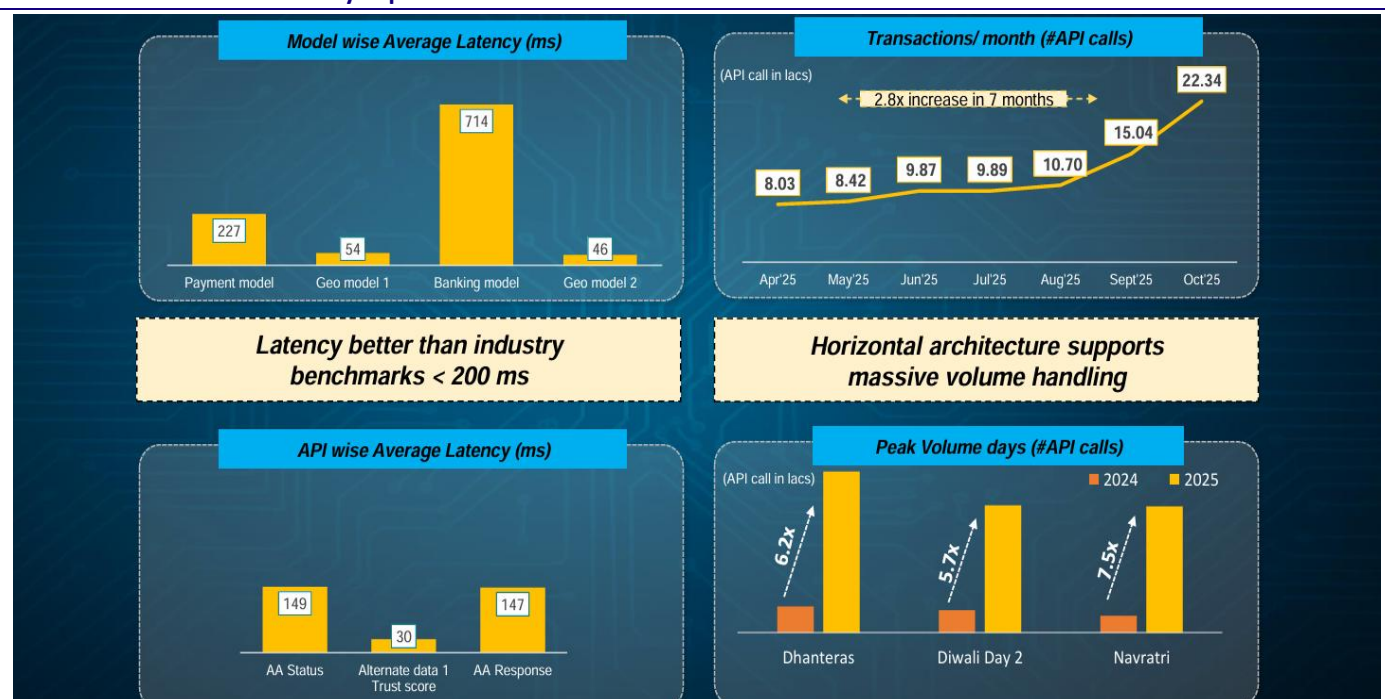


Source: MOFSL, Company

Technology architecture enabling scalable and profitable growth

- LTF is building an integrated digital and risk architecture that links customer acquisition, underwriting, portfolio monitoring, and servicing into a single intelligence-led framework.
- The organization has shifted decisively toward a product-led technology model, with proprietary engines such as Cyclops at the point of underwriting and Nostradamus/Nostromo driving portfolio surveillance and early-warning insights. The broader strategy is designed to simultaneously lower credit costs, reduce the cost of servicing and collections, and allow the company to expand into better-yielding but controlled-risk segments, thereby improving RoA without compromising growth momentum.
- In the SME segment, Helios (AI Co-Pilot Underwriting) now automates data extraction and preliminary assessment from extensive financial and bank-statement data. This reduces underwriter workload and meaningfully accelerates loan turnaround time, improving conversion in better-quality customer segments where speed is a competitive moat. Helios supports underwriters by analyzing bureau data, commercial credit bureaus, deviation matrices, banking analytics, and personal discussion frameworks.
- The company launched Planet 3.0, which functions as a unified platform for collections, servicing, customer engagement and overall business enablement. It operates as a highly cost-efficient collections engine, facilitating INR25b of collections in 1HFY26, including over INR1.2b from high-DPD buckets. The platform also provides a seamless customer experience through 236 self-service options, reducing reliance on branch or field interactions.
- Overall, the technology stack is designed to simultaneously improve profitability and growth. By lowering both credit cost and collection effort while reducing the cost-to-serve through digital channels and AI-led decision-making, the company is structurally improving return ratios and enabling selective portfolio expansion within calibrated risk boundaries.

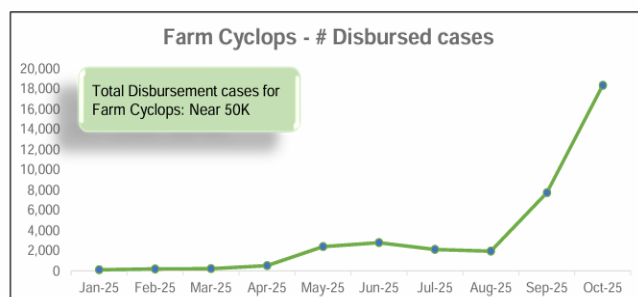
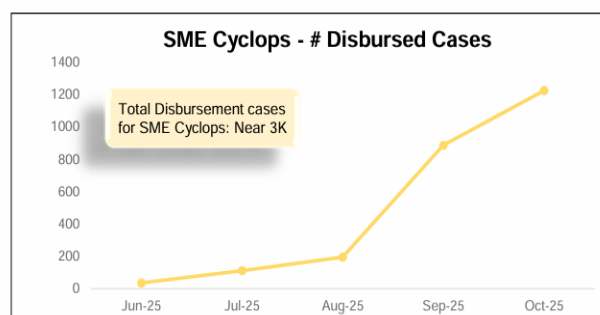
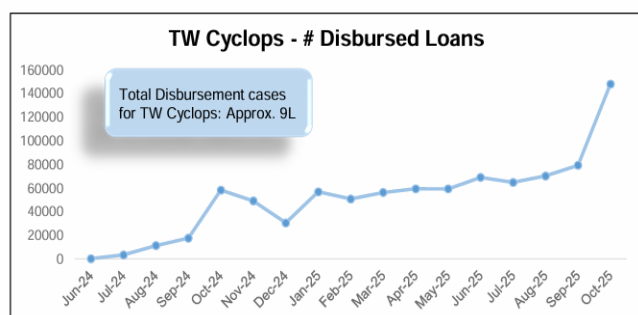
Exhibit 9: Resilience at scale - Cyclops



Impact of Cyclops and Nostradamus on delinquency

- The company is leveraging agentic AI to drive operating efficiency, deploying Nostradamus to improve collections productivity, and scaling up Cyclops to lower credit costs, thereby supporting steady RoA improvement.
- **The company has seen meaningful improvements in asset quality and delinquency trends following the implementation of Cyclops and Nostradamus, as highlighted below.**
- Gross non-starters (GNS) have improved meaningfully, with current levels under Cyclops now less than two-thirds of the pre-Cyclops period.
- 30+ dpd rates on Cyclops-underwritten loans are now only ~34% of the levels seen under the previous underwriting approach.
- Taken together, these improvements indicate a potential reduction in credit costs to roughly one-third of what they would otherwise have been.
- In farmer finance, early delinquency trends indicate strong performance, with NNS levels on Cyclops-underwritten loans roughly eight times lower than those on non-Cyclops loans.
- Nostradamus insights indicate that, at a pan-India level, 30+dpd at 6 MOB for the two-wheeler portfolio has improved by ~221bp over the last 12 months, aided by Cyclops-driven underwriting.

Exhibit 10: Cyclops-disbursed cases continue to increase



Upcoming Cyclops:

LOBs	Go Live Date
PL Cyclops	Dec'25
HL Cyclops	Q1FY27
RBF Cyclops	Q2FY27

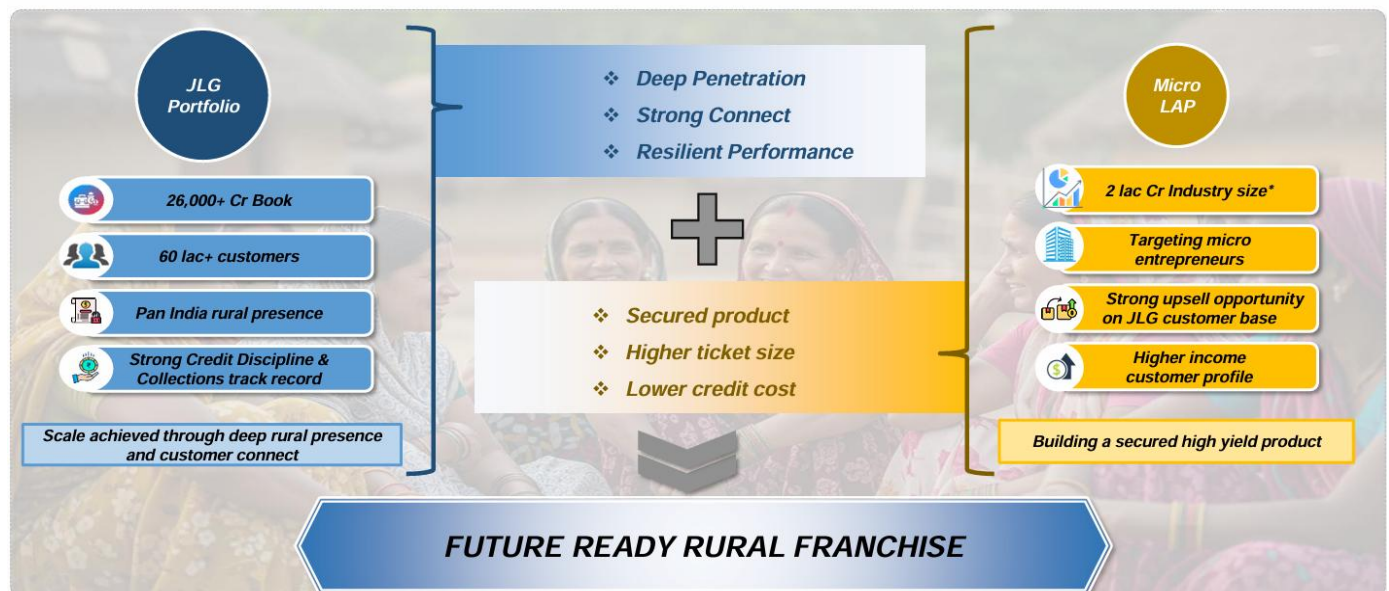
Rural Business: Expanding with strong asset quality

- LTF is scaling its Micro-Finance and Micro-LAP businesses as adjacent growth engines. In Micro-LAP, the company is targeting micro-entrepreneurs with relatively higher income profiles and strong behavioural data histories, particularly leveraging the existing JLG customer base for upsell. This positions Micro-LAP as a secured, high-yield product that complements the core JLG franchise.
- The company is currently the second-largest JLG lender with a ~7% market share, operating across 17 states, 350 districts, and ~200k villages, supported by

a field force of ~20.5k employees. Market share has improved steadily from ~5% in FY22 to ~7.6% in 2QFY26, aided by a digitally-led, calibrated credit framework.

- The entire onboarding and servicing journey is now 100% digital through in-house loan origination and customer applications. This digital stack, combined with calibrated underwriting, has enabled strong operating and portfolio outcomes with ~99.5% regular collection efficiency, 96% 0-dpd book mix, 2.6% 90+dpd, 96% full-group resolution, and 35% of collections now digital.
- The company is increasingly leveraging data and AI models to enhance field efficiency, group behavior monitoring, and collection prioritization. LTF>=3 has reduced from 17% to 4% over the last five quarters (vs 17% at the industry level), indicating a more de-risked and under-leveraged borrower base. Collection efficiency continues to track ahead of the industry, which is also visible in superior 30+ and 90+dpd trends.
- Micro-LAP expansion has moved from an initial Tamil Nadu presence to ~175 locations currently, with plans to scale up to ~250 touchpoints by year-end. Disbursements have stabilized at ~INR2b per quarter, with portfolio characteristics reflecting disciplined underwriting with ~99.9% regular CE, ~52% LTV, ~47% FOIR, and yields in the 18-20% range.

Exhibit 11: Moving towards a diversified sustainable business model

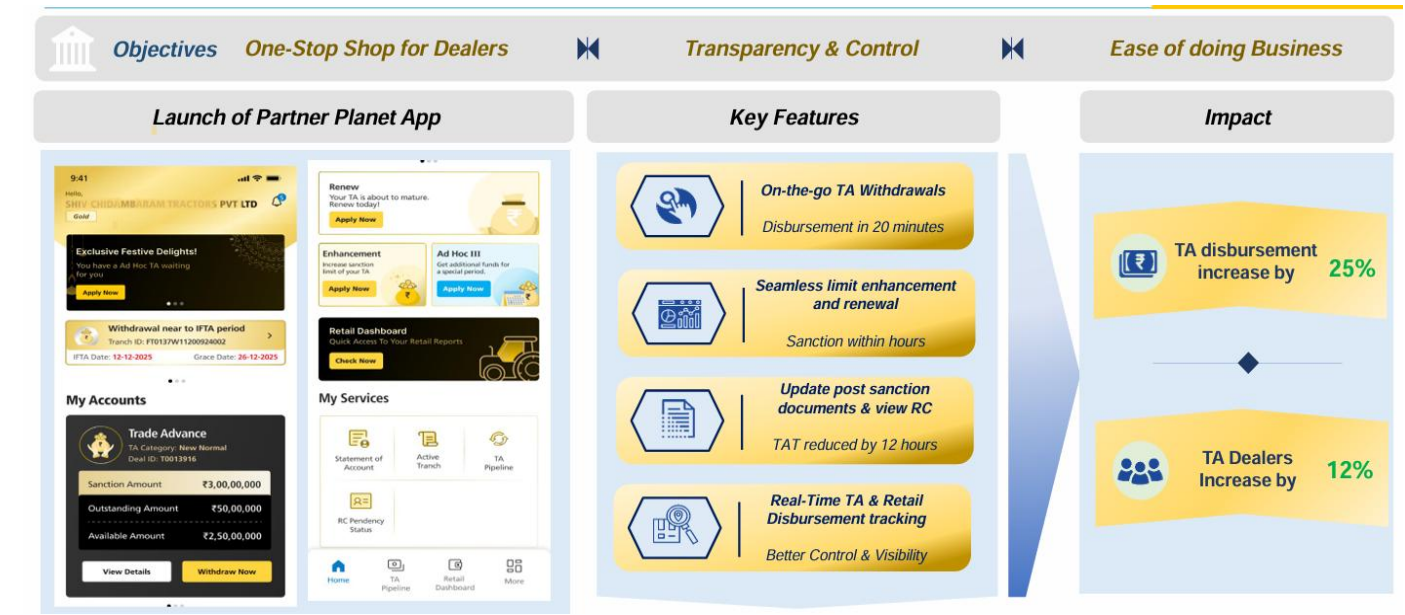


Farmer Finance: Cyclops-led portfolio showing sharp improvement in NNS and CE

- LTF has an AUM of around INR150b in its Farmer Finance segment, serving over 1.1 million customers through more than 2,500 dealer partners. In FY26, the business is witnessing consistent improvement across key metrics, including higher productivity, stronger disbursements, and a decline in net non-starters.
- Indexed NNS in the farm portfolio has improved sharply to ~35% from a peak of ~159% in Apr'24, reflecting better quality of originations and tighter monitoring. Management is confident of sustaining a favorable performance gap vs. the industry. The operating environment has also turned supportive, with rainfall trending 8% higher and new tractor disbursements growing 13% YoY. Collection efficiency has improved to ~92.1% from ~89.8% over the past 18 months.

- The company introduced the Partner Planet app for two-wheeler and farm finance dealers, providing partners with real-time visibility on applications, pay-outs, documentation and servicing, thereby improving speed and operational transparency.

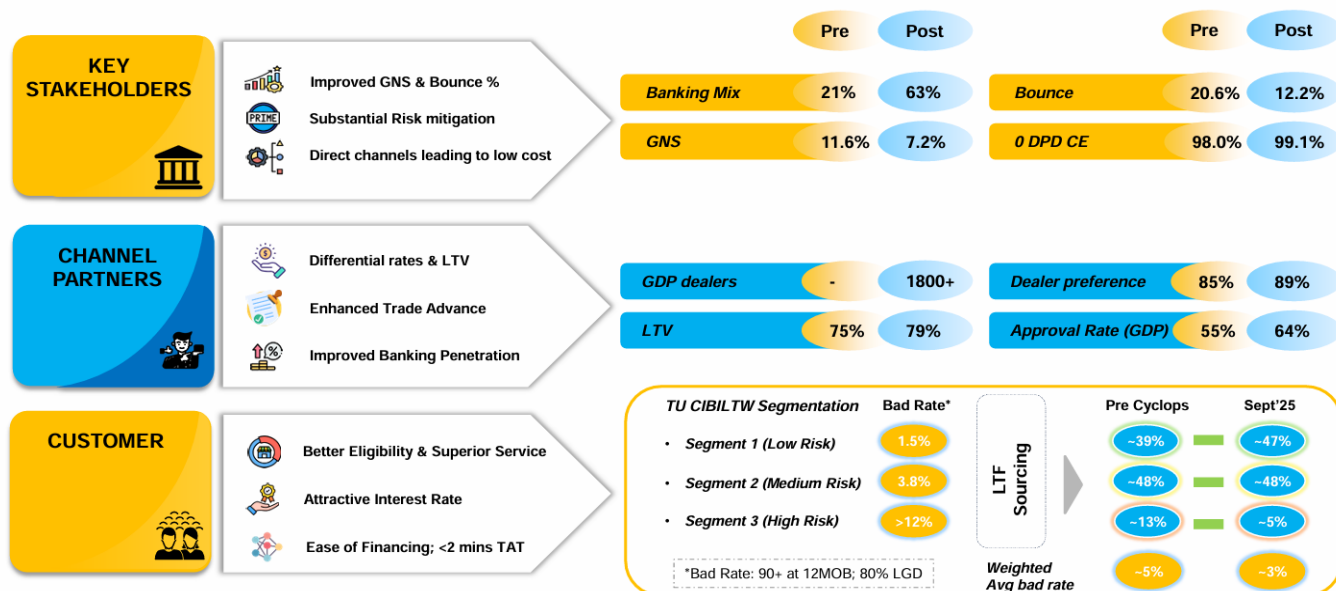
Exhibit 12: Farmer Finance: Automating dealer interface



Urban Finance: Retail engine scaling up with higher prime mix and lower credit costs

- The company disbursed ~INR100b in 1HFY26, taking the overall urban finance book to ~INR400b, with Mortgages forming ~54% of the portfolio and Two-Wheelers ~46%. The company cross-sells insurance effectively, with ~95% of disbursements bundled with insurance products. It also plans to launch retail cross-selling in 3Q to further enhance customer monetization.
- Delinquency and collection metrics have strengthened considerably under the Cyclops-led model. GNS levels are now ~57% of Dec'24 levels, and 0 dpd bounce rates have improved by ~41% since Nov'24. This has translated into better portfolio performance across the X bucket and 1-3 bucket segments, earlier and more proactive digital outreach, higher self-cure rates, and improved collection efficiency.
- These improvements are being reinforced through broader digital and analytics levers such as partnerships with Hero and Honda, and the rollout of Project Nostradamus for portfolio governance and early risk intervention. Overall, the transition to a digital-first underwriting and collection model is driving higher login-to-disbursement conversion, 2.8x improvement in self-cure (Self Cure strategy nudges a customer to pro-actively pay off their outstanding balance by reminding customers only through digital means), higher ATS without extending tenor, and reductions in both collection costs and credit costs.
- In Mortgage business, technology investments are improving TAT, enhancing customer quality, and supporting higher frontline productivity. The segment strategy is increasingly focused on optimizing yields by shifting away from low-yield pools and prioritizing better-quality, higher-return borrower segments.

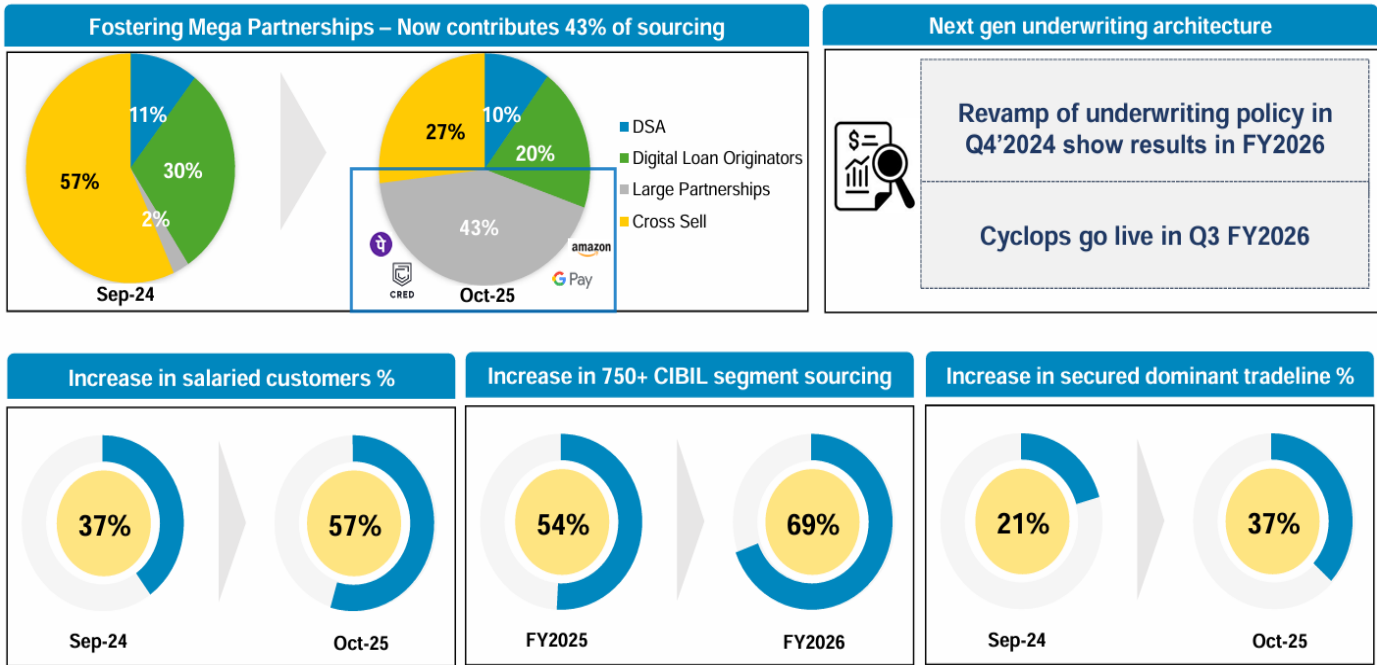
Exhibit 13: Cyclops – Enabling holistic value realization across networks in 2W business



Urban unsecured assets, payments and partnerships

- The company has significantly scaled up its mega partnership sourcing engine, with partnerships such as CRED, Amazon and Google Pay now contributing ~43% of total sourcing, up sharply from ~2% in Sep'24. Disbursements through these partnerships have grown from ~INR120m to ~INR5b, taking total portfolio disbursements from ~INR4.8b to ~INR11.2b over the same period, reflecting both volume and quality-led scale. This channel shift has also strengthened the underlying customer mix, with a higher proportion of salaried borrowers, increased sourcing from customers with CIBIL scores >750, and a greater presence of secured-dominant trade lines.
- Portfolio outcomes through these channels have been strong, with lower bounce rates, higher self-cure behavior and improvement in both GNS and NNS metrics, indicating better front-end selection and enhanced customer stability. This performance is supported by a robust, end-to-end digital tech stack that enables seamless onboarding, automated risk decision-making, and integrated servicing.
- Cross-selling has emerged as a meaningful growth lever, contributing ~25% of the unsecured portfolio. The company is now driving further transformation in the personal loans business by strengthening distribution, underwriting policy frameworks and digital-led collections. In 2HFY26, the focus is on scaling up the business with an enhanced customer experience, including a multilingual AI sales bot, a redesigned consumer onboarding journey, and a dynamic loan offer engine to deepen cross-sell among existing customers.

Exhibit 14: Embracing digital and AI innovations to build a quality portfolio



SME Finance: Scaling up well; delinquency levels improving

- LTF currently has a ~6.23% market share in SME and is targeting ~7%. The company's operations are now largely paperless and digitally enabled, allowing rapid expansion and scalability. Over 200 automation processes have been implemented, doubling in just two months and boosting efficiency and operational reach.
- Portfolio is concentrated in medium to low-risk categories, avoiding new-to-credit or high-risk borrowers. This focus contributes to a risk-resilient and quality-driven loan book.
- Collection efficiencies have remained strong, with CD CE consistently at ~99.5% for the past four years. The company increasingly relies on AI-led nudges and call-center-driven interventions, resulting in ~45% of delinquency cases self-curing without field deployment.
- Early outcomes are encouraging, with GNS performance on Cyclops-underwritten loans ~160bp better than the control pool, and the share of premium customers in monthly sourcing up ~300bp.

Exhibit 15: SME Finance: Empowering team with Agentic AI



Gold Finance: Aims to grow portfolio by 10x over the next two years

- The company has entered the gold loan segment through a calibrated and diligence-led approach. Following the acquisition, all gold holdings were physically verified to ensure asset integrity and process robustness. The business provides access to a high-yield, secured product within a sizable INR2.5t industry, with a meaningful cross-selling opportunity into the company's existing retail customer base.
- Disbursements have been ramping steadily, reaching INR4.6b in Oct'25, with INR2b net portfolio growth in the segment. The company is evaluating the establishment of a future-ready command center to enhance real-time operational oversight, integrating both internal and partner-developed AI capabilities. Security architecture will include 12+ layers of AI-enabled risk monitoring and surveillance protocols.
- Branch expansion is a key scale lever. The company plans to expand from ~130 branches currently to ~200 branches by FY26 end, targeting a wide footprint. The expansion strategy prioritizes regions where LTF already has an operating presence, enabling faster scale-up and stronger customer acquisition economics. The medium-term aspiration is to grow gold AUM by ~10x over two years, driven by cross-selling into the existing customer base and branch-led expansion momentum.
- Gold is now the 11th product within the broader retail suite, with the first integrated Sampoorana branch launched to offer the full product range under one platform, enhancing customer convenience and relationship depth.

Exhibit 16: Aspiration to grow AUM by 10x in two years via cross selling and branch expansion

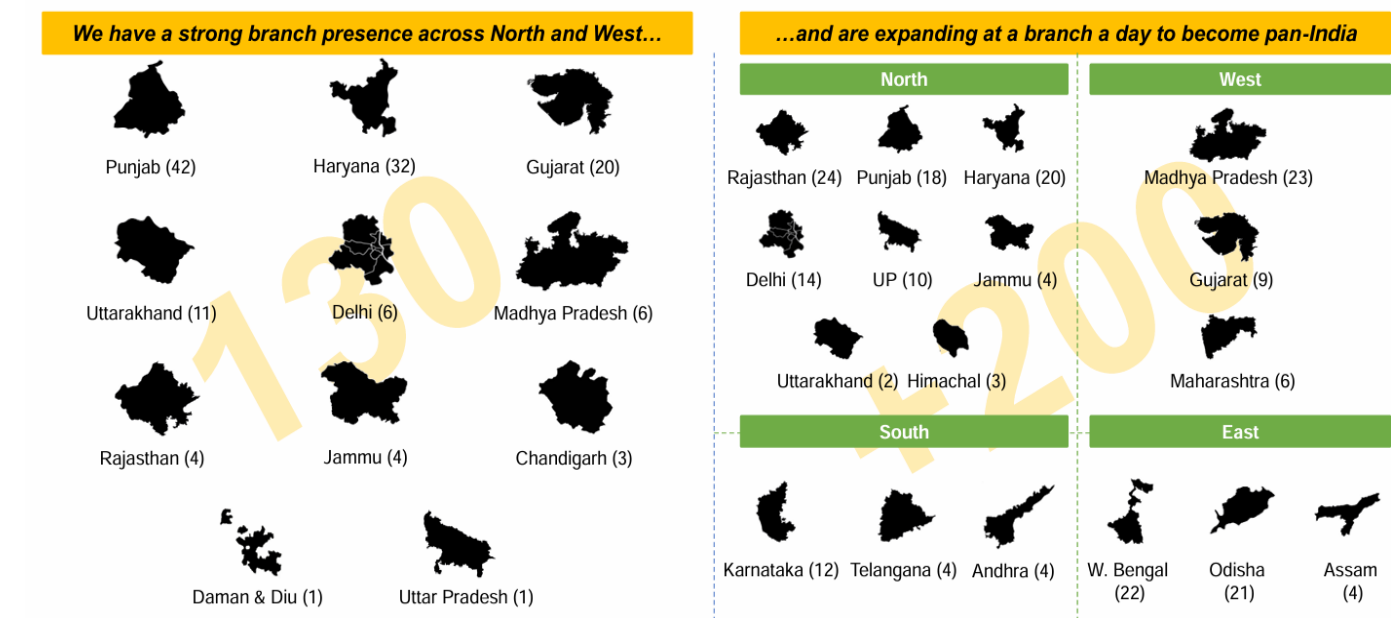


Exhibit 17: DuPont Analysis

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	12.3	12.0	10.8	11.8	12.4	13.1	12.7	13.1	13.3
Interest Expended	7.0	6.6	5.3	5.4	5.1	5.4	5.2	5.2	5.3
Net Interest Income	5.3	5.4	5.5	6.3	7.2	7.8	7.5	7.9	8.0
Other Operating Income	0.8	0.5	0.6	0.3	0.6	1.1	1.1	1.1	1.1
Other Income	0.3	0.6	0.4	0.5	0.5	0.0	0.0	0.0	0.0
Net Income	6.5	6.5	6.4	7.2	8.3	8.9	8.6	9.0	9.1
Operating Expenses	1.8	1.8	2.2	2.7	3.4	3.6	3.5	3.4	3.3
Cost to Income Ratio (%)	28.4	27.8	34.4	37.6	40.4	40.1	40.0	38.0	36.7
Employee Expenses	1.0	0.9	1.1	1.3	1.7	2.0	2.0	2.0	2.0
Other Expenses	0.8	0.9	1.2	1.4	1.6	1.6	1.5	1.4	1.3
Operating Profit	4.6	4.7	4.2	4.5	4.9	5.3	5.2	5.6	5.8
Provisions/write offs	2.1	3.3	2.9	2.4	2.0	2.2	2.2	2.1	2.1
PBT	2.5	1.4	1.4	2.1	2.9	3.1	3.0	3.5	3.6
Tax	0.9	0.5	0.4	0.6	0.7	0.8	0.7	0.8	0.9
Tax Rate (%)	36.6	36.5	28.9	28.9	23.5	24.3	24.3	24.3	24.3
PAT before pref dividend	1.6	0.9	1.0	1.5	2.2	2.4	2.3	2.6	2.7
Leverage	7.7	6.5	5.6	5.1	4.6	4.6	4.9	5.2	5.5
RoE	12.1	5.7	5.5	7.8	10.3	10.8	11.1	13.6	15.2

Financials and Valuation

Income statement									(INR M)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	1,32,447	1,31,049	1,17,042	1,25,651	1,29,139	1,46,633	1,65,442	2,01,205	2,45,191
Interest Expended	75,136	71,999	57,494	57,972	53,772	59,968	67,959	79,938	97,505
Net Interest Income	57,311	59,049	59,548	67,679	75,367	86,665	97,483	1,21,268	1,47,686
Change (%)	19.89	3.0	0.8	13.7	11.4	15.0	12.5	24.4	21.8
Other Operating Income	8,594	5,732	6,053	3,569	6,667	12,610	14,788	16,988	19,507
Net Operating Income	65,905	64,782	65,601	71,248	82,034	99,275	1,12,271	1,38,255	1,67,193
Change (%)	7.5	-1.7	1.3	8.6	15.1	21.0	13.1	23.1	20.9
Other Income	3,726	6,276	3,928	5,268	4,745	167	193	221	255
Net Income	69,632	71,058	69,529	76,515	86,779	99,442	1,12,464	1,38,477	1,67,448
Change (%)	8.1	2.0	-2.2	10.0	13.4	14.6	13.1	23.1	20.9
Operating Expenses	19,785	19,749	23,946	28,732	35,079	39,846	44,973	52,570	61,508
Operating Profits	49,846	51,309	45,582	47,783	51,701	59,597	67,491	85,907	1,05,939
Change (%)	10.3	2.9	-11.2	4.8	8.2	15.3	13.2	27.3	23.3
Provisions/write offs	23,046	36,357	30,833	25,404	21,410	24,684	28,165	32,855	39,417
PBT	26,801	14,952	14,750	22,379	30,290	34,913	39,326	53,052	66,522
Tax	9,798	5,463	4,256	6,464	7,119	8,478	9,556	12,892	16,165
Tax Rate (%)	36.6	36.5	28.9	28.9	23.5	24.3	24.3	24.3	24.3
PAT before pref dividend	17,003	9,489	10,494	15,915	23,171	26,434	29,770	40,161	50,357
Change (%)	-23.8	-44.2	10.6	51.7	45.6	14.1	12.6	34.9	25.4
Preference Dividend	0	0	0	0	0	0	0	0	0
PAT to equity shareholders (incl. extraordinary items)	17,003	9,489	10,704	16,216	23,171	26,434	29,770	40,161	50,357
Change (%)	-24	-44	13	52	43	14	13	35	25
Proposed Dividend	2,093	0	1,237	4,959	6,222	6,861	7,740	10,040	12,589

Balance sheet									(INR M)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	20,048	24,695	24,740	24,797	24,889	24,949	24,949	24,949	24,949
Reserves & Surplus	1,26,876	1,63,038	1,74,737	1,90,487	2,09,495	2,30,692	2,53,601	2,86,021	3,26,339
Borrowings	9,38,945	8,85,558	8,52,012	8,30,435	7,65,409	9,22,469	10,91,121	13,31,235	16,23,473
Change (%)	2.6	-5.7	-3.8	-2.5	-7.8	20.5	18.3	22.0	22.0
Other liabilities	9,577	16,427	17,533	17,903	27,383	25,984	27,250	28,579	29,974
Total Liabilities	10,95,447	10,89,717	10,69,022	10,63,621	10,27,176	12,04,094	13,96,920	16,70,784	20,04,735
Loans	9,14,625	8,70,303	8,24,694	7,51,546	8,13,594	9,37,731	11,48,548	13,98,356	17,05,329
Change (%)	0.2	-4.8	-5.2	-8.9	8.3	15.3	22.5	21.7	22.0
Investments	59,793	88,721	1,19,169	1,43,662	1,23,849	1,18,760	1,24,698	1,30,933	1,37,479
Change (%)	-30.8	48.4	34.3	20.6	-13.8	-4.1	5.0	5.0	5.0
Net Fixed Assets	11,621	11,621	5,306	5,573	5,550	6,860	7,203	7,563	7,941
Other assets	1,09,408	1,19,071	1,19,852	1,62,841	84,183	1,40,744	1,16,471	1,33,932	1,53,985
Total Assets	10,95,447	10,89,717	10,69,022	10,63,621	10,27,176	12,04,094	13,96,920	16,70,784	20,04,735

E: MOSL Estimates

Financials and Valuation

AUM Mix							(%)		
AUM Details	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Asset Under Management	9,83,850	9,40,140	8,83,400	8,08,930	8,55,640	9,77,620	12,02,668	14,64,247	17,85,685
Change (%)	-0.7	-4.4	-6.0	-8.4	5.8	14.3	23.0	21.7	22.0
Rural	28.1	32.0	39.0	58.5	70.3	70.6	70.9	72.0	71.6
Housing	27.0	25.2	24.8	23.7	24.3	26.7	27.2	27.3	27.8
Focused - Wholesale	39.5	39.9	34.5	17.0	3.7	1.4	0.9	0.0	0.0
Defocused - Wholesale	5.3	2.9	1.7	0.4	0.0	0.0	0.0	0.0	0.0
Ratios							(%)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Avg. Yield on Loans	14.5	14.7	13.8	15.9	16.5	16.7	15.9	15.8	15.8
Avg. Cost-Int. Bear. Liab.	8.1	7.9	6.6	6.9	6.7	7.1	6.8	6.6	6.6
Loan Spreads	6.4	6.8	7.2	9.1	9.8	9.6	9.1	9.2	9.2
NIM on loans	6.3	6.6	7.0	8.6	9.6	9.9	9.3	9.5	9.5
Profitability Ratios (%)									
Int. Expended/Int.Earned	56.7	54.9	49.1	46.1	41.6	40.9	41.1	39.7	39.8
Other Inc./Net Income	17.7	16.9	14.4	11.5	13.2	12.8	13.3	12.4	11.8
Op. Exps./Net Income	28.4	27.8	34.4	37.6	40.4	40.1	40.0	38.0	36.7
Empl. Cost/Op. Exps.	53.7	51.0	47.5	49.1	51.5	55.6	57.2	58.7	60.2
Provisions/PPoP (%)	46.2	70.9	67.6	53.2	41.4	41.4	41.7	38.2	37.2
Asset Quality (%)									
Gross NPAs	50,370	45,040	35,430	38,320	26,980	32,180	35,070	40,401	47,305
Gross NPAs to Adv.	5.3	5.0	4.2	4.7	3.2	3.3	3.0	2.8	2.7
Net NPAs	20,780	13,770	16,780	11,780	6,610	9,290	8,442	9,758	11,549
Net NPAs to Adv.	2.3	1.6	2.0	1.5	0.8	1.0	0.7	0.7	0.7
PCR (%)	58.7	69.4	52.6	69.3	75.5	71.1	75.9	75.8	75.6
ECL/EAD (%)									
Return ratios and Capitalisation (%)									
RoE	12.1	5.7	5.5	7.8	10.3	10.8	11.1	13.6	15.2
RoA	1.6	0.9	1.0	1.5	2.2	2.4	2.3	2.6	2.7
Debt to Equity (x)	6.4	4.7	4.3	3.9	3.3	3.6	3.9	4.3	4.6
Average Assets/Equity (x)	7.7	6.5	5.6	5.1	4.6	4.6	4.9	5.2	5.5
VALUATION									
Book Value (INR)	73.3	76.0	80.6	86.8	94.2	102.5	111.6	124.6	140.8
Price-BV (x)	3.8	3.6	3.4	3.2	2.9	2.7	2.5	2.2	2.0
EPS (INR)	8.5	3.8	4.3	6.5	9.3	10.6	11.9	16.1	20.2
EPS Growth YoY	-24.1	-54.7	12.6	51.2	42.4	13.8	12.6	34.9	25.4
Price-Earnings (x)	32.4	71.6	63.6	42.1	29.5	26.0	23.0	17.1	13.6
Dividend per share (INR)	0.9	0.0	0.5	2.0	2.5	2.8	3.1	4.0	5.0
Dividend yield (%)	0.3	0.0	0.2	0.7	0.9	1.0	1.1	1.5	1.8

E: MOSL Estimates

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