

CreditAccess Grameen

BSE SENSEX 82,276 S&P CNX 25,483

CMP: INR1,306 TP: INR1,600 (+22%) Buy



Stock Info

	CREDAG IN
Bloomberg	160
Equity Shares (m)	209.2 / 2.3
M.Cap.(INRb)/(USD\$b)	1497 / 858
52-Week Range (INR)	-8/-8/38
1, 6, 12 Rel. Per (%)	1130
12M Avg Val (INR M)	33.7
Free float (%)	

Financials Snapshot (INR b)

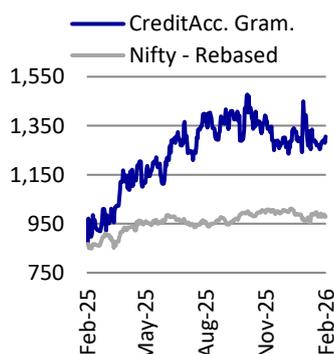
Y/E March	FY26E	FY27E	FY28E
NII	38.8	43.7	52.4
Total Income	41.7	46.0	54.2
PPoP	28.1	30.1	36.0
PAT	7.8	14.7	17.7
EPS (INR)	49.0	92.0	111
EPS Gr. (%)	47	88	20
BV (INR)	485	576	687
Ratios (%)			
NIM	15.3	14.9	14.9
C/I ratio	32.7	34.4	33.6
Credit cost	6.6	3.5	3.4
RoA	2.7	4.4	4.5
RoE	10.7	17.3	17.5
Valuations			
P/E (x)	26.6	14.2	11.8
P/BV (x)	2.7	2.3	1.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	66.3	66.4	66.5
DII	13.2	13.3	14.2
FII	11.7	12.3	9.8
Others	8.8	8.0	9.6

FII includes depository receipts

Stock performance (one-year)



From repair to re-acceleration: RoE recovery in motion

Margin improvement and credit cost normalization to drive earnings rebound

- CreditAccess Grameen (CREDAG) is emerging from the recent MFI stress phase with improving operating momentum, resilient portfolio retention, and a structurally stronger business mix. The normalization of asset quality trends, combined with retail finance-led diversification and improving spreads, positions the company for a sharp earnings recovery in FY27–28E.
- Despite accelerated write-offs during the stress cycle, CREDAG has broadly retained its AUM — a relative outperformance versus peers that witnessed sharper portfolio contraction. This resilience reflects strong borrower stickiness, with ~70–80% of disbursements extended to existing customers, and a meaningful normalization in group repayment behavior.
- Retail finance is now emerging as the key structural growth engine. Its share in AUM has risen from ~11% to ~14% in Dec'25 and is likely to drive overall AUM growth at 20%+, even as MFI (JLG) growth moderates to low teens (~10–12%). Over the medium term, management aims to achieve a balanced secured–unsecured mix within retail finance, strengthening portfolio diversification.
- With Karnataka stress largely normalized and PAR accretion moderating sharply, credit costs are set to decline meaningfully. Excluding the Karnataka ordinance impact, FY26 credit cost would have been ~3.5–4%, highlighting the underlying strength of the franchise.
- We model an AUM/NII/PPoP/PAT CAGR of 21%/16%/13%/50% over FY26–28E, with RoA/RoE improving to ~4.5%/~17.5% by FY28E. At ~2.3x FY27E P/BV, the stock remains attractively valued. We reiterate our BUY rating with a TP of INR1,600 (premised on 2.4x Dec'27E BVPS).

From stabilization to scale: gears up for 20%+ AUM growth

- CREDAG added ~165 branches in 9MFY26, taking its footprint to ~2,222 branches. The company continues to follow a district-wise saturation model, limiting concentration risk with no district contributing more than ~3–4% of GLP.
- Borrower acquisition remained steady, with ~640k additions during 9MFY26 despite MFIN guardrails. Importantly, ~50% of incremental borrowers were sourced outside the top three states, reflecting improving geographic diversification.
- A key positive development has been the normalization of group dynamics. Earlier instances of delinquent borrowers influencing collective non-payment have materially reduced, leading to healthier repayment patterns. PAR 15+ accretion declined sharply from 0.84% (in Mar'25) to 0.18% (in Dec'25), reflecting improving portfolio behavior.
- Despite elevated write-offs, AUM has been broadly retained. This underscores disciplined underwriting and superior field execution.

Retail finance: Structural diversification and the next leg of growth

- Retail finance continues to outpace MFI growth, supported by the graduation of vintage borrowers into individual lending products. The unsecured individual portfolio comprises 1) Unnati loans (~INR200k ATS and AUM of ~INR17b) for evolved borrowers and 2) Vishesh loans (~INR80k ATS and AUM of ~INR16b) for emerging customers.
- Asset quality across both segments remains strong, with PAR 30+ below ~2%. Importantly, unsecured loans are extended only to graduated ecosystem borrowers with no open-market sourcing, which significantly reduces underwriting risk.
- Mortgage products follow a balanced sourcing approach (~50% internal/ ~50% open market); CREDAG intends to accelerate scaling in this segment.
- Over the medium term, CREDAG aims to move toward a ~50:50 secured–unsecured mix within retail finance. While MFI growth is expected at ~10–12%, retail finance is likely to grow above 20%, supporting the overall AUM CAGR of ~21% over FY26E-28E.

Spreads to expand; reducing interest income reversal to support NIM

- CREDAG expects portfolio yields to rise toward ~21.5%, implying ~30-50bp improvement from current levels. Borrowing costs are expected to stabilize at ~9.2-9.3%, with limited further reduction. This could translate into a spread expansion of ~50-60bp.
- About 65% of the borrowings are linked to short-tenor MCLR rates (3-9 months), enabling quicker transmission of lower funding costs. Additionally, lower interest reversals as asset quality stabilizes should support NIM. We model NIM (calc.) at ~14.9% in FY27–28E.

Operating leverage to play out over the next two years

- CREDAG's business support framework flexibly adapts to operating conditions – pivoting between process efficiency during stable periods and PAR management during stress cycles.
- Management has not materially altered its cost structure nor added significant collection manpower, indicating confidence in existing systems. While absolute opex may rise with expansion, positive operating leverage is expected to emerge as branch productivity improves.
- We expect the C/I ratio to remain in the 33–34% range over FY26–28E, with gradual improvement in opex-to-assets.

Asset quality stabilizing; credit costs normalizing

- Karnataka stress has largely normalized, while UP, Bihar, and MP continue to show gradual YoY improvement. January PAR accretion has moderated, though sustained improvement remains key.
- CREDAG's underwriting remains disciplined, driven by 1) system-driven MFI lending, 2) detailed cash flow and field assessments for individual loans, and 3) a weekly repayment structure (for ~65% of the borrowers) enabling early stress detection.
- Management guides credit cost at ~3–3.5% (aspiring toward ~2.5-3.0% as normalization strengthens). We model credit costs of ~6.6% in FY26, declining sharply to ~3.5%/~3.4% in FY27/FY28E.

Valuation and view

- CREDAG is transitioning from a stress-recovery phase to a structurally stronger growth trajectory, supported by retail-led diversification, margin resilience, and embedded risk discipline.
- We model an AUM/NII/PPoP/PAT of 21%/16%/13%/50% over FY26-28E with an RoA/ RoE of ~4.5%/17.5% by FY28E.
- At ~2.3x FY27E P/BV and ~14x FY27E P/E, CREDAG's valuations remain reasonable relative to the medium-term RoE potential of ~17-18%. As credit costs normalize and earnings visibility brightens, we see scope for gradual re-rating. **We reiterate our BUY rating with a TP of INR1,600 (premised on 2.4x Dec'27E BVPS).**

Exhibit 1: Valuation matrix: CREDAG vis-à-vis NBFC-MFI peers

Val summary	Rating	CMP (INR)	TP (INR)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Credit Access	Buy	1,306	1,600	92.0	111	576	687	4.4	4.5	17.3	17.5	14.2	11.8	2.3	1.9
Fusion Finance	Buy	191	230	19.3	24.0	169	193	3.7	3.8	12.2	13.3	9.9	8.0	1.1	1.0
Spandana	Neutral	253	260	18.9	42.2	282	324	2.4	4.2	7.2	13.9	13.4	6.0	0.9	0.8

Story in charts

Exhibit 2: Expect disbursement CAGR of 20% over FY26-28

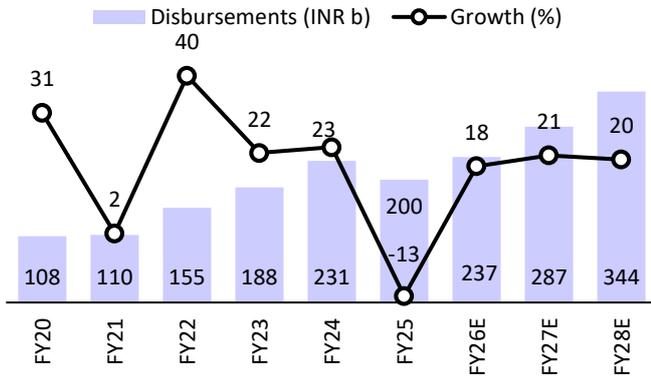


Exhibit 3: Expect AUM CAGR of 21% over FY26-28

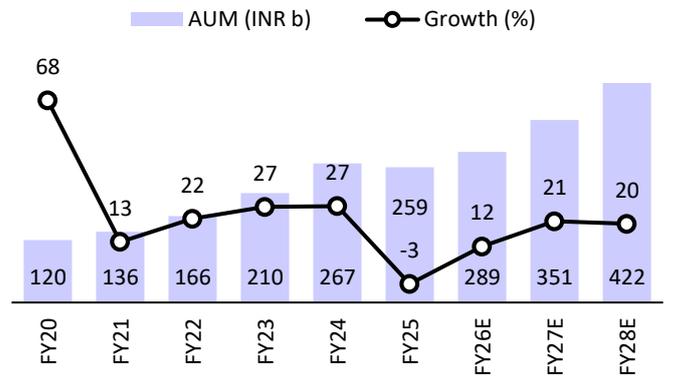


Exhibit 4: NIM to expand ~70bp in FY26E

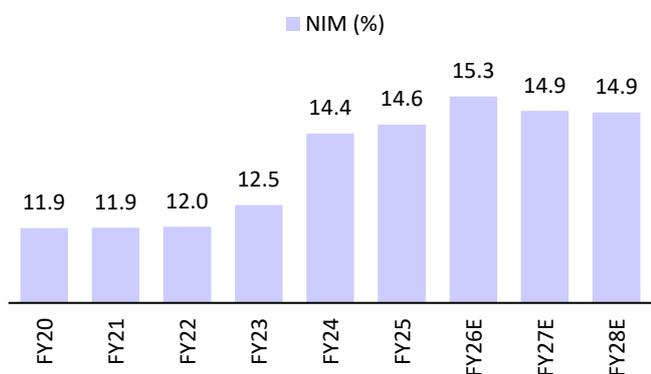


Exhibit 5: Opex-to-assets ratio likely to trend lower

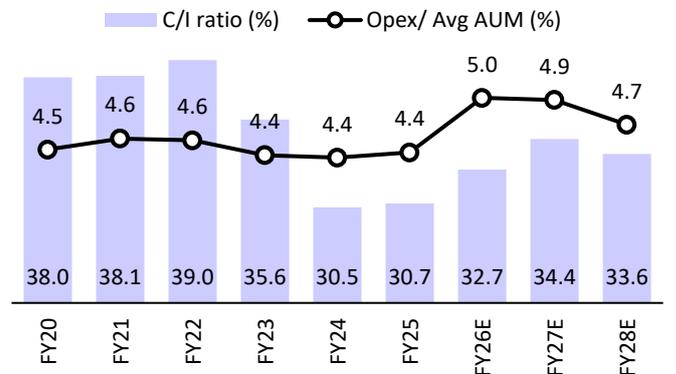


Exhibit 6: Asset quality to improve

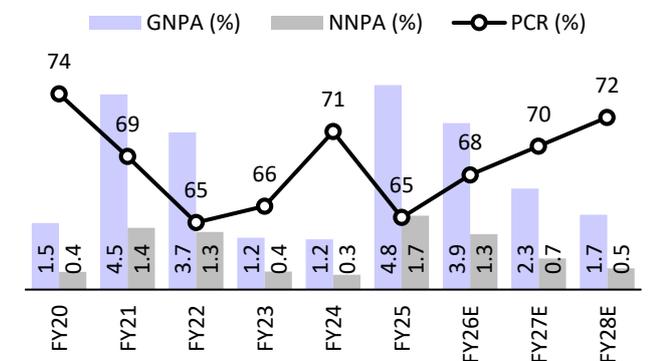


Exhibit 7: Credit costs to decline to ~3.5% in FY27E

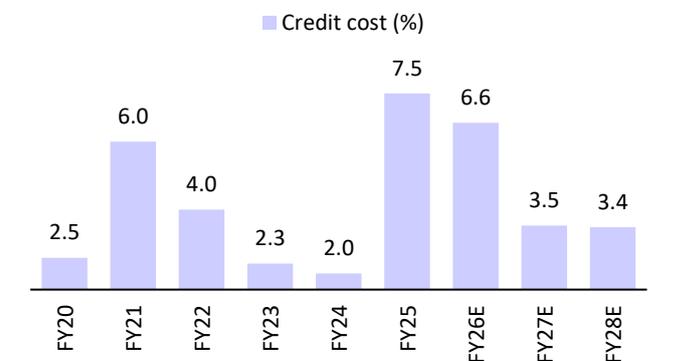


Exhibit 8: PAT CAGR of ~50% over FY26-FY28E

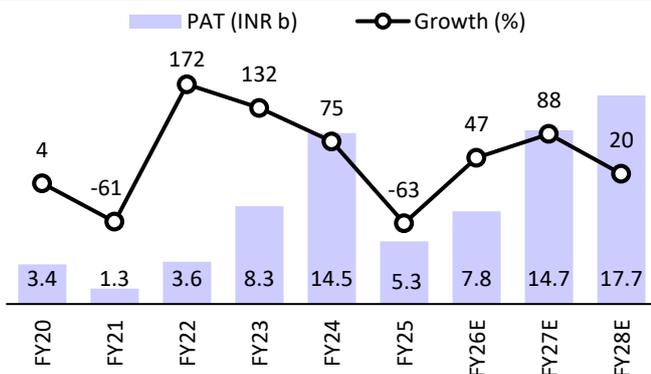
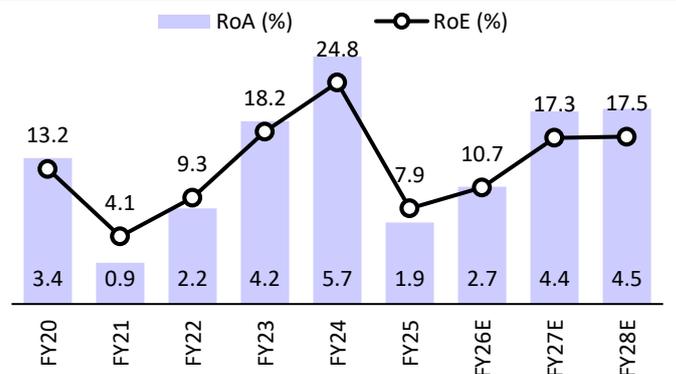


Exhibit 9: RoA/RoE of 4.5%/18.0% in FY28E



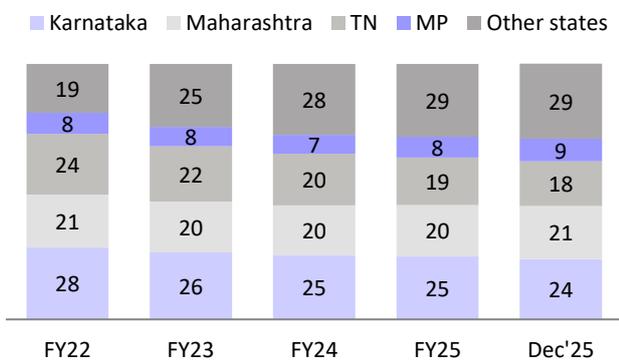
Source: MOFSL, Company

Source: MOFSL, Company

Steady expansion and diversification charting a future growth trajectory

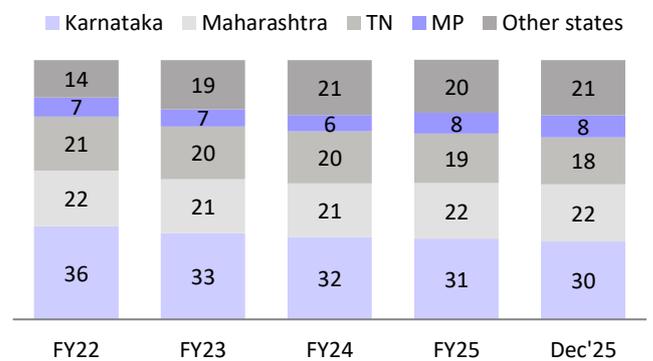
- CREDAG is positioned as a low-cost financier serving the diverse lifecycle financing needs of customers in the organized sector. The company offers competitively priced loans with flexible loan sizes, enabling customers to borrow within assigned credit limits and access multiple loans as required. This strong value proposition enabled CREDAG to maintain steady operational momentum in 9MFY26, supported by a calibrated strategy for borrower acquisition and branch expansion.
- Borrower acquisition remains a key pillar of the company’s growth strategy. Despite the implementation of tighter MFIN guardrails, the company continued to expand its borrower base steadily. During 3QFY26, the company added ~206k new borrowers, taking total additions to ~640k over 9MFY26, with ~50% of these incremental borrowers sourced from outside the top three states, underscoring improving geographic diversification. CREDAG also maintained a healthy new-to-credit ratio of ~39%, reflecting continued penetration into underserved customer segments.
- While business momentum witnessed a temporary moderation in Oct’25 due to seasonal festive disruptions, acquisition trends rebounded strongly in the subsequent period (~90k new borrower additions in Dec’25). Going forward, the company expects the operating environment to become more supportive, with a seasonally strong 4Q likely to further accelerate customer acquisition.

Exhibit 10: Borrowers diversified across core geographies (%)



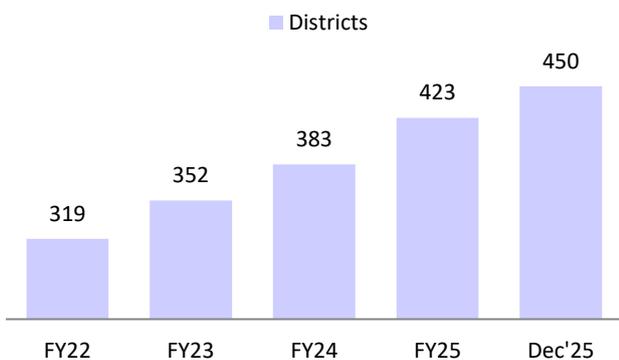
Source: MOFSL, Company

Exhibit 11: GLP share of Karnataka declining (%)



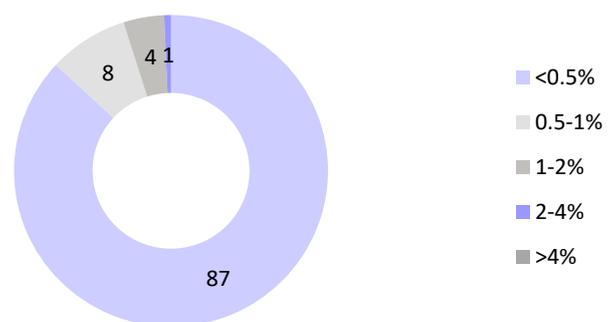
Source: MOFSL, Company

Exhibit 12: Well-calibrated and contiguous expansion across districts...



Source: MOFSL, Company

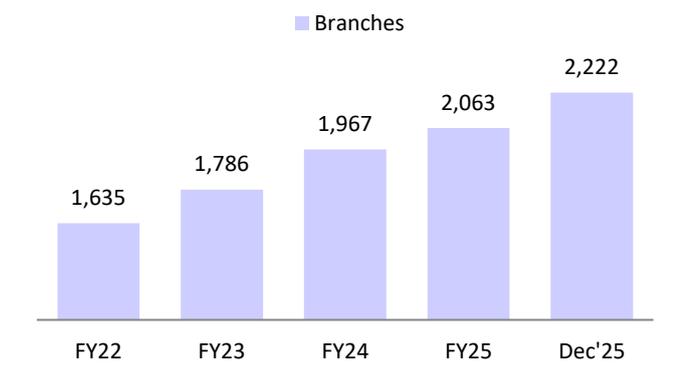
Exhibit 13: ...with no district contributing more than 4% as of Dec'25 (%)



Source: MOFSL, Company

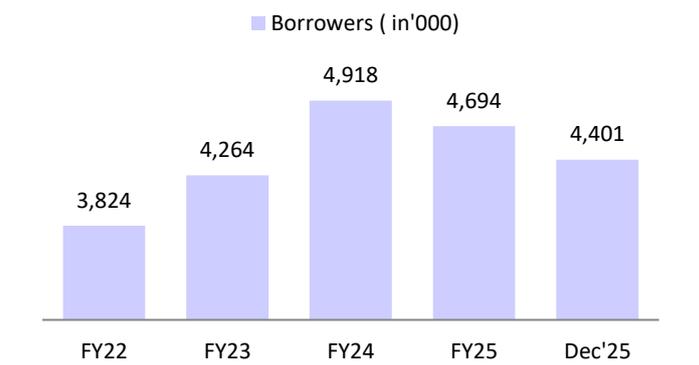
- Along with borrower addition, CREDAG continued to scale efficiently by adding ~165 branches in 9MFY26, taking the total network to 2,222 branches. This disciplined expansion aligns with the company’s structured district-wise growth framework, which evaluates districts based on infrastructure, competitive intensity, historical performance trends, and growth potential. The approach aims to achieve saturation within each district over a three-year period, followed by contiguous expansion into adjoining districts. As a result, the portfolio concentration remains well balanced, with no district accounting for more than ~3% of GLP and ~99% of districts staying below the 2% threshold.

Exhibit 14: Gradually increasing branch network



Source: MOFSL, Company

Exhibit 15: Borrower count declining due to MFIN guardrails



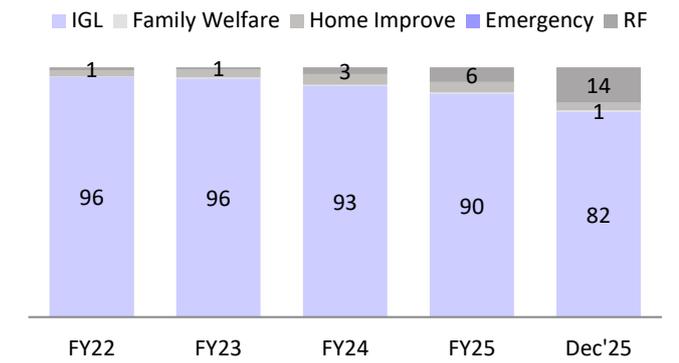
Source: MOFSL, Company

- CREDAG has demonstrated resilience during the recent stress cycle, outperforming several peers. Despite accelerated write-offs, the company has been able to broadly retain its AUM, reflecting prudent portfolio management and improved repayment behavior at the group level. The company highlighted that group dynamics have normalized meaningfully, with the earlier instances of a few delinquent members influencing entire groups for non-payment now largely absent. Improved repayment discipline across cohorts has strengthened overall portfolio stability.

Retail finance: CREDAG’s strategic pivot for growth

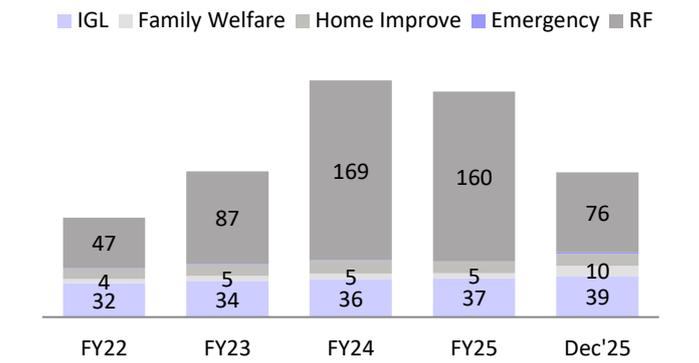
- CREDAG’s growth strategy is increasingly pivoting toward retail finance, which has outpaced MFI growth over the past few quarters. A key structural driver for this transition is the graduation of vintage MFI borrowers to individual loan products as their income profiles and credit histories mature, coupled with stabilization in the PAR accretion and gradual normalization in the GL portfolio.

Exhibit 16: Share of retail finance increasing (%)



Source: MOFSL, Company

Exhibit 17: GLP – Average per loan ('000)



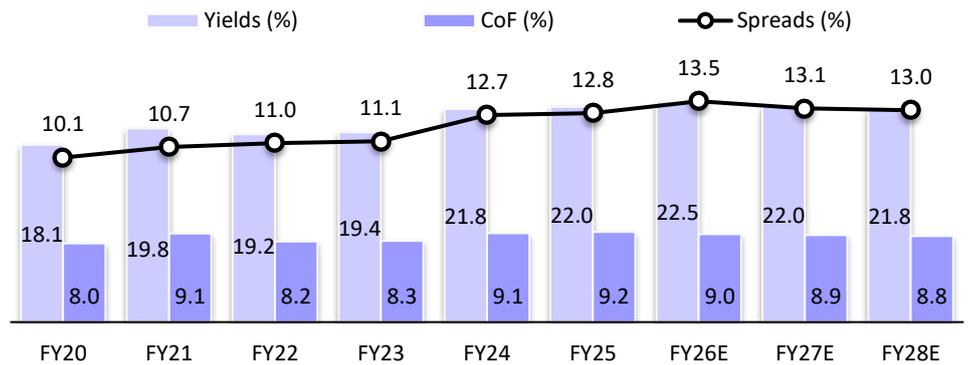
Source: MOFSL, Company

- Within the unsecured retail finance segment, CREDAG offers two distinct products catering to different customer profiles. The Unnati loan (AUM of ~INR17b) targets more evolved borrowers with established businesses and higher demonstrable incomes, with an ATS of ~INR200k, whereas the Vishesh loan (AUM of ~INR16b) caters to customers with rising income potential but relatively lower business scale or cash-flow visibility, with an ATS of ~INR80k. Asset quality across both products remains strong, with PAR 30+ below ~2%.
- The company extends these individual unsecured loans exclusively to graduated borrowers within its ecosystem, without sourcing new customers from the open market. In contrast, mortgage products follow a balanced sourcing model, with roughly half of the borrowers coming from existing customers and the remainder from open-market channels.
- The retail finance offerings are expected to be distributed through both dedicated retail finance branches (focused on open-market sourcing) and the MFI branch network (focused on existing customers), enabling pan-India scalability. Over the medium term, management aims to rebalance the retail finance portfolio toward a ~50:50 mix of secured and unsecured loans, improving risk diversification.
- Going forward, the company plans to accelerate the scaling of mortgage products, which could provide incremental upside to overall growth. **While MFI growth is expected to moderate to low-teens levels (10-12%), overall AUM growth is guided at above 20% over the medium term, driven primarily by retail finance. We model an AUM growth of ~21% for FY26-28E backed by a broad-based recovery.**

Poised for margin accretion driven by declining CoF and improving yields

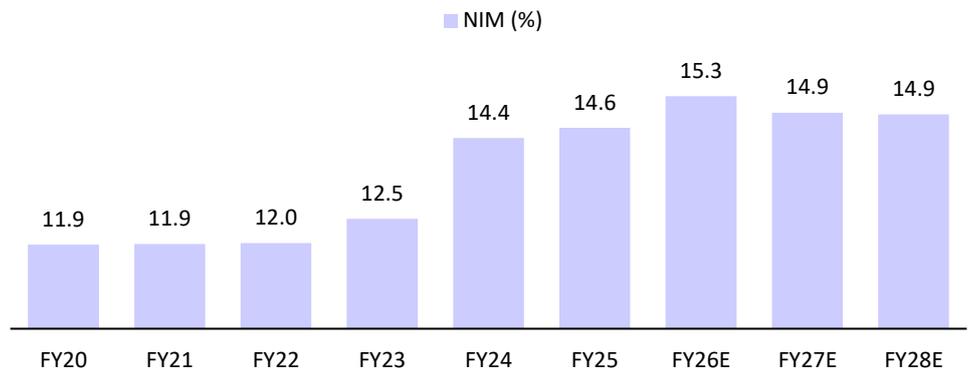
- CREDAG is expected to see a gradual improvement in profitability metrics over the medium term, led primarily by margin expansion. This expansion is likely to be driven by 1) lower interest reversals as the MFI stress stabilizes and portfolio quality improves, and 2) full-year benefits from reduced borrowing costs, with about ~65% of the borrowings being linked to MCLR rates across 3-, 6-, and 9-month tenures.

Exhibit 18: Spreads to remain stable at ~13% in FY27/FY28



Source: MOFSL, Company

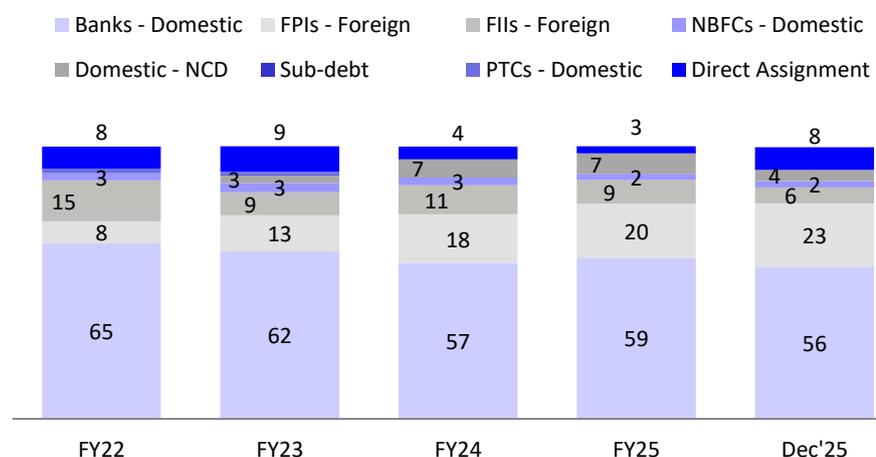
Exhibit 19: NIM to expand ~70bp in FY26E



Source: MOFSL, Company

- Simultaneously, the increasing share of retail finance within the overall portfolio is expected to be supportive of the margins. Yields across most retail finance products, including unsecured loans, mortgage-backed loans, and two-wheeler financing, remain broadly comparable to MFI yields (above ~21%). While housing loans operate at lower yields of ~16-17%, their growing presence is unlikely to materially dilute overall margins given their relatively small share.

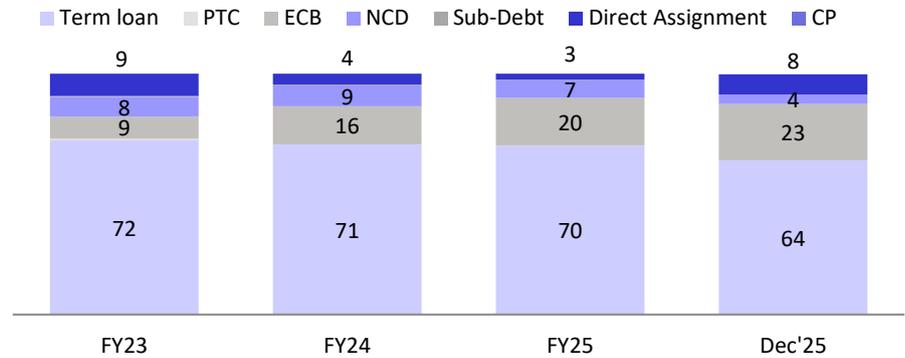
Exhibit 20: Proportion of external borrowings increasing gradually



Source: MOFSL, Company

- On the liability side, management remains focused on increasing the share of long-term borrowings, with a well-balanced mix of domestic and international funding sources. Over the medium term, funding requirements are expected to be increasingly met through foreign and long-tenor instruments, supported by a diversified set of liability products.

Exhibit 21: Proportion of ECBs improving, aiding in declining CoF



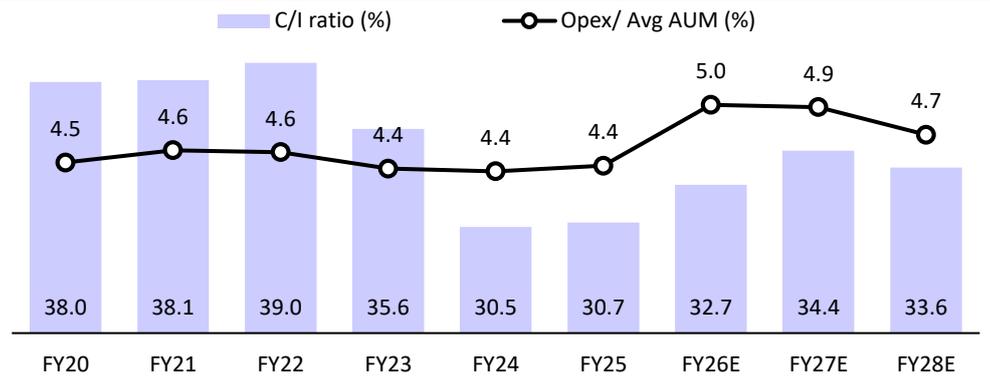
Source: MOFSL, Company

- CREDAG maintains a well-diversified lender base comprising 45 commercial banks, 23 foreign lenders, 6 NBFCs, and 3 financial institutions, supporting funding stability. This broad and balanced funding ecosystem has enabled the company to consistently access borrowings without disruption.
- The company anticipates portfolio yields reaching ~21.5%, providing an incremental upside of around ~30-50bp. Simultaneously, borrowing costs are expected to stabilize at ~9.2-9.3%, with limited room for further reduction. This is expected to drive a spread expansion of roughly ~50-60bp. **We model its NIM at ~15.3% in FY26, with a gradual moderation to ~14.9% by FY27-28E.**

Opex peaked; improved efficiency to drive cost normalization

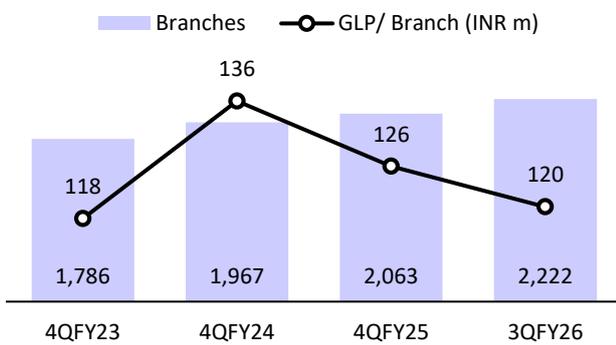
- CREDAG benefits from an inbuilt business support framework that adapts to operating conditions. During stable periods, these teams focus on process improvements and efficiency enhancements, while during stress phases, they pivot toward PAR monitoring and collections. This flexibility reduces the need for incremental cost additions during downturns.
- Management shared that the company has not materially altered the cost structure, nor has it significantly added manpower for collections, indicating confidence in existing processes. While absolute opex may rise in line with business expansion, the company expects positive operating leverage to play out over the next two years as scale improves.
- **We expect CREDAG to maintain the CI ratio in the range of 33- 34% over FY26-28E with a gradual decline in the opex-to-AUM ratio over the same period.**

Exhibit 22: Opex-to-assets ratio expected to trend lower



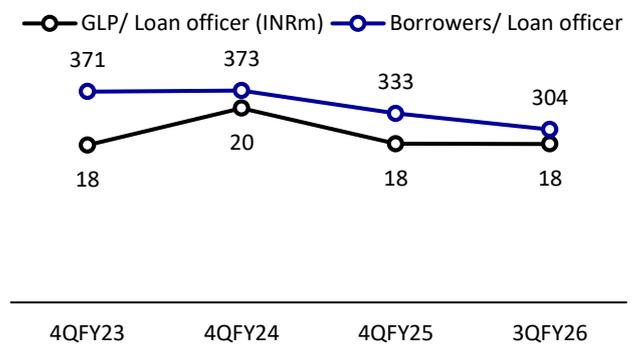
Source: MOFSL, Company

Exhibit 23: GLP/Branch expected to improve



Sources: MOFSL, Company

Exhibit 24: Loan officer efficiency metrics

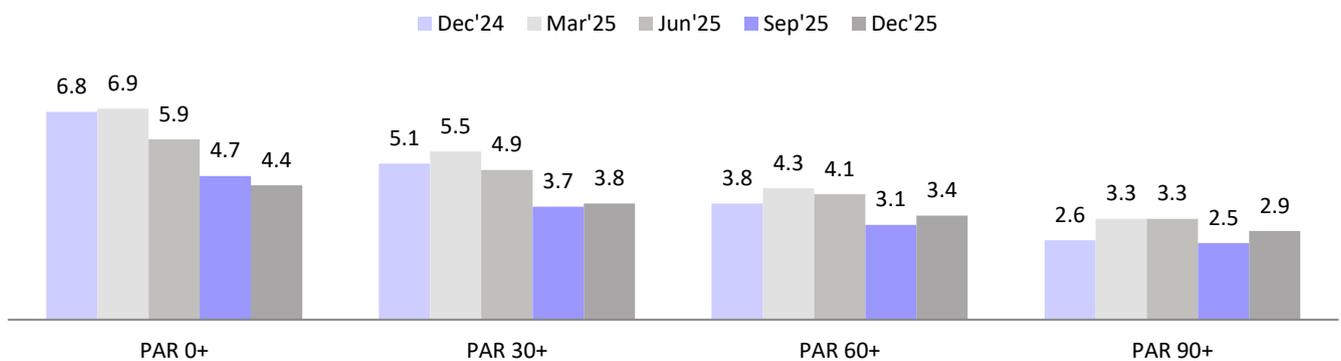


Sources: MOFSL, Company

Asset quality stabilizing; credit costs to normalize

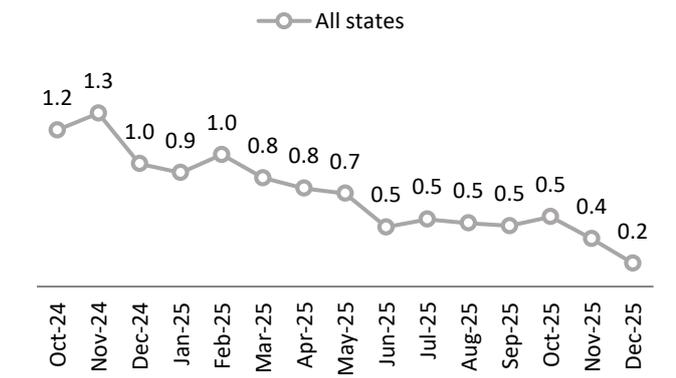
- CREDAG’s asset quality continued to show steady improvement in 9MFY26, with recovery across key states, supported by stronger field execution and enhanced borrower engagement. PAR 15+ accretion declined sharply from 0.84% in Mar’25 to 0.18% in Dec’25 (0.37% in Sep’25). The improvement is visible across operating geographies, with Karnataka showing a notable recovery, with asset quality reverting to its historical levels, supported by tighter credit oversight. UP, Bihar, and MP continue to see gradual improvement; while QoQ improvement is slower, YoY trends are positive, with further scope for normalization in the coming months.

Exhibit 25: Trends in PAR rates (%)



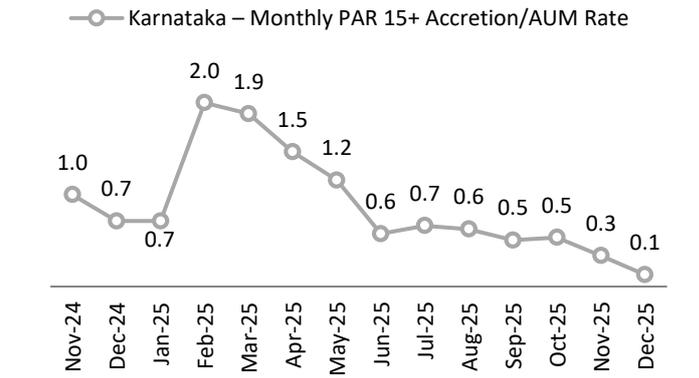
Source: MOFSL, Company

Exhibit 26: Overall monthly net PAR 15+ accretion/AUM rate



Sources: MOFSL, Company

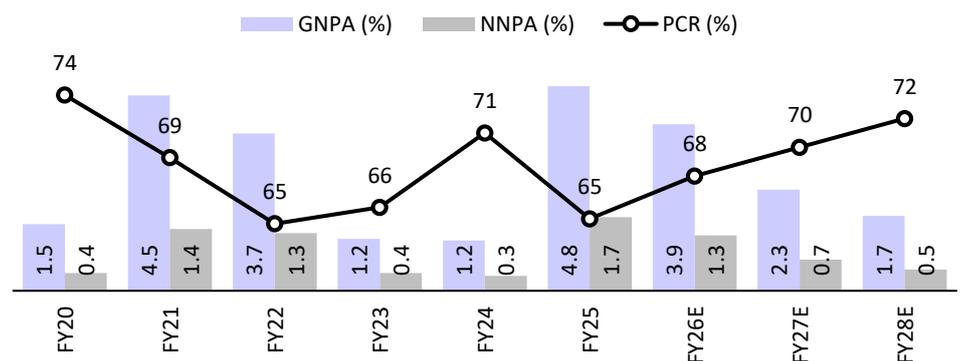
Exhibit 27: Monthly PAR 15+ accretion/AUM rate for Karnataka



Sources: MOFSL, Company

- This improvement can be attributed to CREDAG’s embedded risk management framework, which is adopted as a daily operational discipline rather than a reactive stress response. Hygiene measures such as lender checks, cash-flow assessments, borrower engagement, and underwriting rigor are consistently applied, enabling faster recovery and minimizing losses during disruptions.
- The repayment profile further enhances early stress detection, with ~65% of repayments occurring weekly, ~30–32% bi-weekly, and only ~3–4% monthly. This structure allows stress to reflect more quickly in PAR metrics and enables faster corrective action. January PAR accretion has also moderated, although the company emphasized that sustained improvement remains critical.
- Despite the improvements, management acknowledged the structural challenges inherent in the group lending model, including risks arising from ringleaders, inter-member lending, and excessive multi-lender borrowings. However, with tighter guardrails now in place, lending to delinquent borrowers has reduced materially, and repayment discipline has improved.

Exhibit 28: Asset quality to improve



Source: MOFSL, Company

- CREDAG has guided credit costs at ~3-3.5%, with management aspiring to bring them down further to ~2-2.5% as normalization continues and visibility improves. The company is also aligning its ECL framework with recent RBI guidelines applicable to banks. Management highlighted that excluding the impact of the Karnataka ordinance, FY26 would have resembled a near-normal year, with credit costs potentially in the ~3.5–4% range. We model elevated credit costs of ~6.6% in FY26, followed by a sharp decline to ~3.4% by FY28E as asset quality stabilizes.

Exhibit 29: Credit costs to decline to ~3.5% in FY27E

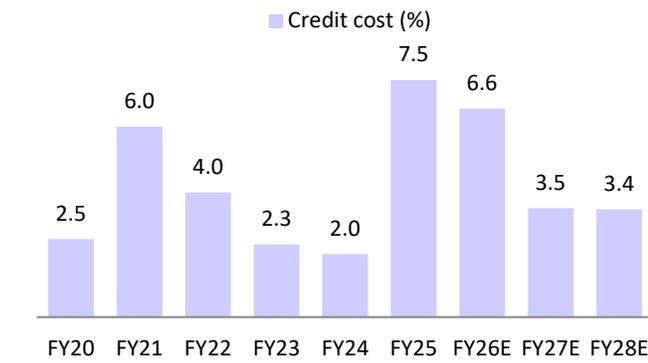
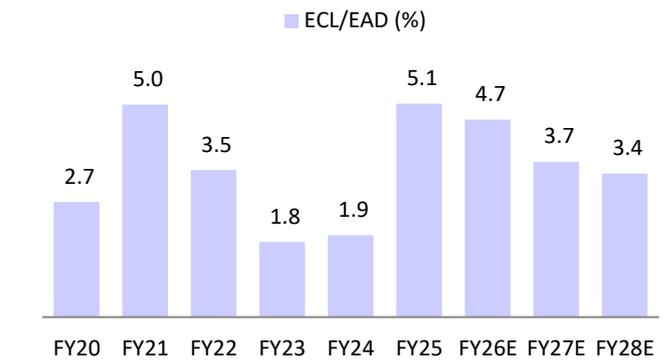


Exhibit 30: ECL/EAD



Source: MOFSL, Company

Other highlights

- CREDAG indicated that MFI lending decisions are largely system-driven through a business rule engine. For individual business loans, credit assessment combines system-based eligibility checks with detailed field-level evaluation, including personal discussions, cash-flow analysis, property assessment, and underwriting, ensuring tighter risk control.
- Non-interest income currently consists primarily of credit life insurance commissions. The company facilitates ~INR6b of insurance premiums, generating ~INR900m in income. While health insurance remains negligible, CREDAG is exploring additional savings products as a facilitator, though these are expected to scale gradually over time.

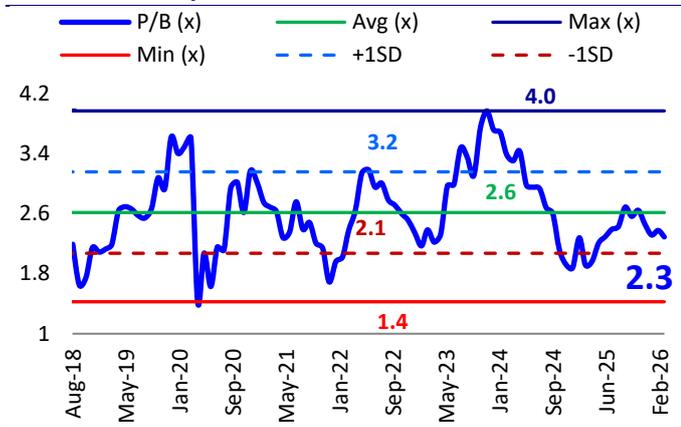
Valuation and view

- CREDAG is well-positioned for medium-term growth, underpinned by strong asset quality, disciplined underwriting, and a scalable retail finance franchise. With improving margins, expanding AUM, embedded operational leverage, and sustained portfolio resilience, the company remains on track to deliver structurally high profitability as a leading financial institution.
- We expect continued gradual improvement ahead, with the MFI leader capitalizing on the segment's resurgence as a major beneficiary. This trajectory should hold steady through 2QFY27 before transitioning to normalized growth thereafter.
- We model an AUM/NII/PPoP/PAT of 21%/16%/13%/50% over FY26-28E with an RoA/ RoE of ~4.5%/17.5% by FY28E. At ~2.3x FY27E P/BV and ~14x FY27E P/E, CREDAG’s valuations remain reasonable relative to the medium-term RoE potential of ~17-18%. As credit costs normalize and earnings visibility brightens, we see scope for gradual re-rating. **We reiterate our BUY rating with a TP of INR1,600 (premised on 2.4x Dec’27E BVPS).**

Exhibit 31: DuPont analysis

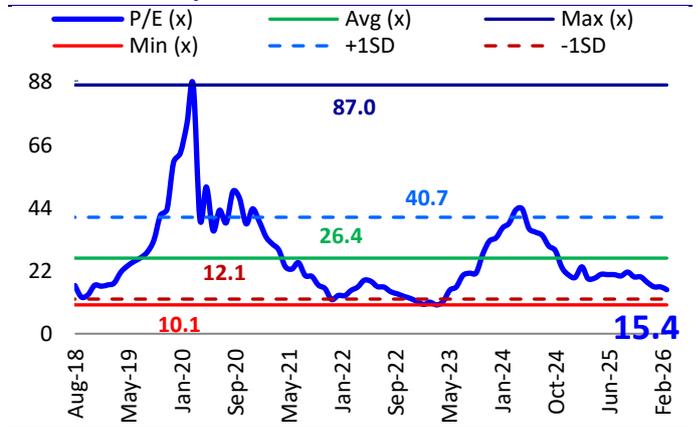
Y/E MARCH	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	16.6	15.8	17.0	19.3	19.6	20.0	19.7	19.8
Interest Expended	6.7	6.1	6.2	6.8	6.9	6.6	6.5	6.4
Net Interest Income	9.9	9.8	10.8	12.5	12.7	13.4	13.2	13.3
Other operating income	1.2	1.1	1.1	1.1	0.7	1.0	0.7	0.4
Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	11.1	10.9	11.9	13.6	13.4	14.4	13.9	13.8
Operating Expenses	4.2	4.2	4.2	4.1	4.1	4.7	4.8	4.6
Operating Income	6.9	6.6	7.7	9.4	9.3	9.7	9.1	9.2
Provisions	5.6	3.7	2.0	1.8	6.8	6.1	3.2	3.2
PBT	1.3	3.0	5.6	7.6	2.5	3.6	5.9	6.0
Tax	0.4	0.8	1.4	1.9	0.6	0.9	1.5	1.5
Reported PAT	1.0	2.2	4.2	5.7	1.9	2.7	4.4	4.5
Leverage	4.3	4.2	4.3	4.3	4.2	3.9	3.9	3.9
RoE	4.1	9.3	18.2	24.8	7.9	10.7	17.3	17.5

Exhibit 32: One-year forward P/B



Source: MOFSL, Company

Exhibit 33: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

Income Statement							(INR m)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	16,334	22,900	25,673	33,271	49,001	55,468	57,863	65,223	77,618
Interest Expended	5,783	9,287	9,841	12,129	17,324	19,476	19,046	21,526	25,247
Net Interest Income	10,551	13,613	15,832	21,143	31,677	35,992	38,818	43,697	52,371
Change (%)	31.6	29.0	16.3	33.5	49.8	13.6	7.9	12.6	19.9
Other Income	721	1,760	1,825	2,237	2,725	2,094	2,919	2,282	1,795
Net Income	11,271	15,373	17,657	23,379	34,402	38,086	41,736	45,979	54,166
Change (%)	30.1	36.4	14.9	32.4	47.1	10.7	9.6	10.2	17.8
Operating Expenses	4,283	5,856	6,885	8,315	10,493	11,702	13,636	15,835	18,187
Operating Income	6,989	9,517	10,772	15,064	23,910	26,384	28,101	30,144	35,979
Change (%)	22.1	36.2	13.2	39.8	58.7	10.3	6.5	7.3	19.4
Provisions and W/Offs	2,373	7,714	5,968	4,010	4,518	19,295	17,660	10,559	12,442
PBT	4,616	1,803	4,805	11,054	19,392	7,089	10,440	19,585	23,537
Tax	1,261	490	1,237	2,794	4,933	1,775	2,610	4,896	5,884
Tax Rate (%)	27.3	27.2	25.7	25.3	25.4	25.0	25.0	25.0	25.0
PAT	3,355	1,313	3,568	8,261	14,459	5,314	7,830	14,688	17,653
Change (%)	4.3	-60.9	171.7	131.5	75.0	-63.2	47.4	87.6	20.2
Proposed Dividend (Incl Tax)	0	0	0	0	1,594	0	0	0	0

Balance Sheet							(INR m)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	1,440	1,556	1,559	1,589	1,594	1,597	1,597	1,597	1,597
Reserves & Surplus	25,902	35,360	38,218	49,481	64,106	67,963	75,793	90,481	1,08,134
Net Worth	27,342	36,916	39,777	51,070	65,700	69,560	77,390	92,078	1,09,731
Borrowings	95,397	1,09,413	1,29,207	1,63,123	2,18,410	2,04,458	2,19,720	2,64,010	3,09,786
Change (%)	96.0	14.7	18.1	26.2	33.9	-6.4	7.5	20.2	17.3
Other liabilities	3,163	4,264	4,964	4,389	4,352	4,005	4,235	4,479	4,738
Total Liabilities	1,25,902	1,50,592	1,73,948	2,18,581	2,88,462	2,78,022	3,01,345	3,60,567	4,24,255
Cash and bank balances	7,176	24,844	17,614	14,364	13,139	14,428	14,366	15,968	16,141
Loans and Advances	1,10,989	1,17,205	1,47,653	1,90,433	2,51,050	2,42,745	2,64,723	3,20,789	3,82,688
Change (%)	68.1	5.6	26.0	29.0	31.8	-3.3	9.1	21.2	19.3
Fixed Assets	5,793	5,734	5,739	968	1,214	1,307	1,438	1,653	1,901
Investments	456	5	5	4,545	14,389	8,930	9,377	9,845	10,338
Intangible Assets	0	0	4,673	5,061	4,923	4,764	4,764	4,764	4,764
Other Assets	1,488	2,804	2,937	3,208	3,747	5,849	6,677	7,547	8,423
Total Assets	1,25,447	1,50,587	1,73,942	2,18,581	2,88,462	2,78,022	3,01,345	3,60,567	4,24,255

E: MOFSL Estimates

Financials and valuations

Ratios (%)

AUM and Disbursements (INR m)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	1,19,960	1,35,870	1,65,990	2,10,320	2,67,140	2,59,480	2,89,322	3,50,622	4,21,502
YoY growth (%)	67.6	13.3	22.2	26.7	27.0	-2.9	11.5	21.2	20.2
Disbursements	1,08,040	1,10,104	1,54,670	1,88,090	2,31,340	2,00,360	2,37,166	2,86,971	3,44,365
YoY growth (%)	31.4	1.9	40.5	21.6	23.0	-13.4	18.4	21.0	20.0

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Yield on Portfolio	18.1	19.8	19.2	19.4	21.8	22.0	22.5	22.0	21.8
Cost of Borrowings	8.0	9.1	8.2	8.3	9.1	9.2	9.0	8.9	8.8
Interest Spread	10.1	10.7	11.0	11.1	12.7	12.8	13.5	13.1	13.0
Net Interest Margin	11.9	11.9	12.0	12.5	14.4	14.6	15.3	14.9	14.9
Profitability Ratios (%)									
RoE	13.2	4.1	9.3	18.2	24.8	7.9	10.7	17.3	17.5
RoA (on balance sheet)	3.4	0.9	2.2	4.2	5.7	1.9	2.7	4.4	4.5
Debt: Equity (x)	3.5	3.0	3.2	3.2	3.3	2.9	2.8	2.9	2.8
Leverage (x)	3.9	4.3	4.2	4.3	4.4	4.0	3.9	3.9	3.9
Efficiency Ratios (%)									
Int. Expended/Int. Earned	35.4	40.6	38.3	36.5	35.4	35.1	32.9	33.0	32.5
Op. Exps./Net Income	38.0	38.1	39.0	35.6	30.5	30.7	32.7	34.4	33.6
Empl. Cost/Op. Exps.	61.2	64.9	63.6	62.0	63.8	62.4	65.3	66.4	67.1
Other Income/Net Income	6.4	11.5	10.3	9.6	7.9	5.5	7.0	5.0	3.3
Asset quality									
GNPA	1,738	5,487	5,587	2,364	3,026	12,256	10,753	7,815	6,887
NNPA	458	1,686	1,974	808	877	4,287	3,441	2,345	1,928
GNPA %	1.5	4.5	3.7	1.2	1.2	4.8	3.9	2.3	1.7
NNPA %	0.4	1.4	1.3	0.4	0.3	1.7	1.3	0.7	0.5
PCR %	73.6	69.3	64.7	65.8	71.0	65.0	68.0	70.0	72.0

Valuation	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	190	237	255	321	412	436	485	576	687
BV Growth (%)	15.3	25.0	7.5	25.9	28.3	5.6	11.3	19.0	19.2
Price-BV (x)	6.9	5.5 (x)	5.1	4.1	3.2	3.0	2.7	2.3	1.9
EPS (INR)	23.3	8.4	22.9	52.0	90.7	33.3	49.0	92.0	110.5
EPS Growth (%)	3.9	-63.8	171.2	127.1	74.5	-63.3	47.4	87.6	20.2
Price-Earnings (x)	56.0	154.6	57.0	25.1	14.4	39.2	26.6	14.2	11.8
Dividend per share	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

E: MOFSL Estimates

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

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Customer having any query/feedback/ clarification may write to query@motalaloswal.com. In case of grievances for any of the services rendered by Motalal Oswal Financial Services Limited (MOFSL) write to grievances@motalaloswal.com, for DP to dpgrievances@motalaloswal.com.