

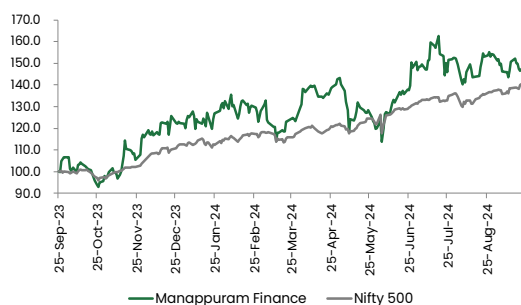
BUY

CMP (Rs)	202
Target Price (Rs)	261
Potential Upside	29.2%
Sensex	85,170
Nifty	26,004
Key Stock data	
BSE Code	531213
NSE Code	MANAPPURAM
Bloomberg	MGFL:IN
Shares o/s, Cr (FV 2)	84.5
Market Cap (Rs Cr)	17,061
3M Avg Volume	85,45,632
52 week H/L	230/125

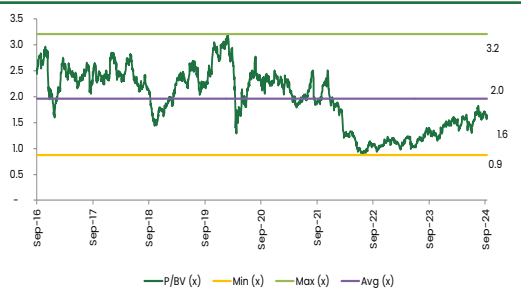
Shareholding Pattern

(%)	Dec-23	Mar-24	Jun-24
Promoter	35.2	35.2	35.2
FII	29.0	32.0	33.0
DII	12.2	9.5	9.3
Public	23.7	23.3	22.4

1 year relative price performance



1 year forward P/BV (x)



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Continuing Momentum in Gold Loan Growth

High Conviction Idea | Sector: NBFC | SEP 26, 2024

Manappuram Finance is the second-largest gold lending NBFC in India and has established a significant presence in various other lending sectors, including microfinance, vehicle financing, MSME loans, and personal loans. The company boasts a strong nationwide footprint with over 5,000 branches and consolidated employee strength of more than 50,000.

Diverse product portfolio: Company has a diverse product portfolio, offering loans in various segments, including gold financing, vehicle financing, housing finance, MSME lending, and personal loans. This diversified approach not only helps mitigate risks but also provides attractive yields by catering to a wide range of customer segments.

Competition intensity from banks stabilising: The gold loan market has experienced heightened competition in recent years, with banks and NBFCs competing for market share. Following the pandemic, banks intensified their focus on retail gold loans, offering larger ticket sizes at lower yields, while NBFCs catered to the lower-middle income segment. This shift allowed banks to gain market share in FY23, achieving a 20% growth in retail gold loans compared to a 10% increase for NBFCs. However, competitive pressure has eased recently as NBFCs stabilized their market share above 60% after banks withdrew teaser schemes. Public sector banks are also scaling back their gold loan growth due to government directives aimed at tightening processes. Meanwhile gold financing NBFCs like Manappuram Finance, reported a 9.2% QoQ and 19.3% YoY growth in its gold lending business for Q1FY25.

NIMs recover as price led competition wanes: Manappuram finance used to earn margins or yields to the north of 24% to 25% in gold lending space before Q2FY22, but in the light of competition from Banks, fintech and other NBFCs which were offering loans at very low rates around 7% to 9% they also had to cut back on rates which lowered its overall yields to 18.8% in Q4FY22. But as the competition is stabilizing and yields have started to recover to 21.8% in Q1FY25. We expect yields to stabilize around 21% to 22% levels for FY24 to FY26E in gold lending business.

Overall asset quality held well, non-gold situation currently monitorable: Credit loss in the gold business is limited, with microfinance institutions (MFIs) driving 75% of consolidated credit costs. While short-term stress may arise in the MFI portfolio due to elections, the overall cycle remains favorable. Asset quality in legacy non-gold sectors is stable, but newer segments like MSME and personal loans are seeing a rise in GNPA, though they comprise only 7% of the portfolio.

Valuation: We maintain a positive outlook on Manappuram Finance, driven by robust growth in AuM, a diverse range of product offerings, strong asset quality, and a decrease in competitive pressure that is revitalizing gold lending. We are initiating coverage with a target price of **Rs 261**, which values the company's consolidated operations at 1.33 times its projected Adjusted Book Value for FY26E.

Financial Summary - consolidated

Particulars, Rs Cr	FY23	FY24	FY25E	FY26E
Interest Income	6,445	8,458	10,178	11,429
Total Revenue from Operations	6,689	8,852	10,627	11,940
Total Income	6,750	8,920	10,705	12,030
Net interest income	4,501	5,986	7,359	8,359
Profit before Tax	2,041	2,959	3,615	4,219
Profit after Tax	1,500	2,197	2,711	3,164
EPS	17.7	25.9	32.0	37.4
Adj. BVPS (Rs)	114	136	164	196
P/Adj. BV (x)	1.1	1.3	1.2	1.0

Source : RBL Research

Industry landscape

Gold loan Industry landscape

The Indian gold loan industry presents a significant opportunity for growth, fueled by the massive gold holdings of Indian households, estimated at around 25,000 tonnes and valued at approximately INR 126 lakh crore. Currently, the organized gold loan market is valued at INR 7.1 lakh crore, reflecting a mere 5.6% market penetration of the total gold holdings available for pledging. This underlines a substantial gap in the market, indicating that a large portion of household gold remains untapped due to various factors, including cultural attachments and jewelry with emotional value.

The potential for expansion is enormous; as the market evolves, projections indicate that the organized gold loan sector could grow to INR 14.19 lakh crore by FY 2029, achieving a CAGR of 14.85%. This growth is driven by increasing demand for liquidity among consumers, particularly as unsecured loans become harder to obtain. The cultural significance of gold in India, combined with its liquidity as an asset, means that many families prefer to leverage their gold rather than sell it during financial distress .

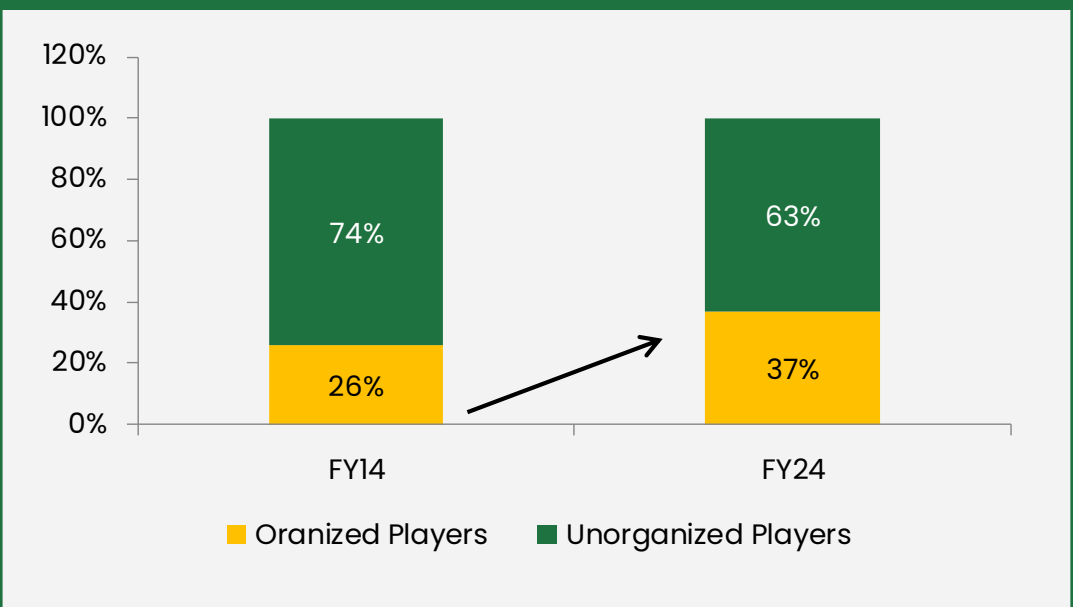
Shift from unorganized to organized players present a huge opportunity

The shift from unorganized to organized players in India's gold loan market is a significant trend that has been reshaping the landscape of gold financing, particularly for NBFCs. Historically, the gold loan sector has been dominated by unorganized lenders, such as local moneylenders, who often charge exorbitant interest rates and lack transparency. This segment accounted for approximately 63% of the gold loan market. However, organized players, including banks and NBFCs, have begun to capture a larger share due to their ability to offer more favorable terms, enhanced customer service, and regulatory compliance. Their share over the last decade has increased from just 26% in FY2014 to 37% by FY2024.

The organized gold loan market is currently valued at INR 7.1 lakh crore and is anticipated to expand to INR 14.19 lakh crore, reflecting a growth rate of 14.9% from FY24 to FY29

Organized players such as banks and NBFCs are gaining market share from unorganized competitors. Over the past decade, the market share of organized players has risen from 26% in FY14 to 37% in FY24

Organized players gaining market share



Source : RBL Research

As of December 31, 2023, the sector served 7.4 crore unique borrowers with a Gross Loan Portfolio (GLP) of INR 3,994 billion crore. This is expected to grow to INR 5,451 billion by FY 2025-26, driven by increased rural penetration and digitalization

Microfinancing

The microfinance industry is vital for promoting inclusive growth by providing credit to borrowers at the bottom of the economic pyramid. As of December 31, 2023, the sector served 7.4 crore unique borrowers with a Gross Loan Portfolio (GLP) of INR 3,99,442 crore. Notably, NBFC-MFIs have become the largest micro-credit providers, holding INR 1,56,245 crore, which accounts for 39% of the total industry portfolio. With projections indicating growth to INR 5,451 billion by FY 2025-26, driven by increased rural penetration and digitalization, the microfinance sector is set for robust expansion. Despite challenges like demonetization, MFIs have shown resilience and maintained profitability, while the low household credit through MFI loans highlights a substantial untapped market for future growth.

Vehicle Financing

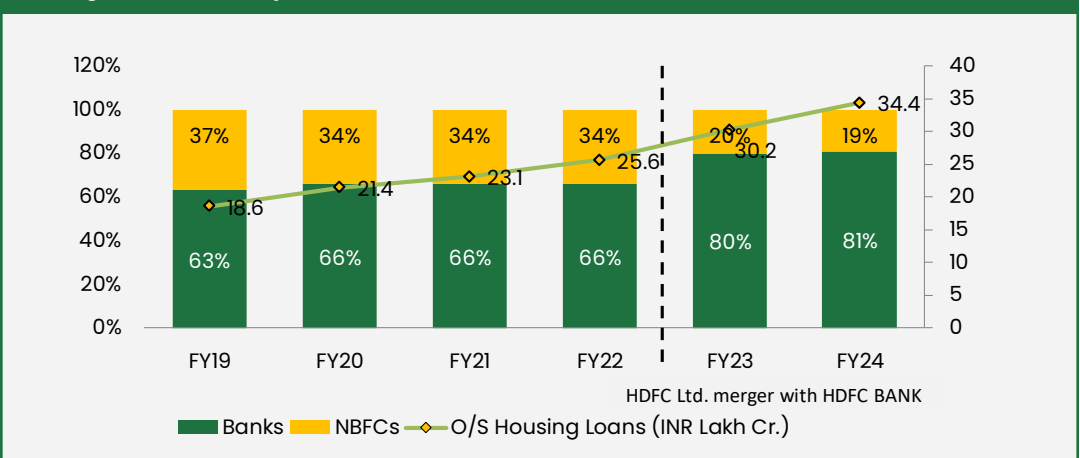
The Indian automobile industry recorded a 12.5% growth in domestic sales for FY 2023-24, fueled by strong economic growth and government initiatives. Total automobile production reached 28.43 million units, with the Passenger Vehicle (PV) segment leading the way, posting an 8.4% increase in sales to 5 million units. The two-wheeler segment also rebounded with over 13% growth, driven by robust rural demand, reaching 17.97 million units. Additionally, electric vehicle (EV) adoption surged, with electric 4-wheeler sales at 90,432 units and electric 2-wheeler sales at 9,44,126 units. Looking ahead, the automotive industry remains optimistic about sustained growth in 2024, bolstered by a favorable macroeconomic outlook and significant infrastructure investments outlined in the Interim Budget, which allocates INR 11.1 lakh crore for development and INR 2.78 lakh crore for the Ministry of Road Transport and Highways (MoRTH), positioning India as a potential global automotive hub while leading the electric vehicle revolution. On the back of this robust automobile sales, vehicle financing industry is expected to grow at healthy for the coming future.

Housing Finance

The Indian housing finance industry is poised for continued growth, particularly in the affordable housing segment, which is projected to expand by 30% in FY 2024-25. With CRISIL MI&A forecasting housing loan credit to grow at a robust 13-15% CAGR between FY 2022-23 and FY 2025-26, strong demand is expected to be driven by increasing incomes, improving affordability, and supportive government initiatives. Programs like the Pradhan Mantri Awas Yojana (PMAY) and the Credit-Linked Subsidy Scheme (CLSS) are set to further stimulate housing demand. Additionally, the ongoing rise in urbanization and a favorable macroeconomic environment will enhance opportunities for housing finance companies (HFCs) and banks alike. As the market evolves, strategic investments and government support will be critical in capitalizing on the growing trend toward homeownership in India.

Increasing incomes, improving affordability, and supportive government initiatives like the Pradhan Mantri Awas Yojana (PMAY) and the Credit-Linked Subsidy Scheme (CLSS) are set to further stimulate housing demand

Housing loans Lansdscape (INR Lakh Cr.)

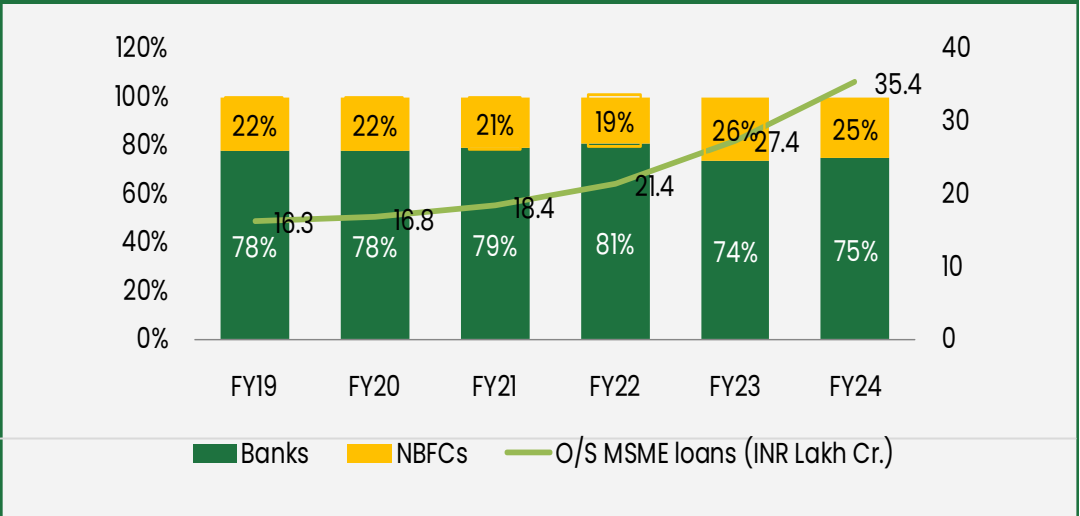


Source : RBL Research

Medium and Small Enterprise Segment

The MSME sector is crucial for India's socio-economic development, contributing significantly to GDP and exports while fostering entrepreneurship, especially in semi-urban and rural areas. With the number of MSMEs projected to grow from 6.3 crore to approximately 7.5 crore, lenders are presented with a prime opportunity to expand their credit portfolios, particularly as only 2.5 crore have accessed formal credit. NBFCs have emerged as key players, growing their MSME loans over three times faster than traditional banks by offering tailored financing solutions that meet the unique needs of these enterprises. This trend, coupled with rising demand and improved credit performance, positions the MSME sector for robust growth in the coming years.

MSME Loans Landscape

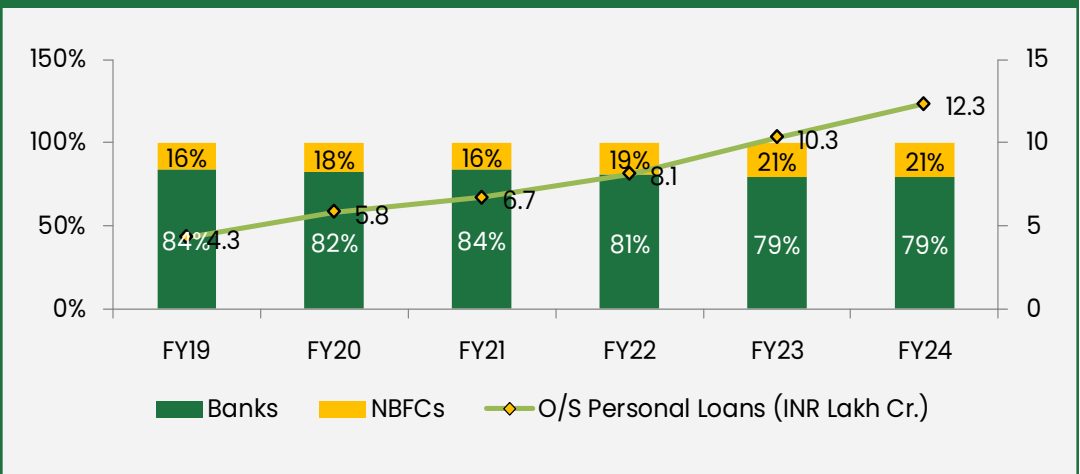


Source : RBL Research

Personal Loan

The personal loan space in India has experienced remarkable growth, expanding at a CAGR of approximately 20% over the last five years, driven by increasing financial literacy and a growing base of digitally savvy consumers. In FY 2022-23, personal loan disbursements reached around INR 3.5 lakh crore, reflecting rising demand for unsecured credit. However, due to recent regulatory concerns and tightening of lending norms, the industry is poised for comparatively lower growth this year, as lenders adapt to the evolving regulatory landscape while continuing to cater to diverse borrower needs.

Personal Loans Landscape (INR Lakh Cr.)



Source : RBL Research

The personal loan market in India has grown at a CAGR of about 20% over the last five years, with disbursements reaching INR 3.5 lakh crore in FY 2022-23, but recent regulatory concerns and tighter lending norms may result in slower growth this year

Over the years, Manappuram Finance has expanded significantly, now operating over 5,000 branches across 28 states and union territories in India

To reduce its dependence on gold loans, company diversified into other segments like Microfinance, Vehicle finance, MSME, Housing Finance and Personal loans

Gold lending segment will still continue to hold dominant portfolio (50% of overall portfolio by FY26E.)

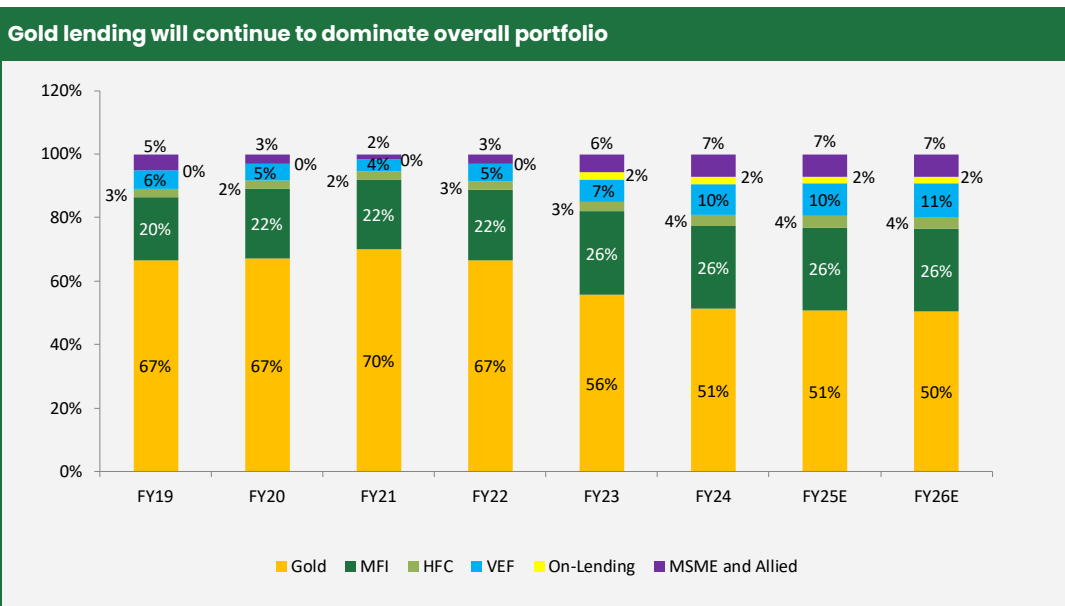
Company Overview

Manappuram Finance Limited, a prominent NBFC headquartered in Thrissur, Kerala, has been providing gold loans since its inception in 1949 by V. C. Padmanabhan. Under the leadership of V. P. Nandakumar since 1986, the company has expanded significantly, now operating over 5,000 branches across 28 states and union territories in India. It offers a diverse portfolio of financial products, including gold loans, loans against property, personal loans, and vehicle financing, catering to the diverse needs of its customers. Additionally, through its subsidiary Asirvad Microfinance, the company extends financial services to underserved and marginalized communities, promoting financial inclusion. It is committed to enhancing customer convenience and accessibility to its services while leveraging technology to optimize operational efficiency and deliver seamless financial solutions.

Diversification bearing fruit, while gold lending will continue to dominate overall portfolio

Historically, Manappuram Finance has demonstrated a strong correlation between its balance sheet growth and fluctuations in gold prices, with a correlation coefficient as high as 0.92. Until FY12, the company was heavily dependent on gold loans, which made it susceptible to market downturns. During the significant downturn from FY12 to FY14, MGFL's AUM fell by 16%, exceeding the 10% decrease in gold prices. This situation prompted a strategic reevaluation, leading the company to diversify its product offerings into housing finance, microfinance, small and medium enterprise (SME) lending, and commercial vehicle financing between FY15 and FY16.

Over the years, Manappuram Finance has shifted from a primarily gold-focused business model to a more diversified portfolio. The gold segment, which constituted approximately two-thirds (66.7%) of the total AUM in FY19, has now decreased to below 52% as of Q1 FY25. This change is attributed to market dynamics and the management's strategic decision to enhance other business segments within the overall portfolio. Looking ahead, we anticipate that the gold business will continue to play a significant role in the overall portfolio, stabilizing around 50% of total AUM by FY26E as growth in this segment resumes. We project that gold lending will grow at a CAGR of 14% from FY24 to FY26E, compared to a CAGR of just 10.7% over the previous five years from FY19 to FY24.



Source : RBL Research

Companies AuM grew impressively by 16.7% CAGR over last 5 years, driven primarily by non-gold AuM segment which grew by 25.9% in same period

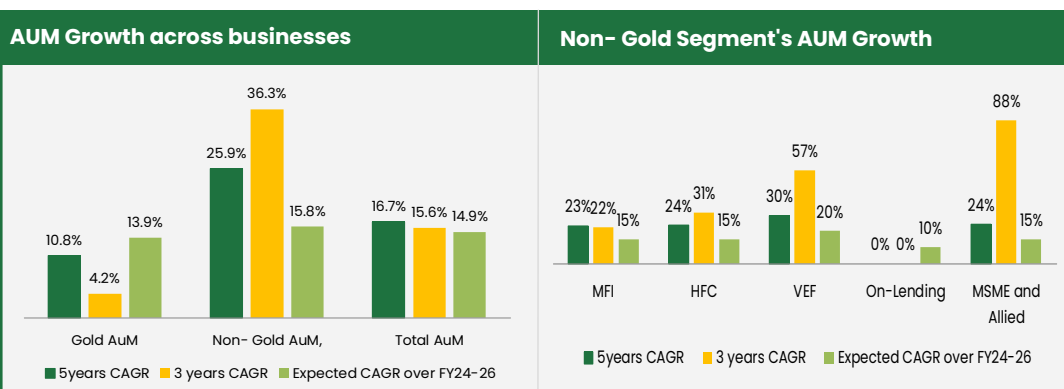
It has experienced impressive growth in its AUM, with a 16.7% and 15.6% CAGR over the last five and three years, respectively. This growth has been primarily driven by the non-gold lending business, which saw an even more significant increase of 25.9% and 36.3% during the same periods. Within this segment, the vehicle financing business stood out, expanding its AUM over fourfold from ₹1,115 crores in FY19 to ₹4,451 crores, achieving a 30% CAGR. Similarly, the housing finance sector, which includes home loans and loan against property (LAP), grew at a healthy pace of 23.8% CAGR, with AUM increasing from ₹519 crores to ₹1,587 crores between FY19 and Q1 FY25.

In addition to these areas, it has actively developed its MSME and personal loan segments, catering to various needs such as micro housing and secured/unsecured personal loans. The average ticket size in these segments reached ₹5,40,000 as of Q1 FY25, which is notably higher than that of the microfinance segment while still providing high yields through collateralized loans in some cases. This diversified approach not only enhances the company's growth prospects but also strengthens its overall asset quality.

Microfinance is other major segment which contributes around 26% of total AUM. Company entered into this segment in FY16 after acquiring Asirvad Finance as part of its diversification strategy. Being new into this business company faced many challenges during covid, but learning from its experience company has progress well since than as it diversified portfolio across regions and have developed better underwriting skills. Currently, due to elections and heat waves company has faced some collection issues due to which it has seen increase in credit cost for this segment but as government and private capex comes back on track we expect it to normalize.

Meanwhile, we anticipate a growth of 15.8% CAGR in non-gold AuM over the FY24-26E period, as the company closely monitors the asset quality situation and moves forward prudently.

After period of high growth, Non-gold segment is set to see comparatively slower growth (15.8% CAGR over FY24-26E) over next 2 years



Source : RBL Research

Over the years, companies average gold loan per branch has increased significantly from ₹3.7 crores in FY19 to ₹6.4 crores in Q1FY25

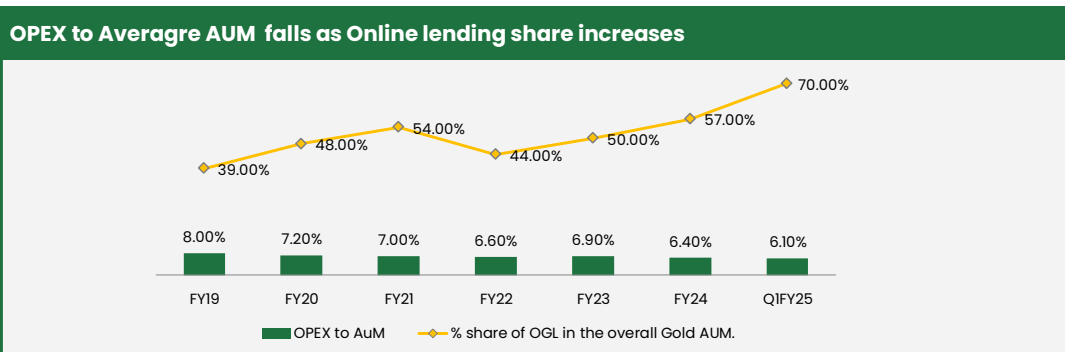
Online gold lending helps to improve OPEX to AUM cost but still far higher compared to peers

Gold loans are short-term products, typically with tenures ranging from 3 to 12 months and an average ticket size of ₹62,000 as of Q1 FY25. Due to the need for extensive branch networks, physical verification, and the nature of shorter tenures and smaller amounts, companies in this sector often experience higher operating expenses (OPEX). Manappuram Finance has a significantly higher OPEX to assets under management (AUM) ratio compared to competitors such as Muthoot Finance. Manappuram OPEX to AUM stands at A major factor contributing to this difference is Muthoot's impressive average gold loan per branch of ₹16.7 crores, while Manappuram stands at only ₹6.4 crores per branch.

Manappuram Finance has implemented various measures to enhance its average gold loan per branch, with digital initiatives playing a crucial role. By improving its online gold loan services, the company enables customers to apply for loans anytime and anywhere, facilitating instant fund transfers and streamlining the application process. As a result of these efforts, the average gold loan per branch has increased significantly from ₹3.7 crores in FY19 to ₹6.4 crores in Q1FY25.

Increase in % of online gold lending from 39% in FY19 to 70% by Q1FY25 has contributed significantly in reduction of OPEX to AuM (%)

In addition to digital initiatives, Manappuram’s diversification into higher ticket size and longer tenure products, such as housing finance, vehicle VEF, and MSME loans, will further help reduce its OPEX to AUM ratio.



Source : RBL Research

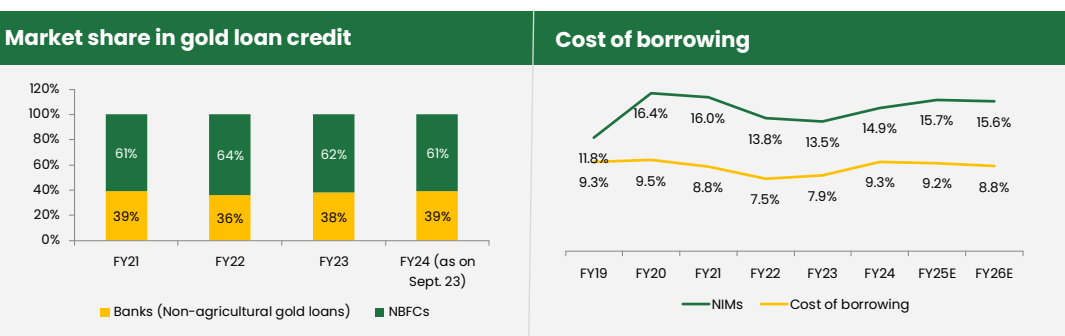
Competition intensity from banks stabilizing, help improve growth rates and NIMs

The gold loan sector has seen a notable rise in competition in recent years, with multiple NBFCs entering the space and banks increasingly focusing on retail gold loans, particularly in the wake of the pandemic. As traditional lending opportunities dried up, banks turned to gold loans, spurred by the RBI’s temporary relaxation of loan-to-value (LTV) limits, raising it from 75% to 90% during August 2020 to March 2021. While banks aimed for larger loans (₹3 lakh and above), NBFCs stayed true to their roots, serving lower-middle-income borrowers who often struggled to access formal credit. This shift led banks to capture market share, with retail gold loan growth surging by 20% in FY23, compared to 10% for NBFCs. For gold NBFCs like Muthoot and MGFL, the pressure was felt—but they responded with teaser loans at competitive rates to retain their loyal customer base.

In recent months, however, banks have started pulling back from the gold loan race. Increasing costs and the realization that offering low rates in this space wasn’t sustainable have caused a shift. Public sector banks, in particular, have faced government pressure to tighten their gold loan processes and ensure proper checks on gold purity. As a result, PSU banks have slowed down their growth in gold loans, while NBFCs have stabilized, reclaiming a market share of over 60% and improving their yields. Between September 2023 and March 2024, loans against jewellery grew just 5% for banks, compared to 8% growth for NBFCs, signaling a more measured approach from banks as they recalibrate their strategies in this evolving market.

NBFCs continue to hold market share despite increased intensity from banks

NIMs expected to improve as price competition wanes



Source : RBL Research

Higher Gold Prices and Lower LTV % to Support Asset Quality in Gold Lending; Non-gold segments situation monitorable

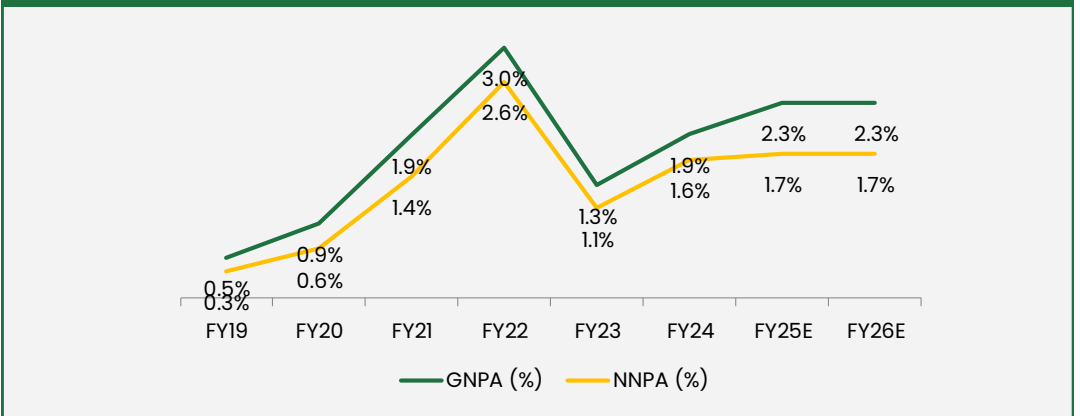
For gold lending companies like Manappuram Finance, the ongoing rise in gold prices and the maintenance of lower loan-to-value (LTV) ratios will play a crucial role in enhancing asset quality within their gold lending operations. As gold prices keep climbing, the collateral value of these loans is also on the rise, which helps to mitigate the risk of defaults. Additionally, the company is consistently keeping its LTV percentage (Manappuram LTV% is 60% as on Q1FY25) well below mandated requirements (according to RBI, LTV% should not exceed 75%), providing an extra layer of protection against any fluctuations in gold prices.

In its microfinance business and other non-gold business, company faced several challenges during quarter (Q1FY25) that impacted asset quality. Factors such as ongoing farmer agitation in Punjab, the uncertainty surrounding general elections that dampened demand, and rumors about potential loan waivers contributed to collection difficulties. Additionally, climatic challenges like heat waves and floods adversely affected the income of customers, leading to delays in repayments. Despite these obstacles, some branches in states like Punjab, Gujarat, Rajasthan, and Madhya Pradesh still managed to achieve good collection rates. The company actively worked to identify bottlenecks and improve its collection processes to navigate these challenges effectively. While the credit costs have inched up in non-gold segment and situation is currently monitorable, just to be conservative we have taken higher impairment cost for the company going ahead.

Asset Quality in non-gold AuM currently monitorable, while gold lending to be supported by lower LTV ratio's and increased gold prices

We initiate coverage on Manappuram Finance with a target price of Rs 261 valuing the company at 1.3x of its FY26E Adj. BV

Asset Quality can see impact by Non-Gold Segment

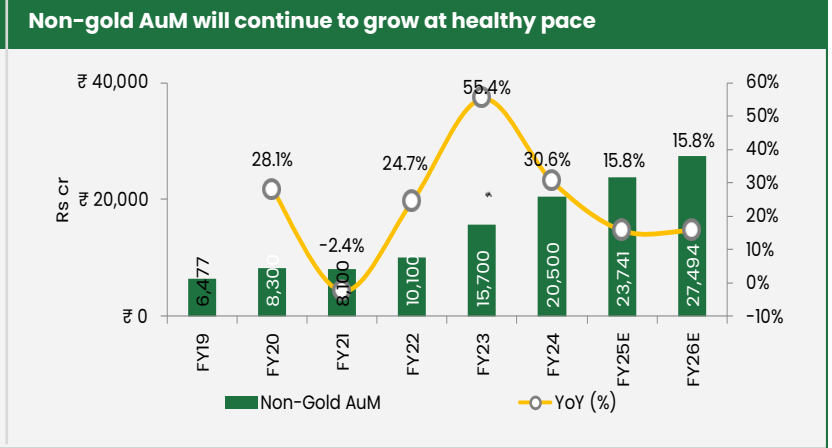
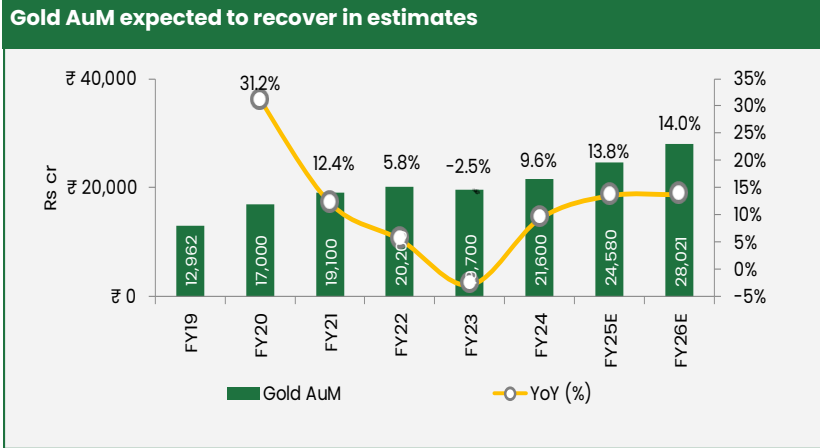


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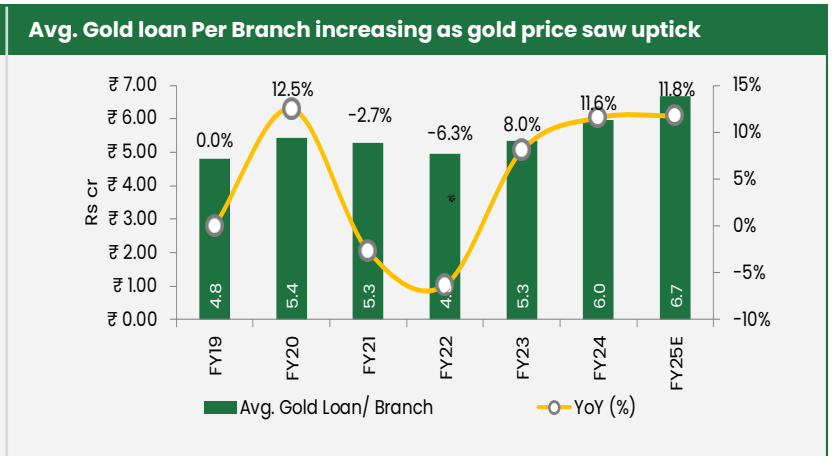
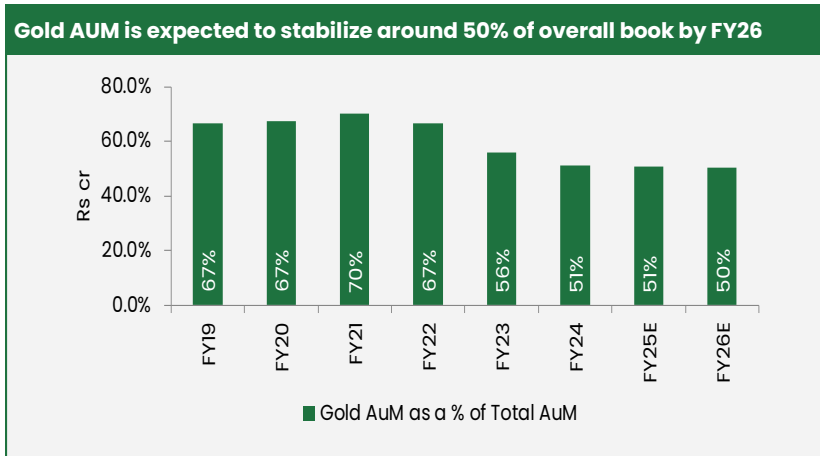
Outlook and Valuation

We remain positive on Manappuram Finance on the back of strong asset growth which will be led by its core (Gold lending) business segments. Along with the growth in AuM, the company is expected to see normalization in yields as competition in gold business stabilizes. The company continues to cross sell its wide range of products to existing customer franchise and will innovate from the current line of products. With AuM growth of 14.9% CAGR over FY24-26E, we anticipate NII/PAT growth of 18.2%/21.2% over FY24-26E with RoA/RoE of 5.5%/20% in FY26E. We initiate coverage with a Buy rating and a target price of Rs 261 valuing the company at 1.3x of its FY26E Adj. BV.

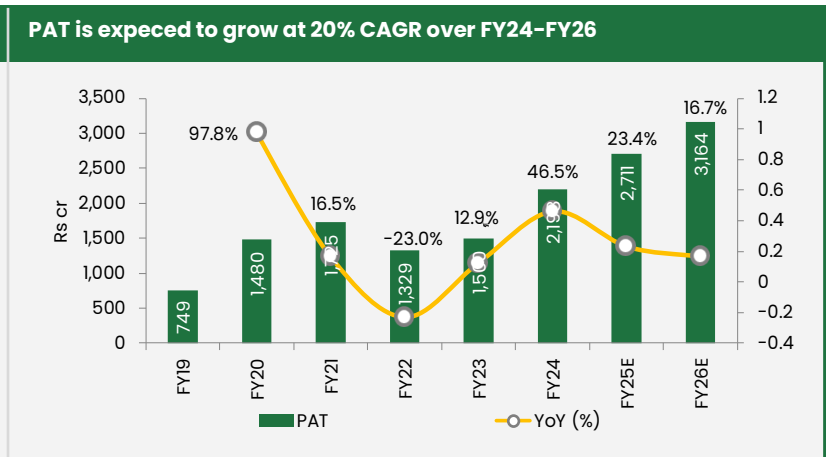
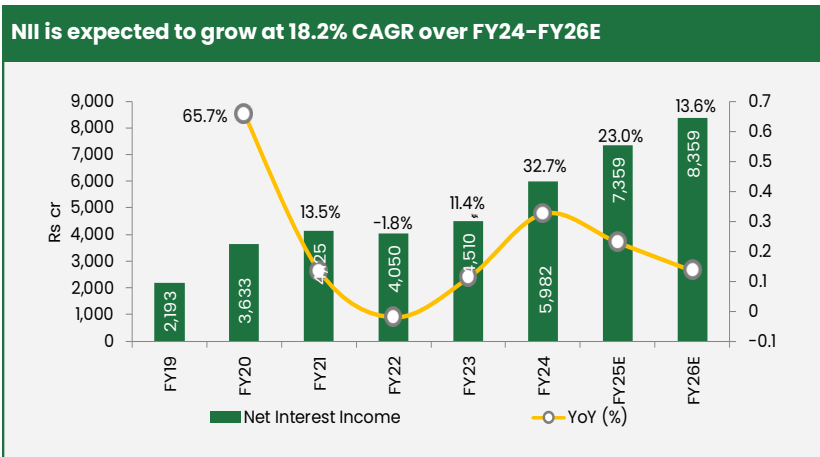
Story in charts



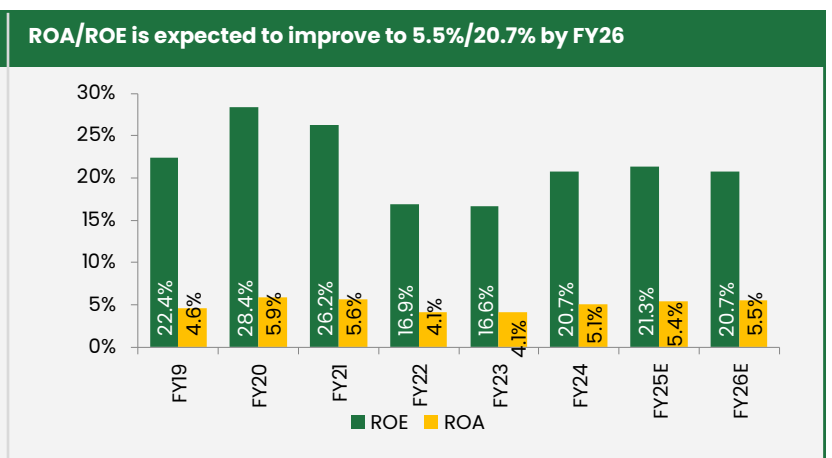
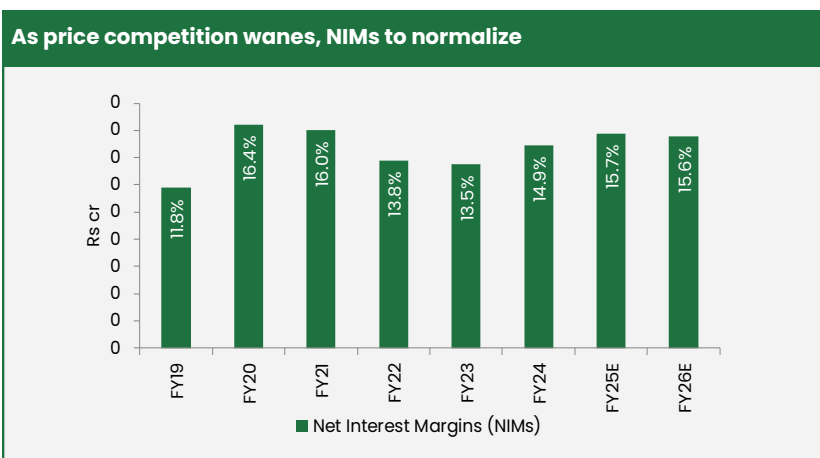
Source : RBL Research



Source : RBL Research



Source : RBL Research



Source : RBL Research

Income Statement – consolidated

Particulars, Rs Cr	FY23	FY24	FY25E	FY26E
Interest Income	6,445.4	8,458.5	10,178.3	11,428.8
Other operating income	243.6	393.4	448.5	511.3
Total Revenue from Operations	6,689.0	8,851.9	10,626.8	11,940.1
Other Income	61.0	68.2	78.4	90.2
Total Income	6,750.0	8,920.1	10,705.2	12,030.3
Finance Cost	2,187.8	2,865.7	3,267.5	3,581.0
Net interest income	4,501.2	5,986.2	7,359.3	8,359.1
Impairment on Financial Instruments	307.1	578.4	1,039.5	1,208.4
Employees Cost	1,469.5	1,597.3	1,787.9	1,943.0
Depreciation	203.8	246.5	266.2	287.5
Misc Expenses	540.7	672.8	729.6	791.4
Total Expenditure	4,708.9	5,960.6	7,090.7	7,811.3
Profit before Tax	2,041.1	2,959.5	3,614.6	4,219.0
Tax	540.9	762.0	903.6	1,054.7
Profit after Tax	1,500.2	2,197.5	2,710.9	3,164.2
Non-controlling interests	4.2	8.8	10.8	12.7
Profit attributable to shareholders	1,496.0	2,188.7	2,700.1	3,151.6
EPS	17.66	25.86	32.03	37.38

Source : RBL Research

Balance sheet – consolidated

Particulars, Rs Cr	FY23	FY24	FY25E	FY26E
Cash and Cash Equivalents	2,500.5	2,549.9	3,099.5	4,144.7
Bank Balance	534.6	631.4	1,020.0	1,364.0
Derivative Financial Instruments	24.4	2.6	-	-
Loans	34,194.5	40,947.6	46,870.9	53,849.7
Investments	534.0	726.3	773.1	832.7
Other Financial Assets	327.4	439.5	483.2	555.2
Total Financial Assets	38,115.4	45,297.2	51,897.3	60,338.5
Current tax assets	35.5	74.5	74.5	74.5
Deferred tax assets	151.4	201.5	201.5	201.5
Investment Property	0.1	0.1	0.1	0.1
Property, Plant and Equipment	431.8	440.2	483.2	555.2
Capital Work in Progress	16.0	33.4	-	-
Goodwill	35.6	35.6	35.6	35.6
Other Intangible Assets	29.7	35.5	40.0	46.0
Intangible Assets Under Development	0.7	0.0	0.0	0.0
Other Non-Financial Assets	688.0	629.9	724.8	749.5
Total Non-Financial Assets	1,388.7	1,450.7	1,559.7	1,662.3
Total Assets	39,504.1	46,747.9	53,456.9	62,000.8
Micro Enterprises and Small Enterprises	0.3	0.2	0.2	0.2
Other than Micro and Small Enterprises	105.8	121.7	137.5	155.3
Debt Securities	6,264.2	5,180.0	5,842.0	6,711.8
Borrowings (Other than Debt Securities)	21,824.7	27,986.9	31,770.8	36,398.6
Deposits	0.1	0.1	0.1	0.1
Subordinated Liabilities	394.0	486.5	527.7	649.5
Other Financial Liabilities	1,014.1	1,107.9	1,243.8	1,429.0
Total Financial Liabilities	29,603.1	34,883.3	39,521.7	45,344.3
Provisions	73.2	72.5	72.5	72.5
Other Non-Financial Liabilities	162.6	215.2	213.0	240.7
Total Non-Financial Liabilities	235.8	287.7	285.5	313.2
Total Liabilities	29,838.9	35,170.9	39,807.2	45,657.5
Share Capital	169.3	169.3	169.3	169.3
Other Equity	9,475.6	11,378.8	13,726.5	16,435.1
Equity Attributable to Owners	9,644.9	11,548.1	13,895.8	16,604.4
Non Controlling Interest	20.3	28.9	39.7	52.4
Total Equity	9,665.2	11,577.0	13,935.5	16,656.7
Total Equity & Liabilities	39,504.1	46,747.9	53,457.2	62,001.0

Source : RBL Research

Business Parameters - consolidated

Particulars, Rs Cr	FY23	FY24	FY25E	FY26E
Gold AuM	19,746	21,561	24,580	28,021
MFI AuM	9,297	10,939	12,580	14,467
Other loans	6,413	9,571	11,161	13,028
Total AuM	35,457	42,071	48,321	55,515
Gold AuM as a % of Total AuM	56%	51%	51%	50%
Borrowings	28,483	33,654	37,690	43,302
Avg. Gold Loan/ Branch	5.0	5.3	6.0	6.7

Source : RBL Research

Key ratios - consolidated

Particulars	FY23	FY24	FY25E	FY26E
Yield on portfolio (%)	20.4%	22.5%	22.5%	22.0%
Cost of borrowings (%)	7.9%	9.3%	9.2%	8.8%
Net interest margin (%)	13.8%	14.9%	15.7%	15.6%
OPEX to AUM (%)	6.7%	6.5%	6.2%	5.8%
RoA (%)	4.1%	5.1%	5.4%	5.5%
RoE (%)	16.6%	20.7%	21.3%	20.7%
GNPA (%)	1.3%	1.9%	2.3%	2.3%
NNPA (%)	1.1%	1.6%	1.7%	1.7%

Source : RBL Research

Valuation - consolidated

Particulars, Rs Cr	FY23	FY24	FY25E	FY26E
Book Value per share (BVPS) (Rs.)	114.0	136.4	164.2	196.2
Adj. BVPS (Rs)	114.0	136.4	164.2	196.2
EPS (Rs.)	17.7	26.0	32.0	37.4
OPEX to AuM	7.0	6.7	6.6	5.6
P/B (x)	1.1	1.3	1.2	1.0
P/Adj. BV (x)	1.1	1.3	1.2	1.0
Market Cap to Sales	1.6	1.7	1.6	1.4
Dividend Yield(%)	2.4%	1.9%	2.1%	2.6%

Source : RBL Research

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S. No.	Statement	Answer	
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Statements on ownership and material conflicts of interest, compensation– Research Analyst (RA)

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F(a) to F(j) below, are given separately]

Nature of Interest (if answer to F(a) above is Yes :

Name(s) with Signature(s) of RA(s).

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SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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