

# CreditAccess Grameen

BSE SENSEX 76,923 S&P CNX 24,006

**CMP: INR1,503 TP: INR1,780 (+18%) Buy**



## Stock Info

	CREDAG IN
Bloomberg Equity Shares (m)	160
M.Cap.(INRb)/(USDb)	240.9 / 2.5
52-Week Range (INR)	1568 / 1113
1, 6, 12 Rel. Per (%)	12/28/26
12M Avg Val (INR M)	855
Free float (%)	33.8

## Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	38.6	44.9	54.2
Total Income	41.6	47.1	56.0
PPoP	28.1	31.6	38.0
PAT	7.8	15.9	19.5
EPS (INR)	48.5	99.2	122
EPS Gr. (%)	46	104	23
BV (INR)	490	589	711

## Ratios (%)

NIM	14.8	14.4	14.3
C/I ratio	32.5	32.9	32.2
Credit cost	6.5	3.2	3.0
RoA	2.6	4.5	4.6
RoE	10.5	18.4	18.8

## Valuations

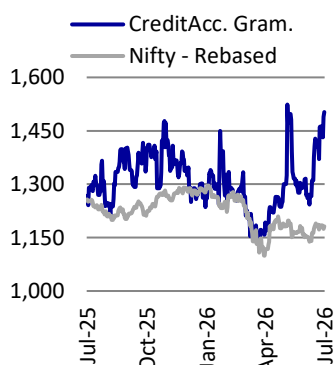
P/E (x)	30.9	15.1	12.3
P/BV (x)	3.1	2.6	2.1

## Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	66.2	66.3	66.4
DII	12.6	13.2	12.7
FII	12.9	11.7	11.4
Others	8.2	8.8	9.5

FII includes depository receipts

## Stock performance



## Graduating beyond MFI: Transformation gathering pace

### Retail-led diversification, normalizing credit costs, and earnings recovery

- CreditAccess Grameen (CREDAG) has emerged stronger from the recent MFI stress, with an improved operating momentum, a more resilient portfolio, and a structurally stronger business mix supported by an increasing focus on retail finance. The company is strategically transitioning from a traditional MFI into a diversified rural financial services platform aimed at building long-term, household-level financial relationships across income cycles. With strong disbursement momentum, normalized asset quality trends, retail-led diversification, and improving spreads, CREDAG is well-positioned to capitalize on the next phase of credit growth.
- FY26 marked a notable shift toward retail finance-led growth, with retail assets rising to ~18.1% of AUM from ~5.9% in FY25, aided by accelerated internal customer migration and product diversification. With substantial untapped potential across its ~4.4m customer base, non-MFI segments are likely to drive the next phase of growth, underpinning FY27 AUM growth guidance of ~20-25%, while the core microfinance business is expected to maintain a stable growth trajectory of ~10-12%.
- Margins remain resilient, supported by a balanced mix of MFI and retail lending. While lower funding costs and improved yields in 2HFY26 due to lower interest income reversals aided FY26 NIMs, the medium-term margin profile will be driven by a higher share of retail assets and disciplined pricing. Importantly, similar yield profiles across segments allow diversification without material margin dilution. We model NIMs of 14.4%/14.3% in FY27/FY28E.
- Asset quality trends improved meaningfully during FY26, supported by industry guardrails that reduced borrower overleveraging and strengthened underwriting discipline. Fresh stress formation has moderated toward historical levels, indicating that the portfolio has largely transitioned from a recovery phase to a stable operating environment. While FY26 credit costs remained elevated at ~6.5% due to prudential provisioning, indicating that credit performance has improved materially. CREDAG expects credit costs to normalize to ~3-4% in FY27 as portfolio seasoning improves and provisioning buffers stabilize.
- CREDAG is transitioning into a more balanced financial services franchise with diversified growth drivers, stronger operational controls, and stabilizing credit dynamics. The increasing contribution of retail lending, combined with improved portfolio quality and execution discipline, sets the stage for a more sustainable earnings trajectory over FY27-28E.
- **We model an AUM/NII/PPoP/PAT CAGR of 21%/18%/16%/59% over FY26-28E, with RoA/RoE improving to ~4.6%/~18.8% by FY28E. At ~2.6x FY27E P/BV, the stock remains attractively valued. We reiterate our BUY rating with a TP of INR1,780 (premised on 2.5x FY28E BVPS).**

### **Evolving toward a diversified rural financial ecosystem model**

- CREDAG is evolving from a pure-play microfinance lender into a broader rural financial services franchise focused on meeting customers' financial needs across different life stages.
- The company continues to leverage its microfinance platform and long-standing customer relationships to identify credit-worthy borrowers and cross-sell higher-ticket lending products. Building on this strategy, CREDAG is gradually scaling adjacent retail lending businesses, supporting portfolio diversification and deeper customer engagement.
- Through Project Shakti, the company aims to strengthen its inclusive finance franchise by enhancing customer connect, leveraging technology, and expanding into complementary lending opportunities. The initiative targets an AUM CAGR of 20-25%, customer growth of 8-10%, RoA of 4-4.5%, and RoE of 18-20% in FY27E.

### **Growth recovery led by retail credit shift and borrower improvement**

- CREDAG witnessed a meaningful recovery in business momentum during FY26, aided by improving borrower behavior, better asset quality, and the gradual migration of seasoned microfinance customers into higher-value retail lending products. The strong pickup in disbursements reflects an improving operating environment as well as the company's ability to leverage its existing customer relationships to expand product penetration.
- While microfinance remains the core franchise, management expects future growth to be increasingly driven by retail lending businesses. The rising contribution of retail finance to the overall portfolio underscores the success of this diversification strategy and customer graduation model.
- With retail penetration still low within its large customer base and underwriting performance tracking as expected, the company sees significant headroom for expansion. We model an AUM growth of ~21% for FY26-28E, backed by a broad-based recovery.

### **Margins to remain broadly stable, supported by retail diversification and pricing discipline**

- CREDAG reported NIM expansion in FY26, driven by lower funding costs and improved portfolio yields due to lower interest income reversals. However, going forward, the benefit from declining cost of funds is expected to moderate, though margins are likely to remain resilient, supported by a rising share of retail finance and disciplined pricing across segments.
- Additionally, yields across microfinance and non-MFI businesses remain broadly comparable, allowing portfolio diversification without significant impact on profitability. The company expects FY27 NIMs to normalize in the range of ~12.8-13.2%, while we model NIMs of ~14.4%/14.3% in FY27E/FY28E.

### **Improved execution and digitalization support an efficient cost structure**

- CREDAG prioritized portfolio stability and collections during the stress period, helping preserve franchise quality and navigate the downturn. Execution improved through investments in manpower, supervision, and audit processes, supported by tighter monitoring frameworks and real-time analytics.

- Technology is increasingly embedded across lending, collections, and risk management through digital tools, WhatsApp, tele-calling, and AI-enabled analytics, enhancing efficiency and portfolio visibility. The company has guided for a cost-to-income ratio of 33-35%. We estimate the CI ratio to remain in the range of 32- 33% over FY26-28, with a gradual decline in the opex-to-AUM ratio over the same period.

**Stronger credit discipline and guardrails enhancing asset quality stability**

- CRE DAG reported improvement in asset quality during FY26, supported by industry-wide guardrails that reduced borrower overleveraging and strengthened credit profiles. The share of group lending borrowers with exposure to more than three lenders declined sharply from ~25.3% in Aug’24 to ~3.3% by Mar’26, while unique borrower participation increased to ~46.1%, indicating healthier credit distribution.
- Portfolio performance improved steadily through FY26, with better collection efficiency, moderating delinquencies, and lower fresh stress formation across geographies, aided by tighter underwriting and stronger execution.
- Despite this, credit costs remained elevated at ~6.5% due to prudential provisioning and ECL enhancements. The company strengthened its ECL framework with broader historical data, macro inputs, and stress scenarios, and expects credit costs to normalize to 3-4% in FY27 as portfolio stability improves. We expect credit costs to witness a sharp decline to ~3.2%/3% in FY27/FY28.

**Valuation and view**

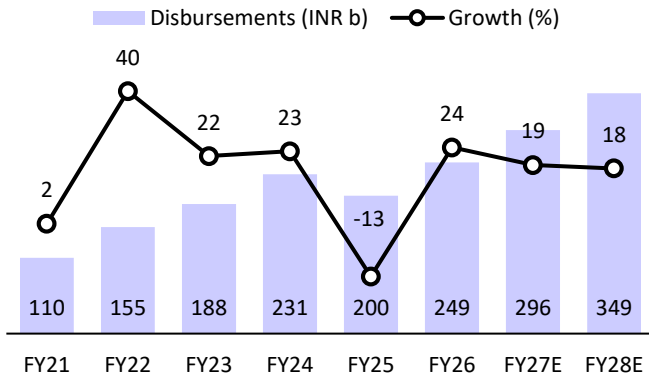
- CRE DAG is steadily transforming from a microfinance-focused lender into a diversified rural financial services platform, leveraging its strong MFI franchise to deepen customer relationships and scale higher-ticket retail lending products.
- With retail finance emerging as the key growth driver, improving borrower quality, normalized stress formation, and conservative provisioning, the company appears well-positioned for a sustained earnings recovery. Supported by investments in technology, branch expansion, and operational strengthening, CRE DAG is set to deliver healthy AUM growth, stable margins, and improving profitability while maintaining prudent risk management and portfolio quality.
- We model an AUM/NII/PPoP/PAT CAGR of 21%/18%/16%/59% over FY26-28E, with RoA/RoE improving to ~4.6%/~18.8% by FY28E. At ~2.6x FY27E P/BV, the stock remains attractively valued. We reiterate our BUY rating with a TP of INR1,780 (premised on 2.5x FY28E BVPS).**

**Exhibit 1: Valuation matrix: CRE DAG vis-à-vis NBFC-MFI peers**

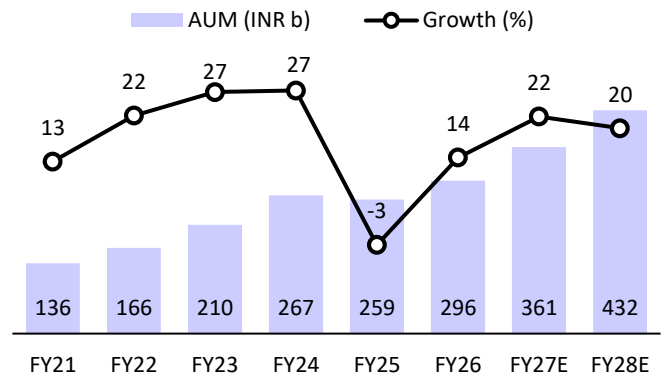
Val summary	Rating	CMP (INR)	MCap (INRb)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Credit Access	Buy	1,503	241	99.2	122	589	711	4.5	4.6	18.4	18.8	15.1	12.3	2.6	2.1
Fusion Finance	Buy	204	31	20.3	23.9	172	196	3.7	3.8	12.5	13.0	10.0	8.5	1.2	1.0
Spandana	Neutral	278	21	16.0	43.6	279	322	2.0	4.3	6.1	14.5	17.4	6.4	1.0	0.9

## Story in charts

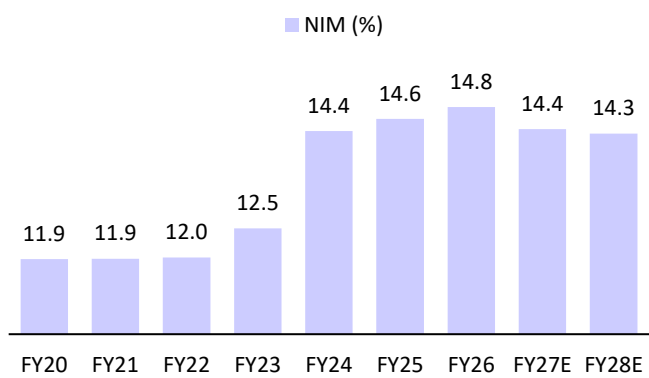
**Exhibit 2: Expect disbursement CAGR of 18% over FY26E-28**



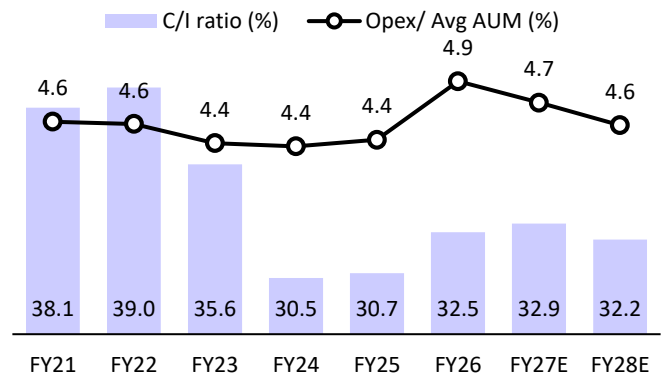
**Exhibit 3: Expect AUM CAGR of 21% over FY26E-28**



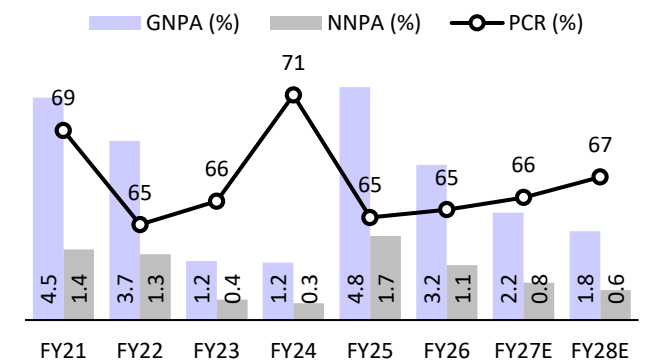
**Exhibit 4: Expect NIMs to contract to 14.4% in FY27**



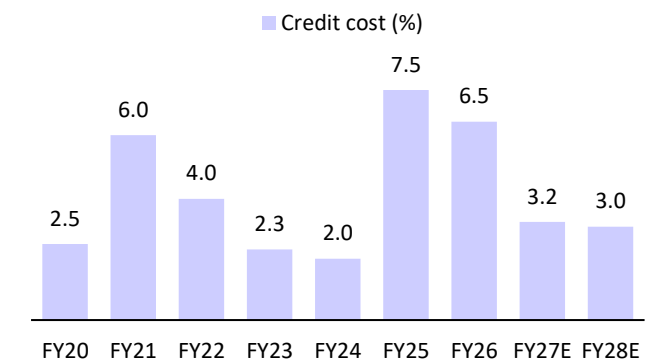
**Exhibit 5: Opex-to-assets ratio likely to trend lower**



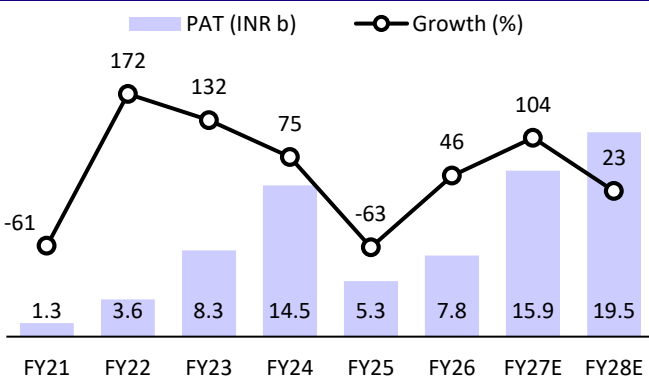
**Exhibit 6: Asset quality to improve**



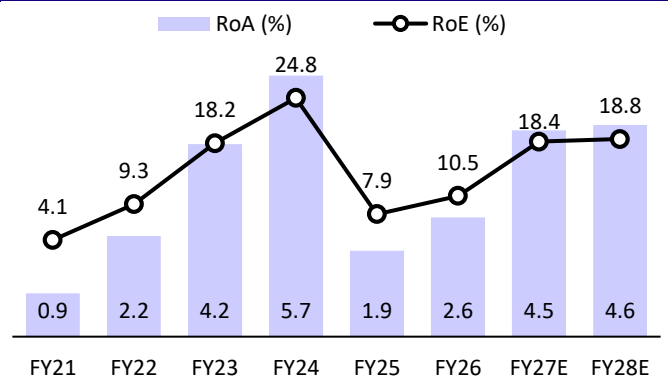
**Exhibit 7: Credit costs to decline to ~3% in FY28E**



**Exhibit 8: PAT CAGR of ~59% over FY26-FY28E**



**Exhibit 9: RoA/RoE of 4.6%/18.8% in FY28E**



Source: MOFSL, Company

Source: MOFSL, Company

### Leveraging the MFI franchise to build a household-centric financial platform

- CREDAG is evolving from a traditional microfinance lender into a diversified rural financial services company, with the objective of addressing the broader financial needs of low and middle-income households.
- The company continues to view microfinance as its primary customer acquisition engine, leveraging repayment behavior, customer insights, and long-standing relationships built over multiple lending cycles to identify and graduate credit-worthy borrowers into higher-ticket products. This strategy reflects a shift from financing a single borrower within a household to becoming a long-term financial partner, catering to customers' evolving credit requirements across income stages and life events.
- Building on this approach, CREDAG has expanded into adjacent retail lending segments such as individual business loans (IBL: ~16% of the total portfolio, provided to 100% graduated customers), housing loans (0.8%), and two-wheeler finance (0.1%, 100% graduated customers), where products have now established operating track records across core markets.
- Following successful pilots and validation of underwriting assumptions, these retail businesses are being scaled in a calibrated manner, supporting portfolio diversification and deeper customer penetration.
- Under Project Shakti, CREDAG aims to further strengthen its inclusive finance franchise by enhancing customer engagement, leveraging technology-driven execution, and expanding into complementary lending segments. The initiative targets an AUM CAGR of 20-25%, customer growth of 8-10%, RoA of 4-4.5%, and RoE of 18-20%.

#### Exhibit 10: Catering to various lifecycle needs of customers

Group Model (Households with Income ≤ INR300k)			
Product	Loan Size	Interest Rate	Tenure
Income Generation Loan	INR5k-INR175k	18% – 23.75%	52 – 156 weeks
Other Life-cycle Loans (Home Improvement, Water & Sanitation, Education, Medical, Festival, Livelihood Improvements, Emergencies)	INR1k-INR50k	18% – 23.75%	11 – 104 weeks

Individual Model (Households with Income > INR300k)			
Product	Loan Size	Interest Rate	Tenure
Individual Business Loan + Other Life-cycle Loans	INR1k-INR250k	18% – 24%	11 weeks – 156 weeks
Secured Business Loan	INR300k – INR2m	15% – 23.5%	2 – 15 years
Affordable Housing Loan	INR200k-INR2.4m	13% – 19.5%	2 – 20 years
Two-wheeler Loan	INR40k-INR120k	22.50%	2 – 3 years

Source: MOFSL, Company

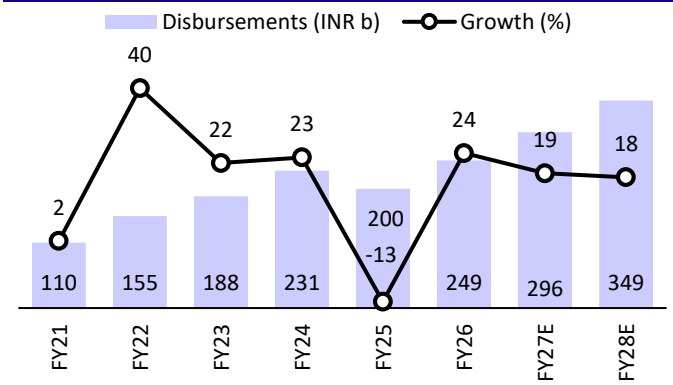
### Growth recovery and retail-led portfolio diversification

- CREDAG's business momentum improved meaningfully during FY26, supported by normalization in borrower behavior, improving asset quality, guardrail-compliant borrowers, and the advancement of seasoned microfinance customers into higher-value retail lending products. These factors collectively drove a recovery in disbursement trends, with disbursements growing ~28% YoY and ~44% QoQ in 4QFY26.
- While group lending remains the foundation of the franchise, CREDAG expects non-MFI businesses to drive the majority of incremental growth going forward, supported by faster scaling across retail lending segments. This diversification strategy is gaining traction, with retail finance contributing ~18.1% of AUM as of

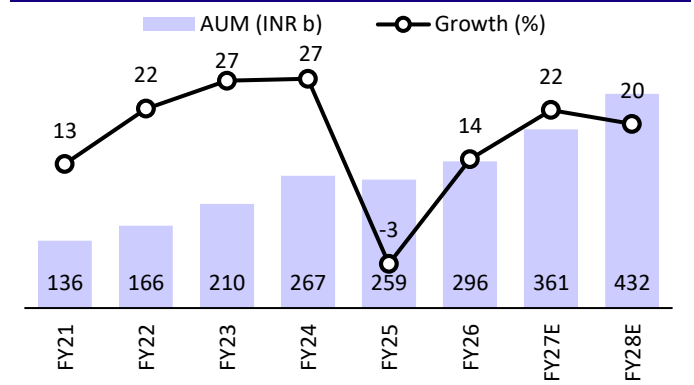
Mar'26 vs ~5.9% in Mar'25, reflecting successful customer migration into individual lending products.

- Additionally, retail lending penetration within the company's ~4.4m customer base remains relatively low, providing a substantial long-term growth opportunity through deeper customer engagement and cross-selling initiatives. Having established performance track records and validated underwriting outcomes across core markets, individual lending products are now being scaled with greater confidence, positioning retail finance as the key growth engine for the franchise.
- Reflecting this momentum, CREDAG expects FY27 AUM growth of ~20-25%, with core microfinance growing at ~10-12%, while retail and other individual lending products continue to expand at a meaningfully faster pace. The company also believes the addressable opportunity across underserved rural and semi-urban markets remains significantly larger than any competitive constraints. We model an AUM growth of ~21% for FY26-28E, backed by a broad-based recovery.

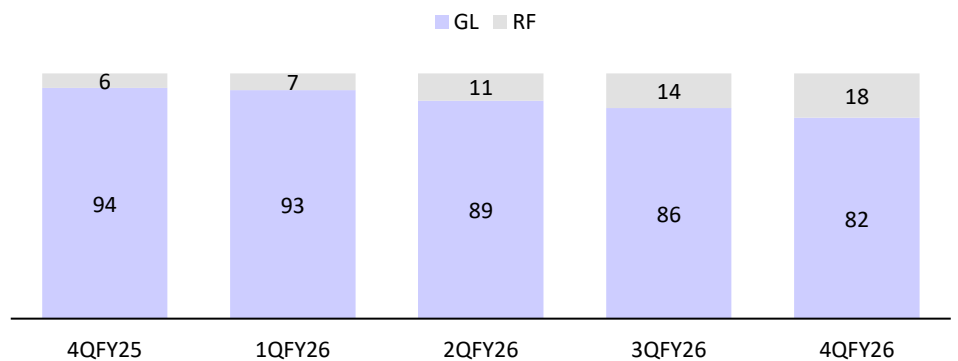
**Exhibit 11: Expect disbursement CAGR of 18% over FY26-28**



**Exhibit 12: Expect AUM CAGR of 21% over FY26-28**

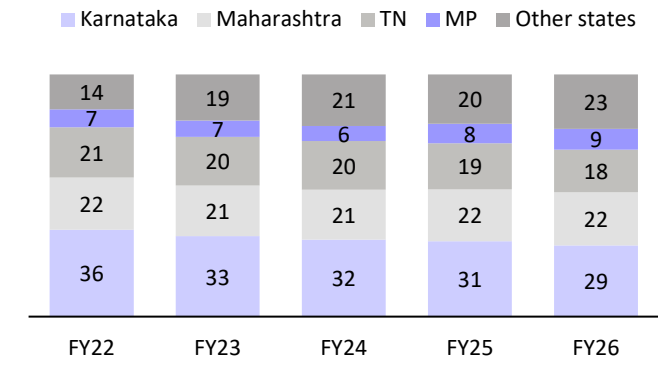


**Exhibit 13: RF share continues to improve (%)**

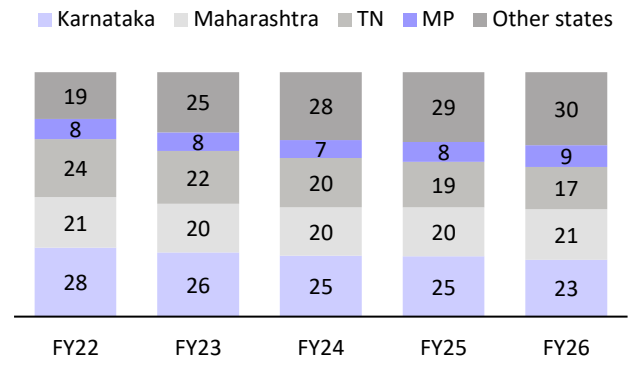


Source: MOFSL, Company

**Exhibit 14: TN, Karnataka GLP share continues to decline (%)**



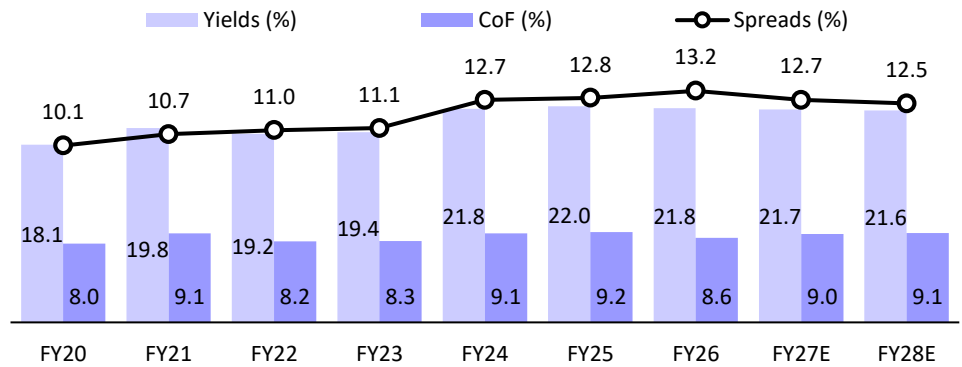
**Exhibit 15: Well-diversified borrower base (%)**



**Margins to remain broadly stable, supported by retail diversification and pricing discipline**

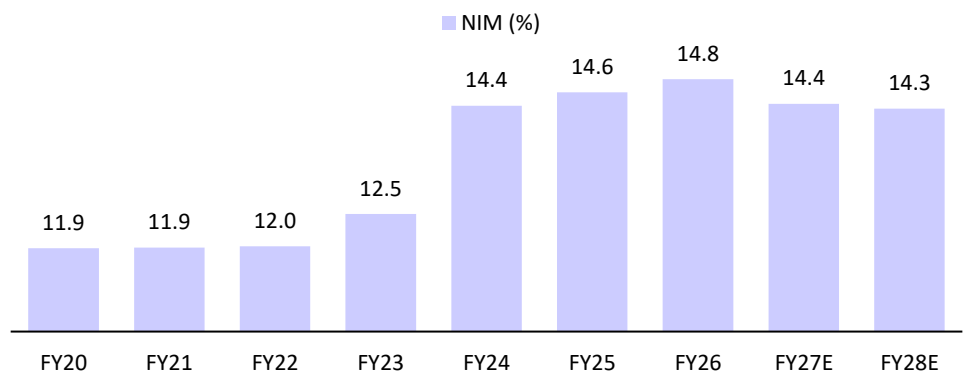
- CREDAI highlighted that FY26 NIM expansion was driven by a combination of lower funding costs and improved portfolio yields due to lower interest income reversals. While the benefit from declining cost of funds is expected to moderate going forward, margins are likely to remain resilient, supported by the increasing mix of retail finance products and disciplined pricing across segments.

**Exhibit 16: Spreads to decline to 12.7%/12.5% by FY27E/FY28E**



Source: MOFSL, Company

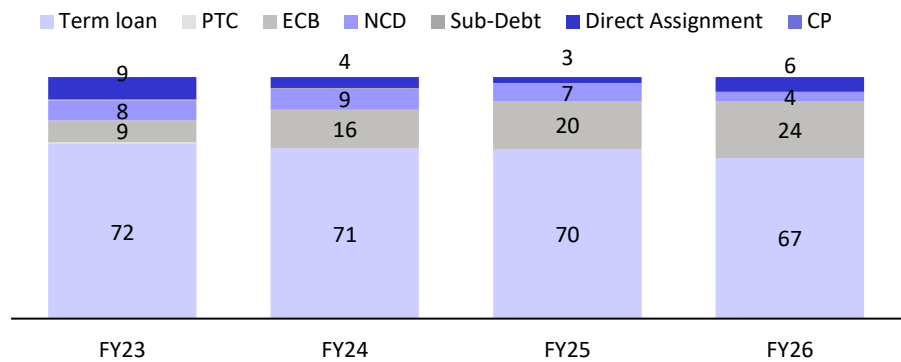
**Exhibit 17: NIMs to contract marginally**



Source: MOFSL, Company

- Importantly, yields across MFI and most non-MFI businesses remain broadly comparable, enabling the company to diversify its portfolio mix without materially compromising profitability. This provides greater flexibility to rebalance the portfolio towards retail products while maintaining a healthy return profile.

**Exhibit 18: Increasing ECB share in overall borrowings aided in declining CoF (%)**



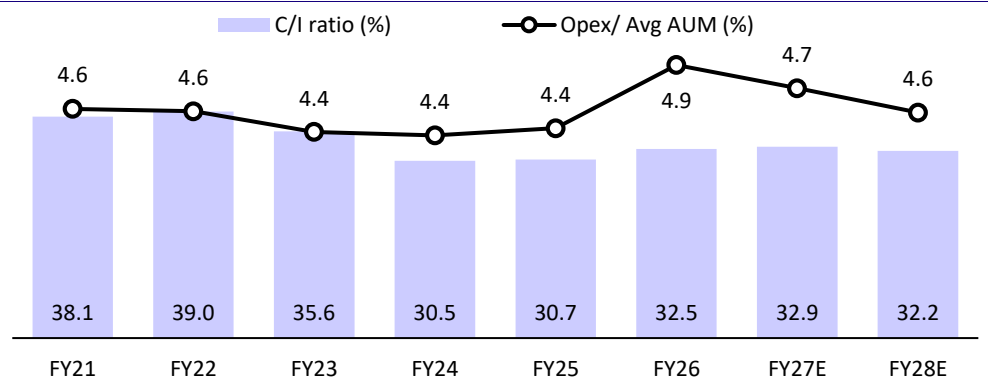
Source: MOFSL, Company

- CREDAG expects FY27 NIMs to normalize to ~12.8-13.2%, reflecting a more sustainable margin and earnings profile. We expect CREDAG to deliver NIMs of ~14.4%/14.3% in FY27E/FY28.

**Operational fortification and technology adoption set the stage for growth**

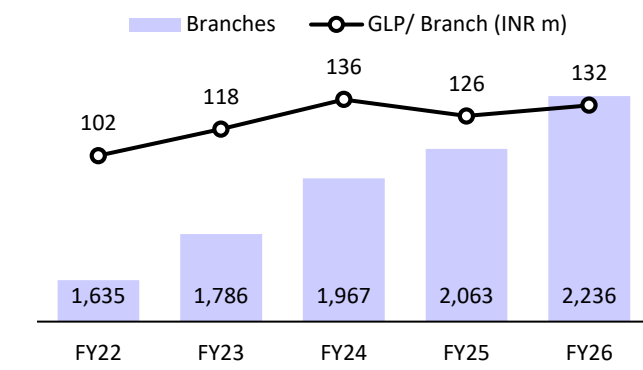
- CREDAG prioritized portfolio stability and collections over growth during the stress period, enabling it to navigate the downturn while preserving franchise strength.
- To improve execution quality, the company invested in manpower, supervision, audit processes, and collection infrastructure. Internal audit frequency was increased from 60 days to 40 days, supported by real-time analytics, tighter monitoring frameworks, and dedicated collection-support teams.
- Employee attrition moderated to ~29.4% from ~33.5% in FY25, reflecting improved workforce stability following extensive hiring, training, and leadership engagement initiatives. The branch network expanded by ~183 locations during FY26 to 2,236 branches, positioning the company to support future growth.

**Exhibit 19: Opex-to-assets ratio likely to trend lower**

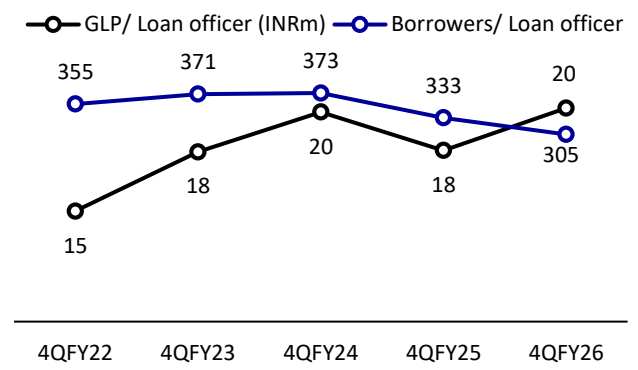


Source: MOFSL, Company

**Exhibit 20: GLP/ branch expected to improve**



**Exhibit 21: Loan officer efficiency metrics**

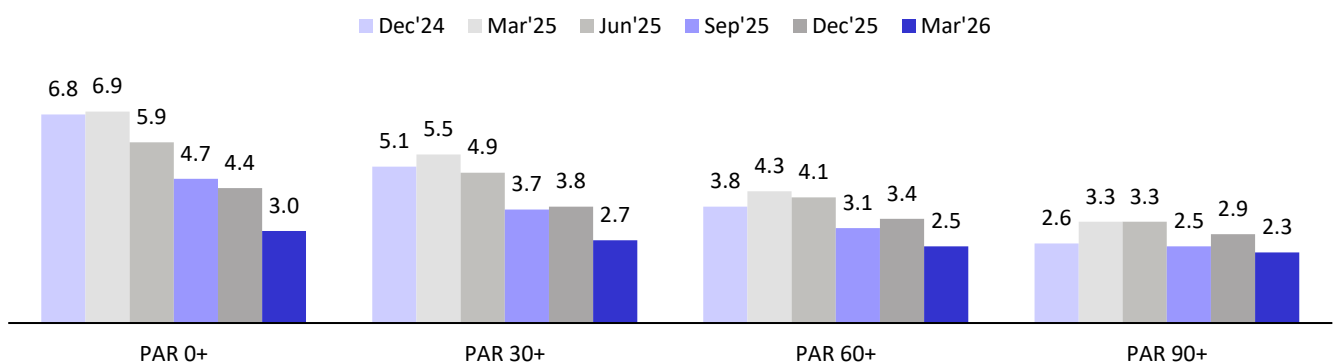


- Technology has increasingly been embedded within these operating improvements, supporting customer acquisition, collections, and risk management. The company now leverages group lending, individual lending, and the Grameen Mahi platform, while expanding digital payments, WhatsApp communication, tele-calling, and AI-enabled analytics to enhance engagement, improve collection efficiency, and strengthen portfolio visibility without compromising credit discipline.
- CRETAG has guided for a cost-to-income ratio in the 33-35% range. We expect CI ratio to remain at 32-33% over FY26- 28, with a gradual decline in the opex-to-AUM ratio over the same period.

**Stronger credit discipline and guardrails enhancing asset quality stability**

- Asset quality improved during FY26, supported by industry-wide guardrails that curtailed borrower overleveraging and strengthened CRETAG’s credit profile. The share of group lending borrowers with exposure to more than three lenders declined from 25.3% in Aug’24 to 3.3% by Mar’26, while the proportion of unique borrowers increased from ~26.6% to ~46.1%.
- Supported by this improvement in borrower quality, the company reported steady strengthening in portfolio performance through the year, with collection efficiency improving, delinquency metrics moderating, and fresh stress formation trending closer to historical levels.

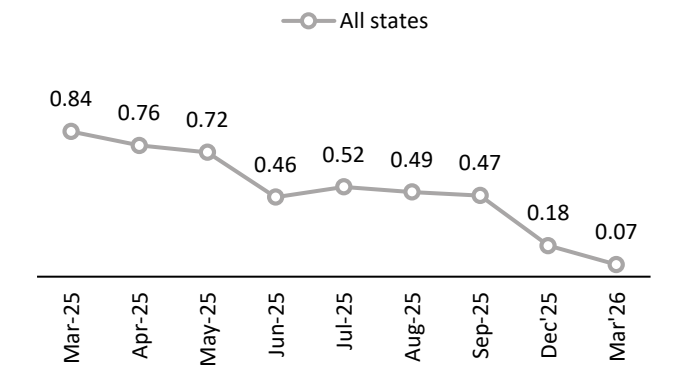
**Exhibit 22: Trends in PAR rates (%)**



Source: MOFSL, Company

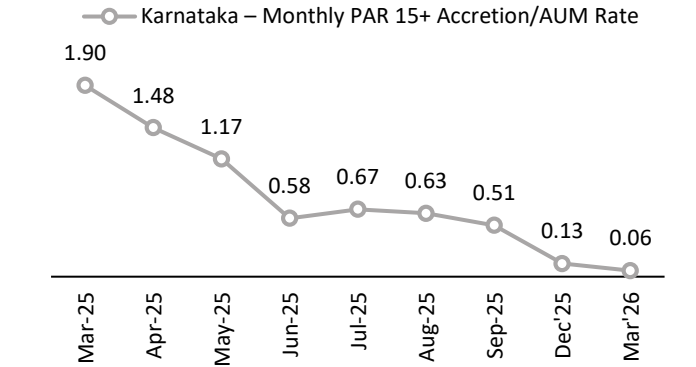
- The improvement was broad-based across geographies, including previously stressed markets, aided by tighter underwriting standards, stronger collection execution, and improved borrower discipline. CREDAG also noted higher engagement from previously delinquent customers in settlement discussions.

**Exhibit 23: Overall monthly PAR 15+ accretion/AUM rate (%)**



Sources: MOFSL, Company

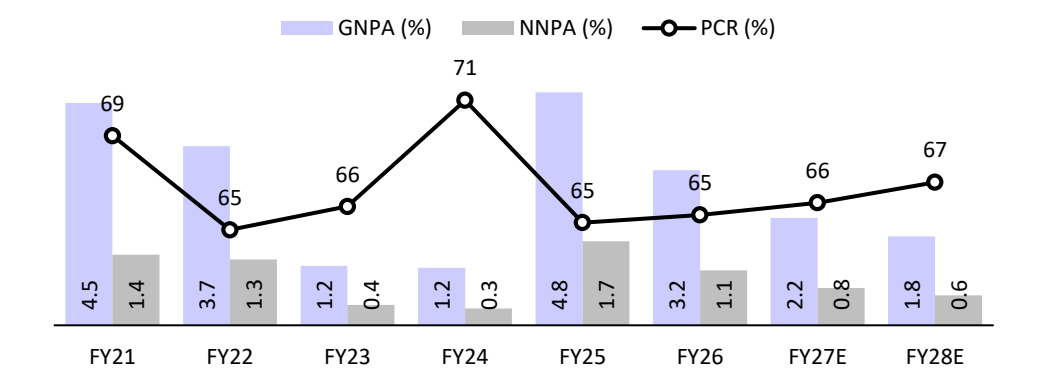
**Exhibit 24: Karnataka monthly PAR 15+ accretion/AUM rate**



Sources: MOFSL, Company

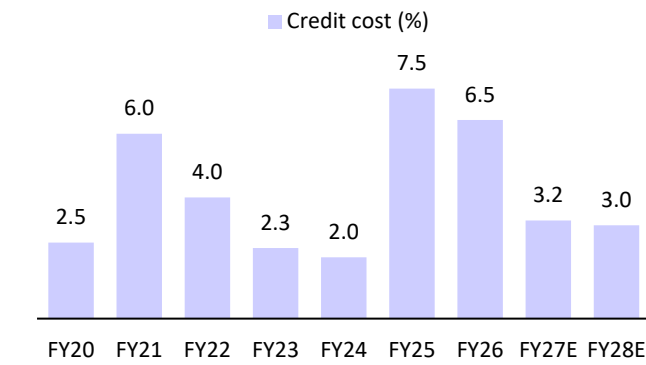
- Reflecting these trends, the company believes its portfolio has largely transitioned from a recovery phase to a more stable operating environment. Despite the improvement in underlying asset quality, FY26 credit cost stood at ~6.5%, above guidance, driven primarily by prudential provisioning.
- CREDAG strengthened its ECL framework by incorporating longer-term historical data, forward-looking macroeconomic variables, and stress-testing scenarios, along with additional overlays for external risks, including the West Asia conflict. The company views these measures as prudent balance-sheet strengthening actions and expects credit costs to normalize to 3-4% in FY27, as fresh stress formation continues to moderate. We expect credit costs to witness a sharp decline in FY27E/FY28E to ~3.2%/3% in FY27E/FY28.

**Exhibit 25: Asset quality to improve**

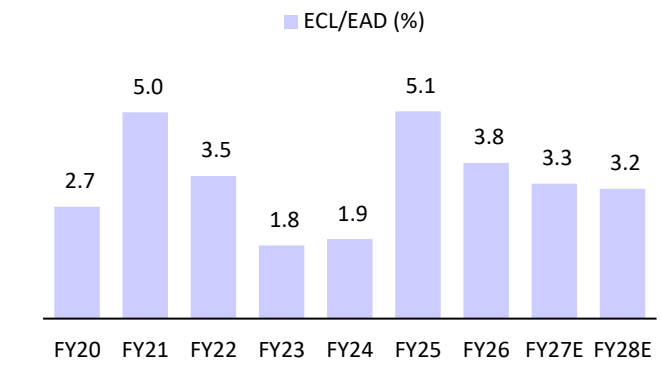


Source: MOFSL, Company

**Exhibit 26: Credit costs to decline to ~3% in FY28E**



**Exhibit 27: ECL/EAD**

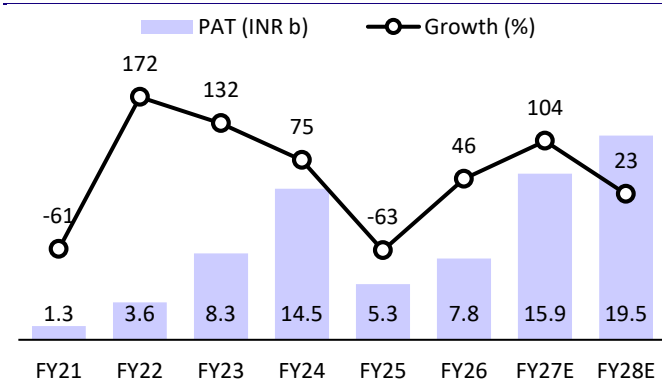


Source: MOFSL, Company

**Valuation and view**

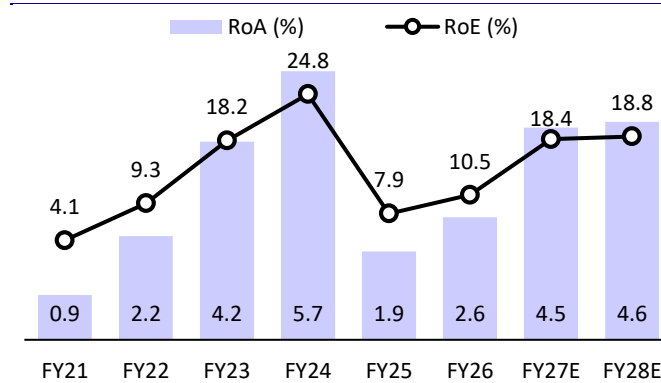
- CREDAG is steadily transforming from a microfinance-focused lender into a diversified rural financial services platform, leveraging its strong MFI franchise to deepen customer relationships and scale higher-ticket retail lending products.
- With retail finance emerging as the key growth driver, alongside improving borrower quality, normalized stress formation, and conservative provisioning, the company appears well-positioned for a sustained earnings recovery. Supported by investments in technology, branch expansion, and operational strengthening, CREDAG is set to deliver healthy AUM growth, stable margins, and improving profitability while maintaining prudent risk management and portfolio quality.
- We model an AUM/NII/PPoP/PAT CAGR of 21%/18%/16%/59% over FY26-28E, with RoA/RoE improving to ~4.6%/~18.8% by FY28E. At ~2.6x FY27E P/BV, the stock remains attractively valued. We reiterate our BUY rating with a TP of INR1,780 (premised on 2.5x FY28E BVPS).

**Exhibit 28: PAT CAGR of ~59% over FY26-FY28E**



Source: MOFSL, Company

**Exhibit 29: RoA/RoE of 4.6%/18.8% in FY28E**

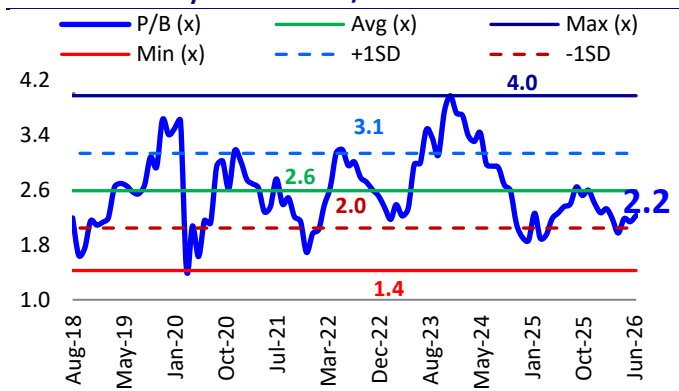


Source: MOFSL, Company

**Exhibit 30: DuPont analysis**

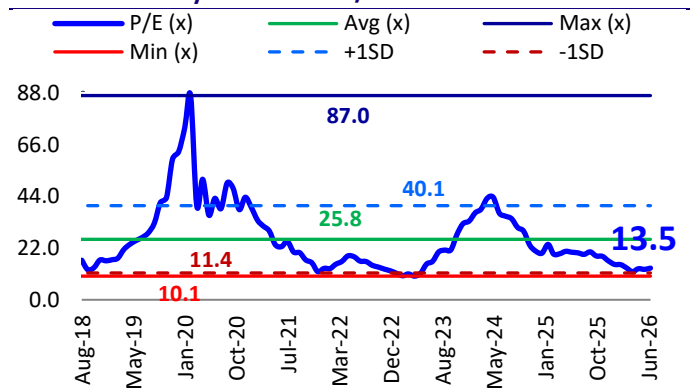
Y/E MARCH	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	16.6	15.8	17.0	19.3	19.6	19.3	19.4	19.6
Interest Expended	6.7	6.1	6.2	6.8	6.9	6.4	6.7	6.8
<b>Net Interest Income</b>	<b>9.9</b>	<b>9.8</b>	<b>10.8</b>	<b>12.5</b>	<b>12.7</b>	<b>12.9</b>	<b>12.7</b>	<b>12.8</b>
Other operating income	1.2	1.1	1.1	1.1	0.7	1.0	0.6	0.4
Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Income</b>	<b>11.1</b>	<b>10.9</b>	<b>11.9</b>	<b>13.6</b>	<b>13.4</b>	<b>13.9</b>	<b>13.3</b>	<b>13.3</b>
Operating Expenses	4.2	4.2	4.2	4.1	4.1	4.5	4.4	4.3
<b>Operating Income</b>	<b>6.9</b>	<b>6.6</b>	<b>7.7</b>	<b>9.4</b>	<b>9.3</b>	<b>9.4</b>	<b>8.9</b>	<b>9.0</b>
Provisions	5.6	3.7	2.0	1.8	6.8	5.9	2.9	2.8
<b>PBT</b>	<b>1.3</b>	<b>3.0</b>	<b>5.6</b>	<b>7.6</b>	<b>2.5</b>	<b>3.5</b>	<b>6.0</b>	<b>6.2</b>
Tax	0.4	0.8	1.4	1.9	0.6	0.9	1.5	1.5
<b>Reported PAT</b>	<b>1.0</b>	<b>2.2</b>	<b>4.2</b>	<b>5.7</b>	<b>1.9</b>	<b>2.6</b>	<b>4.5</b>	<b>4.6</b>
Leverage	4.3	4.2	4.3	4.3	4.2	4.0	4.1	4.1
<b>RoE</b>	<b>4.1</b>	<b>9.3</b>	<b>18.2</b>	<b>24.8</b>	<b>7.9</b>	<b>10.5</b>	<b>18.4</b>	<b>18.8</b>

**Exhibit 31: One-year forward P/B**



Source: MOFSL, Company

**Exhibit 32: One-year forward P/E**



Source: MOFSL, Company

## Financials and valuations

Income Statement								(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	
Interest Income	22,900	25,673	33,271	49,001	55,468	57,626	68,422	82,707	
Interest Expended	9,287	9,841	12,129	17,324	19,476	18,991	23,566	28,512	
<b>Net Interest Income</b>	<b>13,613</b>	<b>15,832</b>	<b>21,143</b>	<b>31,677</b>	<b>35,992</b>	<b>38,636</b>	<b>44,855</b>	<b>54,195</b>	
Change (%)	29.0	16.3	33.5	49.8	13.6	7.3	16.1	20.8	
Other Income	1,760	1,825	2,237	2,725	2,094	2,999	2,214	1,828	
<b>Net Income</b>	<b>15,373</b>	<b>17,657</b>	<b>23,379</b>	<b>34,402</b>	<b>38,086</b>	<b>41,635</b>	<b>47,069</b>	<b>56,023</b>	
Change (%)	36.4	14.9	32.4	47.1	10.7	9.3	13.1	19.0	
Operating Expenses	5,856	6,885	8,315	10,493	11,702	13,549	15,501	18,052	
<b>Operating Income</b>	<b>9,517</b>	<b>10,772</b>	<b>15,064</b>	<b>23,910</b>	<b>26,384</b>	<b>28,086</b>	<b>31,568</b>	<b>37,971</b>	
Change (%)	36.2	13.2	39.8	58.7	10.3	6.5	12.4	20.3	
Provisions and W/Offs	7,714	5,968	4,010	4,518	19,295	17,754	10,375	11,906	
<b>PBT</b>	<b>1,803</b>	<b>4,805</b>	<b>11,054</b>	<b>19,392</b>	<b>7,089</b>	<b>10,332</b>	<b>21,193</b>	<b>26,066</b>	
Tax	490	1,237	2,794	4,933	1,775	2,556	5,298	6,516	
Tax Rate (%)	27.2	25.7	25.3	25.4	25.0	24.7	25.0	25.0	
<b>PAT</b>	<b>1,313</b>	<b>3,568</b>	<b>8,261</b>	<b>14,459</b>	<b>5,314</b>	<b>7,776</b>	<b>15,895</b>	<b>19,549</b>	
Change (%)	-60.9	171.7	131.5	75.0	-63.2	46.3	104.4	23.0	
Proposed Dividend (Incl Tax)	0	0	0	1,594	0	0	0	0	

Balance Sheet								(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	
Equity Share Capital	1,556	1,559	1,589	1,594	1,597	1,602	1,602	1,602	
Reserves & Surplus	35,360	38,218	49,481	64,106	67,963	76,821	92,715	1,12,265	
<b>Net Worth</b>	<b>36,916</b>	<b>39,777</b>	<b>51,070</b>	<b>65,700</b>	<b>69,560</b>	<b>78,423</b>	<b>94,317</b>	<b>1,13,867</b>	
<b>Borrowings</b>	<b>1,09,413</b>	<b>1,29,207</b>	<b>1,63,123</b>	<b>2,18,410</b>	<b>2,04,458</b>	<b>2,36,411</b>	<b>2,87,285</b>	<b>3,39,353</b>	
Change (%)	14.7	18.1	26.2	33.9	-6.4	15.6	21.5	18.1	
Other liabilities	4,264	4,964	4,389	4,352	4,005	4,469	4,730	5,008	
<b>Total Liabilities</b>	<b>1,50,592</b>	<b>1,73,948</b>	<b>2,18,581</b>	<b>2,88,462</b>	<b>2,78,022</b>	<b>3,19,302</b>	<b>3,86,332</b>	<b>4,58,227</b>	
Cash and bank balances	24,844	17,614	14,364	13,139	14,428	13,270	15,415	16,737	
<b>Loans and Advances</b>	<b>1,17,205</b>	<b>1,47,653</b>	<b>1,90,433</b>	<b>2,51,050</b>	<b>2,42,745</b>	<b>2,79,227</b>	<b>3,44,467</b>	<b>4,13,341</b>	
Change (%)	5.6	26.0	29.0	31.8	-3.3	15.0	23.4	20.0	
Fixed Assets	5,734	5,739	968	1,214	1,307	1,312	1,509	1,736	
Investments	5	5	4,545	14,389	8,930	10,753	11,291	11,856	
Intangible Assets	0	4,673	5,061	4,923	4,764	4,564	4,564	4,564	
Other Assets	2,804	2,937	3,208	3,747	5,849	10,175	9,086	9,995	
<b>Total Assets</b>	<b>1,50,587</b>	<b>1,73,942</b>	<b>2,18,581</b>	<b>2,88,462</b>	<b>2,78,022</b>	<b>3,19,302</b>	<b>3,86,332</b>	<b>4,58,227</b>	

E: MOFSL Estimates

## Financials and valuations

Ratios								(%)
AUM and Disbursements (INR m)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>AUM</b>	<b>1,35,870</b>	<b>1,65,990</b>	<b>2,10,320</b>	<b>2,67,140</b>	<b>2,59,480</b>	<b>2,95,900</b>	<b>3,60,932</b>	<b>4,32,098</b>
YoY growth (%)	13.3	22.2	26.7	27.0	-2.9	14.0	22.0	19.7
<b>Disbursements</b>	<b>1,10,104</b>	<b>1,54,670</b>	<b>1,88,090</b>	<b>2,31,340</b>	<b>2,00,360</b>	<b>2,48,600</b>	<b>2,95,834</b>	<b>3,49,084</b>
YoY growth (%)	1.9	40.5	21.6	23.0	-13.4	24.1	19.0	18.0

Ratios								(%)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Spreads Analysis (%)</b>								
Yield on Portfolio	19.8	19.2	19.4	21.8	22.0	21.8	21.7	21.6
Cost of Borrowings	9.1	8.2	8.3	9.1	9.2	8.6	9.0	9.1
Interest Spread	10.7	11.0	11.1	12.7	12.8	13.2	12.7	12.5
Net Interest Margin	11.9	12.0	12.5	14.4	14.6	14.8	14.4	14.3
<b>Profitability Ratios (%)</b>								
RoE	4.1	9.3	18.2	24.8	7.9	10.5	18.4	18.8
RoA (on balance sheet)	0.9	2.2	4.2	5.7	1.9	2.6	4.5	4.6
Debt: Equity (x)	3.0	3.2	3.2	3.3	2.9	3.0	3.0	3.0
Leverage (x)	4.3	4.2	4.3	4.4	4.0	4.1	4.1	4.0
<b>Efficiency Ratios (%)</b>								
Int. Expended/Int. Earned	40.6	38.3	36.5	35.4	35.1	33.0	34.4	34.5
Op. Exps./Net Income	38.1	39.0	35.6	30.5	30.7	32.5	32.9	32.2
Empl. Cost/Op. Exps.	64.9	63.6	62.0	63.8	62.4	64.9	65.8	66.7
Other Income/Net Income	11.5	10.3	9.6	7.9	5.5	7.2	4.7	3.3
<b>Asset quality</b>								
GNPA	5,487	5,587	2,364	3,026	12,256	9,275	7,808	7,745
NNPA	1,686	1,974	808	877	4,287	3,209	2,655	2,556
GNPA %	4.5	3.7	1.2	1.2	4.8	3.2	2.2	1.8
NNPA %	1.4	1.3	0.4	0.3	1.7	1.1	0.8	0.6
PCR %	69.3	64.7	65.8	71.0	65.0	65.4	66.0	67.0

Valuation	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	237	255	321	412	436	490	589	711
BV Growth (%)	25.0	7.5	25.9	28.3	5.6	12.4	20.3	20.7
<b>Price-BV (x)</b>	<b>6.3</b>	<b>5.9</b>	<b>4.7</b>	<b>3.6</b>	<b>3.4</b>	<b>3.1</b>	<b>2.5</b>	<b>2.1</b>
EPS (INR)	8.4	22.9	52.0	90.7	33.3	48.5	99.2	122.0
EPS Growth (%)	-63.8	171.2	127.1	74.5	-63.3	45.9	104.4	23.0
<b>Price-Earnings (x)</b>	<b>177.8</b>	<b>65.6</b>	<b>28.9</b>	<b>16.5</b>	<b>45.1</b>	<b>30.9</b>	<b>15.1</b>	<b>12.3</b>
Dividend per share	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
<b>Dividend Yield (%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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