

## MAS Financial Services

BSE SENSEX 77,569 S&P CNX 24,207



Bloomberg	MASFIN IN
Equity Shares (m)	181
M.Cap.(INRb)/(USDb)	58.6 / 0.6
52-Week Range (INR)	359 / 276
1, 6, 12 Rel. Per (%)	4/10/7
12M Avg Val (INR M)	51

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total income	10.4	13.2	15.4
PPP	6.7	8.4	9.6
PAT	3.6	4.5	5.3
EPS (INR)	20.0	24.7	28.9
EPS Gr. (%)	18.9	23.4	17.0
BVPS (INR)	160	182	209

### Ratios (%)

NIM	7.3	7.9	7.8
C/I ratio	35.7	36.5	37.5
RoA	2.9	3.1	3.1
RoE	13.4	14.4	14.8
Payout	10.0	10.0	10.0

### Valuations

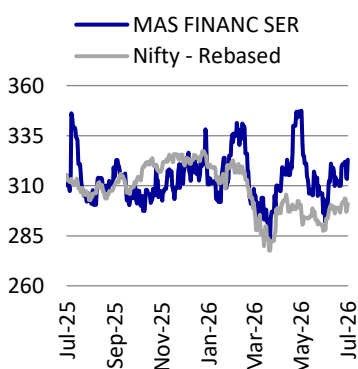
P/E (x)	16	13	11
P/BV (x)	2.0	1.8	1.5
Div. yield (%)	0.6	0.8	0.9

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	66.7	66.6	66.6
DII	20.0	20.2	20.1
FII	3.5	3.1	3.1
Others	9.9	10.0	10.1

FII includes depository receipts

### Stock performance (one-year)



**CMP: INR322**

**TP: INR385 (+19%)**

**Buy**

### Compounding with discipline, scaling up with resilience

#### Multi-engine growth driven by retail diversification and superior risk management

- MAS Financial (MAS) has delivered a steady and resilient performance in FY26 despite a challenging macroeconomic environment, underscoring the strength of its business model. The company aims to maintain an AUM growth trajectory of ~20-25%, anchored to risk-adjusted return metrics, while targeting a sustainable RoA of ~2.75-3.0%, healthy RoE and strong capital adequacy, ensuring that expansion remains both value-accretive and structurally sustainable. This long-standing emphasis on prudent capital allocation and consistent execution across cycles forms the foundation of the company's evolution into a resilient, high-quality lending franchise.
- MSME lending, contributing over 70% of MAS's portfolio (MEL ~37% of AUM and SME ~34%), remains the key growth driver, supported by India's large MSME credit opportunity and improving credit visibility due to the formalization, GST adoption, and digitalization trends. The company continues to deepen its presence in existing markets, selectively expand into adjacent geographies, and gradually increase the ticket sizes, positioning the segment well to drive 20-25% portfolio growth over the medium term.
- MAS is diversifying beyond its core MSME franchise by scaling up its granular retail portfolio across MEL, 2W, used CV and salaried PL, strengthening its secured lending mix. Simultaneously, the company is evolving into an ecosystem-driven lender through MSME cross-selling opportunities, embedded finance partnerships, and a robust distribution network of 200+ branches and channel partners, supporting scalable growth while maintaining prudent risk management.
- Asset quality remains central to MAS's operating philosophy, with growth explicitly subordinated to portfolio stability. The company has proactive monitoring systems and early warning frameworks, supported by behavioral and field-level intelligence. Recent selective tightening in vulnerable sectors reflects a responsive risk stance. Credit costs are expected to remain within the guided range of ~1.25-1.5% of AUM, supported by disciplined underwriting and stable collections.
- MAS's strategy is built on a balanced triad of MSME-led growth, calibrated retail diversification, and unwavering asset quality discipline. The franchise is evolving into a more diversified lender, but growth remains tightly calibrated to ensure long-term resilience. This approach positions MAS as a steady compounding franchise capable of sustaining high-teen growth through cycles while preserving strong credit quality.
- We estimate MAS to deliver an AUM/PAT CAGR of 19%/20% over FY26-28E, with RoA/RoE of ~3.1%/15% in FY28E. Reiterate BUY with a TP of INR385 (based on 1.8x FY28E BV).

### **MSME: A structural growth engine with an expanding competitive moat**

- MSME lending remains the cornerstone of MAS's franchise, contributing over 70% of the portfolio (MEL ~37% of AUM and SME ~34%) and positioning the company well to capitalize on India's large MSME credit opportunity. The company's strong presence in informal and semi-formal borrower segments provides a structural underwriting advantage and access to underserved customers. Structural formalization trends, including GST adoption, Udyam registration and increasing digitization, are enhancing borrower visibility and supporting credit growth.
- The company is focused on deepening penetration in existing markets, selectively expanding into adjacent geographies and increasing ticket sizes as customer relationships mature.
- The MSME business has evolved into a multi-product platform spanning SME loans, business loans, supply-chain finance and embedded finance, driving deeper customer engagements and cross-selling opportunities. Embedded finance partnerships enhance scalability through data-driven underwriting and faster customer acquisition, with MSME lending expected to remain the key driver of the company's targeted ~20-25% medium-term growth. We expect MAS to deliver an AUM CAGR of ~19% by FY26-28E.

### **Fortifying the franchise through calibrated retail expansion**

- MAS is steadily scaling its retail franchise to diversify the portfolio and increase the share of secured assets while leveraging its established underwriting and distribution strengths.
- MEL remains a key earnings contributor, supported by granular exposures, long-standing borrower relationships and strong risk-adjusted yields. 2W finance is emerging as an important growth driver (~35% YoY growth), benefiting from strong rural and semi-urban demand, attractive yields (~19-23%) and a fully secured lending structure. Used CV financing is expanding the company's presence in higher-ticket secured lending (~11% YoY growth), though growth remains calibrated amid macro uncertainties. Salaried personal loans (~22% YoY growth) provide incremental diversification through a digitally sourced borrower base and conservative underwriting.
- Overall, retail lending is expected to contribute meaningfully to medium-term growth, complementing the company's MSME-led franchise.

### **Margin resilience supported by diversified product mix and lower funding costs**

- MAS continues to deliver healthy margin resilience, supported by disciplined pricing, an improving portfolio mix, and lower funding costs.
- An increasing share of high-yielding businesses, coupled with growing fee income and a diversified liability profile, is expected to support further margin expansion while maintaining a focus on risk-adjusted profitability over volume-led growth. We expect MAS to deliver margins of ~7.9%/7.8% in FY27E/FY28E.

### Scaling reach through a diversified distribution ecosystem

- MAS has built a diversified distribution architecture combining branches, DSAs, referral partners and digital channels, enabling deep penetration in underserved markets while maintaining strong customer proximity.
- Branch expansion remains disciplined and productivity-led, with a focus on strengthening existing areas and selectively entering attractive markets.
- A key differentiator is the retail asset channel, which leverages partnerships with ~224 NBFCs to expand its reach in a capital-efficient manner without significant infrastructure investments. The platform's scale and low losses across cycles reinforce its role as an important growth engine, supported by stringent partner selection and disciplined risk controls.
- While the partnership model remains central to growth, MAS is gradually increasing direct originations (with an aim to reach ~75% of AUM under direct retail) to deepen customer relationships, strengthen underwriting control and improve long-term franchise economics.

### Conservative risk management safeguarding portfolio quality

- MAS continues to demonstrate strong asset quality resilience despite operating in relatively higher-risk MSME and retail lending segments, reflecting the strength of its underwriting framework and portfolio discipline.
- The company remains focused on protecting portfolio quality over maximizing near-term growth, proactively tightening risk filters and recalibrating underwriting standards in select segments amid macroeconomic and geopolitical uncertainties.
- MAS maintains conservative provisioning buffers and management overlays (INR176m for MAS and INR36.9m for MRHMFL), providing an additional cushion against potential stress.
- Accelerated write-offs in select delinquent accounts, despite expected recoveries, highlight a preference for balance-sheet prudence over short-term profitability. We expect MAS to maintain credit costs in the range of 1.4-1.5% over FY27-28E.

### Subsidiaries

#### MAS Rural Housing and Mortgage Finance Company (MRHMFL)

- MRHMFL is scaling up rapidly in underserved rural and semi-urban housing markets, supported by a diversified product portfolio and multi-channel sourcing model.
- Management expects ~30-35% annual growth, significantly outpacing the parent business. Over the long term, the subsidiary could exceed ~INR100b in AUM, contribute ~15% of consolidated assets and create potential IPO optionality as scale and profitability improve.

### Valuation and view

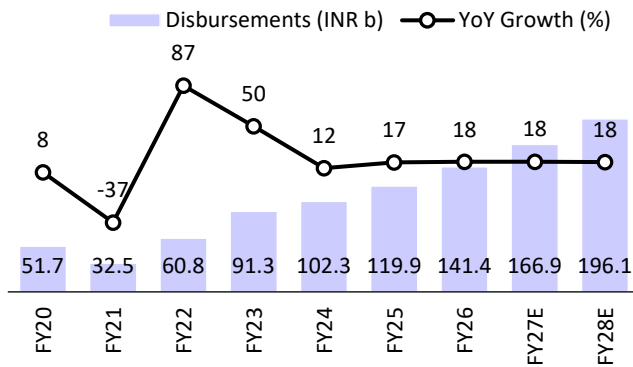
- MAS remains well positioned to deliver sustainable long-term growth, supported by its leadership in MSME lending, an expanding retail and housing finance franchise, and a differentiated distribution model. Management’s disciplined execution, conservative risk framework and consistent focus on asset quality provide strong earnings visibility, while its aspiration to build an INR1t AUM franchise by 2036 underscores confidence in the long-term opportunity. Backed by stable leadership, robust governance and a well-defined strategy, MAS is well placed to compound its loan book and profitability over the medium to long term.
- We estimate MAS to deliver an AUM/PAT CAGR of 19%/20% over FY26-28E, with RoA/RoE of ~3.1%/15% in FY28E. Reiterate BUY with a TP of INR385 (based on 1.8x FY28E BV).

**Exhibit 1: Valuation metrics**

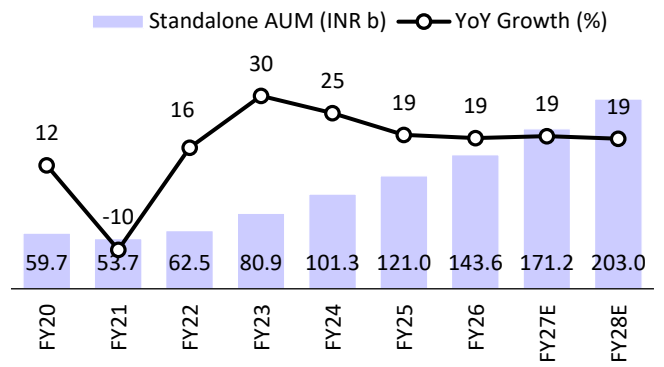
Val summary	Rating	CMP (INR)	Mkt. Cap (INRb)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
<b>MAS Financial</b>	<b>Buy</b>	<b>322</b>	<b>57</b>	<b>24.7</b>	<b>28.9</b>	<b>182</b>	<b>209</b>	<b>3.1</b>	<b>3.1</b>	<b>14.4</b>	<b>14.8</b>	<b>13.0</b>	<b>11.3</b>	<b>1.8</b>	<b>1.5</b>
BAF	Neutral	1,020	6,238	40.7	51.3	223	266	4.0	4.2	19.8	21.0	25.0	19.9	4.6	3.8
Poonawalla	Buy	477	375	17.8	29.3	164	191	2.1	2.4	12.6	16.5	26.8	16.3	2.9	2.5
ABCL	Buy	408	1,040	17.9	23.3	155	175	-	-	12.6	14.1	22.8	17.5	2.6	2.3
LTFH	Buy	321	804	15.7	19.9	125	141	2.5	2.6	13.3	15.0	20.4	16.1	2.6	2.3
Piramal Finance	Buy	2,166	477	106.6	163.0	1,342	1,480	2.0	2.6	8.2	11.5	20.3	13.3	1.6	1.5
IIFL Finance	Buy	553	231	59.8	80.0	383	457	2.7	2.9	16.8	19.0	9.2	6.9	1.4	1.2
HDB Financial	Neutral	755	610	38.1	46.3	287	333	2.4	2.6	14.2	14.9	19.8	16.3	2.6	2.3
Jio Financial	Buy	242	1,483	3.3	5.1	233	257	2.0	2.4	5.7	8.9	72.6	47.7	1.0	0.9
Northern Arc	Buy	327	50	33.5	43.7	275	319	2.9	3.2	13.0	14.7	9.8	7.5	1.2	1.0
Tata Capital	Neutral	360	1,505	16.4	21.2	125	146	2.1	2.3	14.0	15.7	22.0	17.0	2.9	2.5

## Story in charts

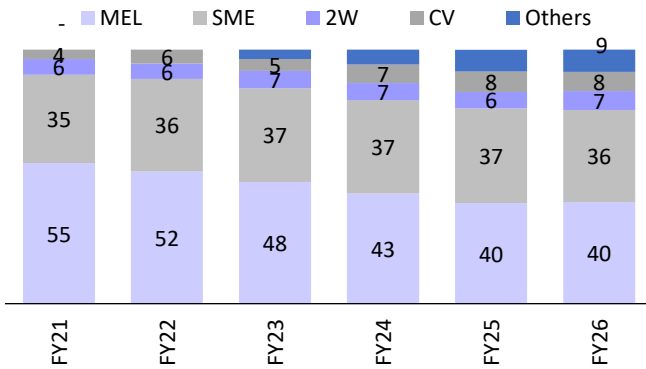
**Exhibit 2: Estimate disbursement CAGR (exc. Housing) of ~18% over FY26-28E**



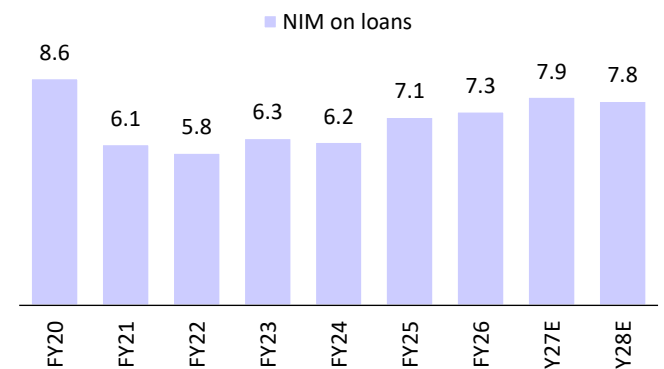
**Exhibit 3: Estimate standalone AUM CAGR of 19% over FY26-28E**



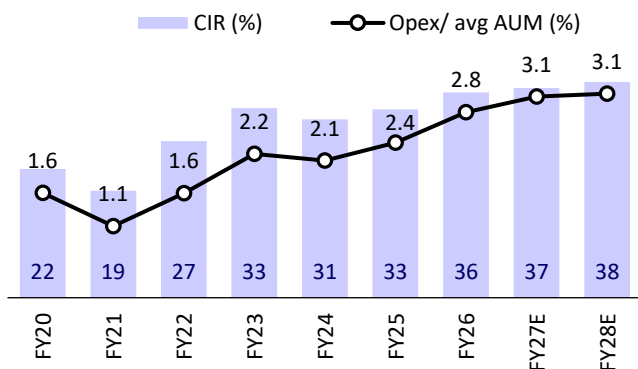
**Exhibit 4: Well-diversified product mix (%)**



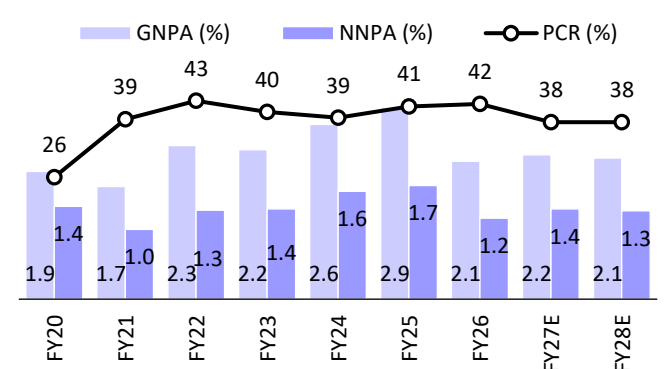
**Exhibit 5: NIMs expected to improve to ~7.8% by FY28E**



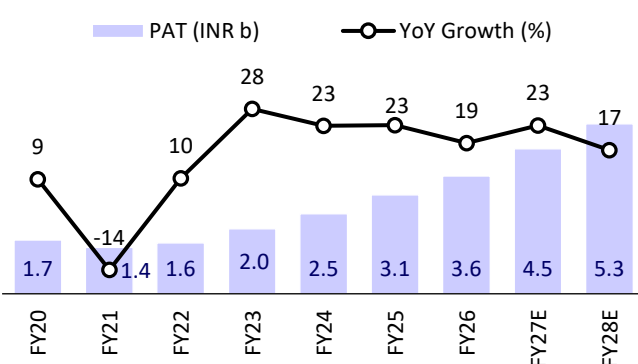
**Exhibit 6: Opex to inch up slightly driven by direct retail**



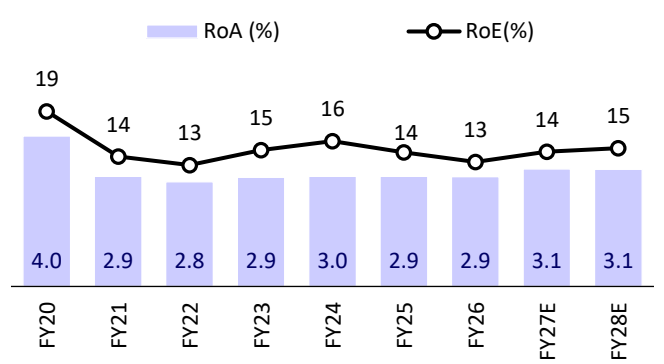
**Exhibit 7: Asset quality to remain largely stable**



**Exhibit 8: PAT CAGR of ~20% over FY26-FY28E**



**Exhibit 9: RoA/RoE of 3.1%/15% in FY28E**



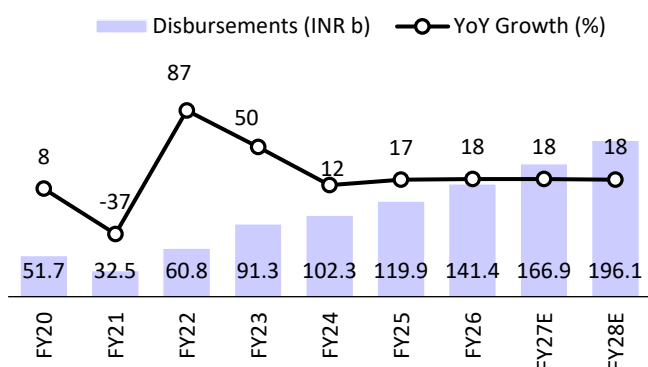
Source: MOFSL, Company

Source: MOFSL, Company

### MSME franchise remains the core growth driver

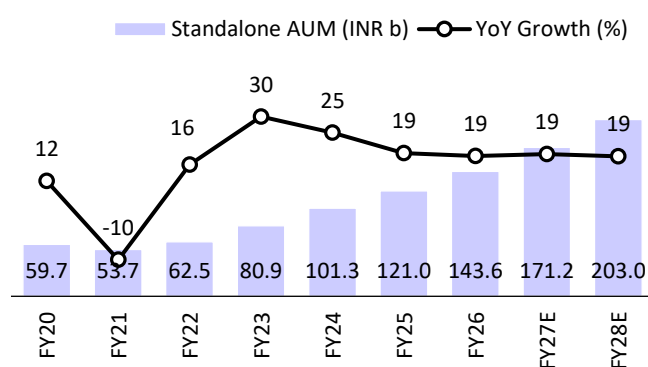
- MSME lending continues to anchor MAS’s franchise, contributing over 70% of the portfolio (MEL ~37% of AUM and SME ~34%) and positioning the company well to capitalize on India’s sizeable MSME credit gap.
- The company’s long-standing presence in the informal and semi-formal borrower segments provides a structural underwriting advantage, enabling it to serve customers that remain underserved by traditional banking channels.
- Growth visibility is supported by structural formalization trends, including GST adoption, Udyam registration and increasing digitization, which are expanding credit access and improving borrower visibility.
- The company remains focused on deepening penetration within existing markets, selectively expanding into adjacent geographies and gradually increasing customer ticket sizes as borrower relationships mature.
- The MSME platform has evolved into a multi-product ecosystem spanning mortgage-backed SME loans, business loans, supply-chain finance and embedded finance solutions, enabling deeper customer engagement and cross-selling opportunities across the borrower lifecycle. Embedded finance partnerships with fintech and payment platforms are further enhancing scalability through data-driven underwriting and faster customer acquisition.
- MSME lending is expected to remain the primary driver of the company’s targeted 20-25% medium-term growth trajectory. We expect MAS to deliver an AUM CAGR of ~19% by FY26-28E.

**Exhibit 10: Estimate disbursement CAGR (exc. Housing) of ~18% over FY26-28E**



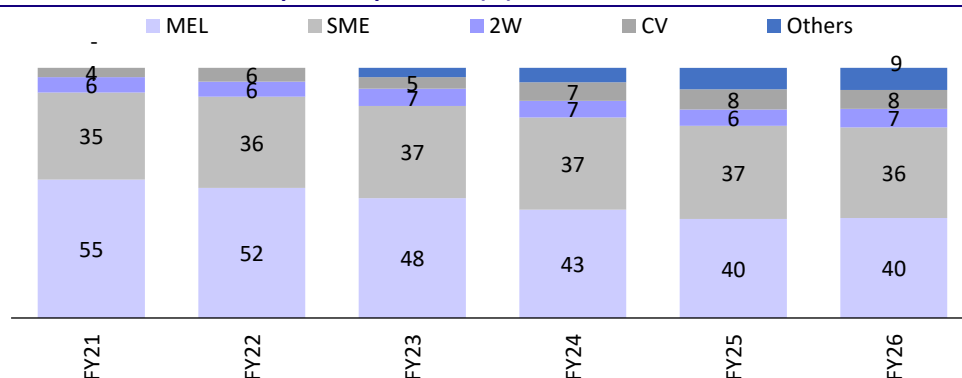
Source: MOFSL, Company

**Exhibit 11: Estimate standalone AUM CAGR of 19% over FY26-28E**



Source: MOFSL, Company

**Exhibit 12: Well-diversified product portfolio (%)**



Source: MOFSL, Company

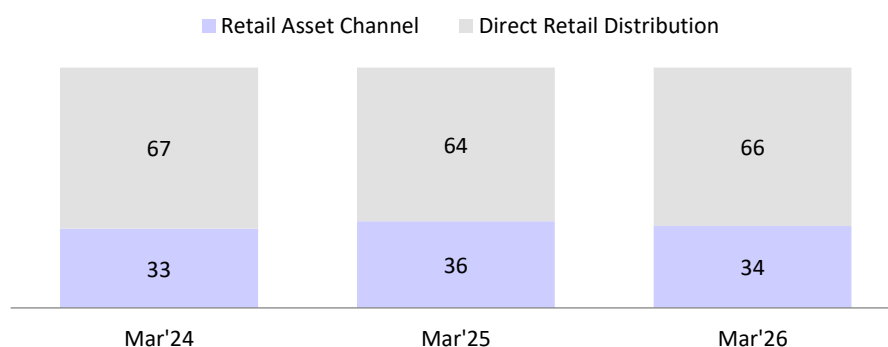
### Retail franchise emerging as a meaningful growth adjacent

- Alongside its core MSME business, MAS is steadily scaling up its retail franchise to diversify the portfolio and increase the share of secured assets.
- The retail strategy is focused on segments where the company holds established underwriting capabilities, distribution strength and attractive risk-adjusted return potential.
- MEL remain a key earnings driver, benefiting from granular exposures, long-tenured borrower relationships and strong risk-adjusted yields.
- 2W finance has emerged as one of the fastest-growing segments (~35% YoY), supported by strong rural and semi-urban demand, attractive yields (~19-23%) and the fully secured nature of the product.
- Used CV financing (~11% YoY growth) is strengthening the company’s presence in higher-ticket secured lending and remains well positioned to benefit from long-term logistics and infrastructure-led demand, although growth is currently being calibrated amid macroeconomic uncertainties.
- Salaried personal loans (~22% YoY) provide an additional diversification lever through a digitally sourced borrower base with stable income profiles and conservative underwriting standards.
- Over the medium term, retail lending is expected to become an increasingly meaningful contributor to growth, while MSME remains the dominant driver of the franchise.

### Distribution network and retail asset channel provide a scalable growth platform

- MAS has built a differentiated distribution architecture that combines a growing branch network with a wide ecosystem of DSAs, referral partners and digital channels, enabling deep penetration across underserved markets while maintaining proximity to customers.
- Management views distribution as a critical competitive advantage, as it supports customer acquisition and strengthens underwriting, collections and portfolio monitoring capabilities at the local level.
- Branch expansion remains disciplined and productivity-led, with the company prioritizing market potential, operating efficiency and profitability over aggressive footprint growth. Planned branch additions are aimed at strengthening its presence in existing catchments and selectively entering attractive new markets. We expect MAS to maintain the CI ratio in the range of ~37-38% in FY27E/FY28E.

**Exhibit 13: Proportion of AUM to direct retail distribution continues to improve**



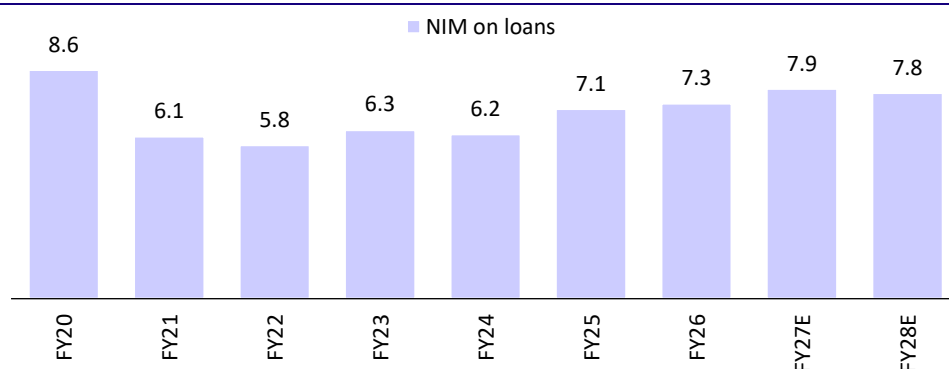
Source: MOFSL, Company

- A key differentiator for MAS is the retail asset channel, through which MAS partners with over 200 NBFCs to leverage their local sourcing capabilities, customer relationships and collection infrastructure. This significantly expands the company’s addressable market without requiring a proportionate increase in physical infrastructure.
- The partnership-led model has demonstrated strong scalability and resilience, delivering cumulative disbursements of over ~INR300b while maintaining exceptionally low loss levels across multiple economic cycles. This track record reinforces management’s confidence in using the platform as a capital-efficient growth lever.
- Importantly, the model allows MAS to balance growth with risk control through stringent partner selection, ongoing monitoring and disciplined underwriting standards, ensuring that expansion does not come at the expense of asset quality.
- While the retail asset channel will remain an important growth engine, management is gradually increasing the share of directly originated business (to ~75% in the next 2 to 3 years) to deepen customer relationships, enhance underwriting control and improve long-term franchise economics.

**Margin profile continues to strengthen**

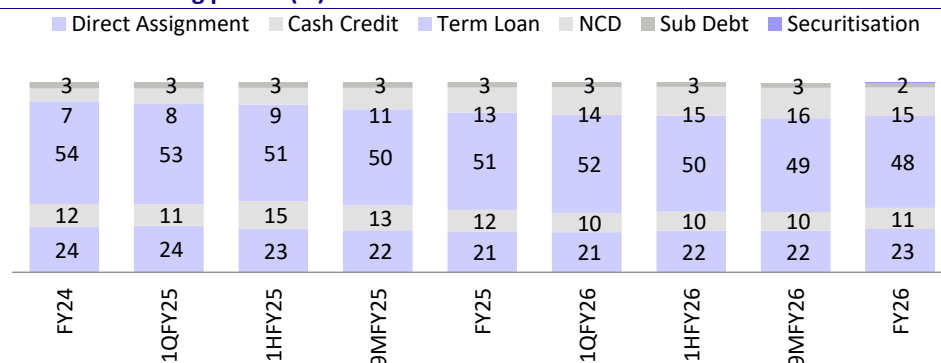
- MAS continues to demonstrate healthy margin resilience, supported by disciplined pricing, a favorable portfolio mix and improving funding costs.
- A rising contribution from higher-yielding businesses, particularly two-wheeler finance and select MSME segments, is supporting overall portfolio yields and helping offset competitive pressures in certain lending categories.
- The company is also benefiting from a gradual reduction in borrowing costs (expected to be ~9.20-9.25% over the next 2 to 3 quarters), aided by a diversified liability profile and an improving funding mix, creating an additional tailwind for margin expansion.
- Beyond lending spreads, increasing contribution from fee and commission income is supporting profitability and reducing dependence on pure interest income growth.
- Management remains focused on maintaining pricing discipline across products, with profitability and risk-adjusted returns taking precedence over volume-led growth. We expect MAS to deliver margins of ~7.9%/7.8% in FY27E/FY28E.

**Exhibit 14: NIMs expected to be ~7.8% by FY28E (%)**



Source: MOFSL, Company

**Exhibit 15: Borrowing profile (%)**

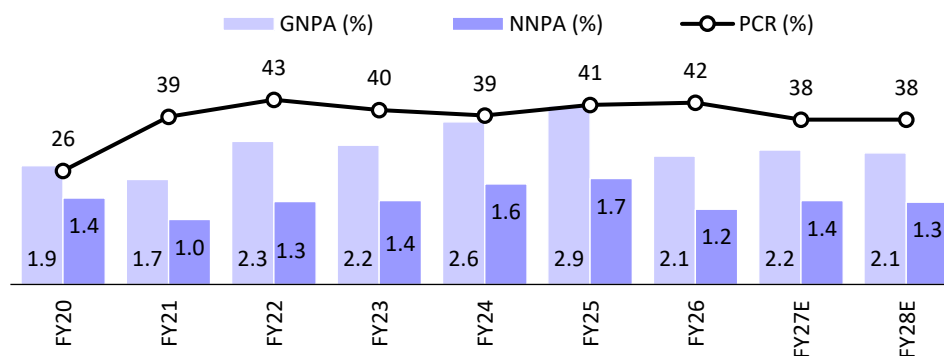


Source: MOFSL, Company

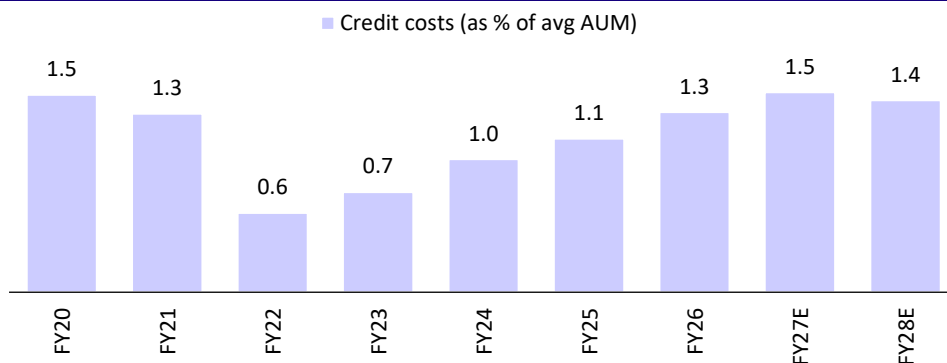
**Asset quality strengthens confidence in sustainable growth**

- MAS continues to demonstrate strong asset quality resilience despite operating in inherently higher-risk MSME and retail lending segments, reflecting the strength of its underwriting framework and portfolio discipline.
- The company remains firmly focused on protecting portfolio quality over maximizing near-term growth, with a willingness to recalibrate underwriting standards and moderate growth in vulnerable segments when risks emerge.
- Recent macro and geopolitical uncertainties prompted tighter risk filters across select sectors, underscoring the company's proactive approach to preserving asset quality rather than reacting to stress after it materializes.
- MAS maintains conservative provisioning buffers and management overlays, providing additional protection against potential volatility.
- Accelerated write-offs in select delinquent accounts, despite expected recoveries, further highlight management's preference for maintaining a clean and resilient balance sheet over reporting higher short-term profitability.
- As a result, asset quality remains stable and credit costs are expected to stay within the company's through-cycle guidance range, supporting earnings visibility as the loan book scales.
- The consistency of MAS's asset quality performance across cycles reinforces one of the company's key investment strengths: the ability to deliver growth while preserving balance-sheet quality and return ratios. We expect MAS to maintain credit costs in the range of 1.4-1.5% over FY27-28E.

**Exhibit 16: Asset quality to remain largely stable**



**Exhibit 17: Credit costs expected to be ~1.4% by FY28E**



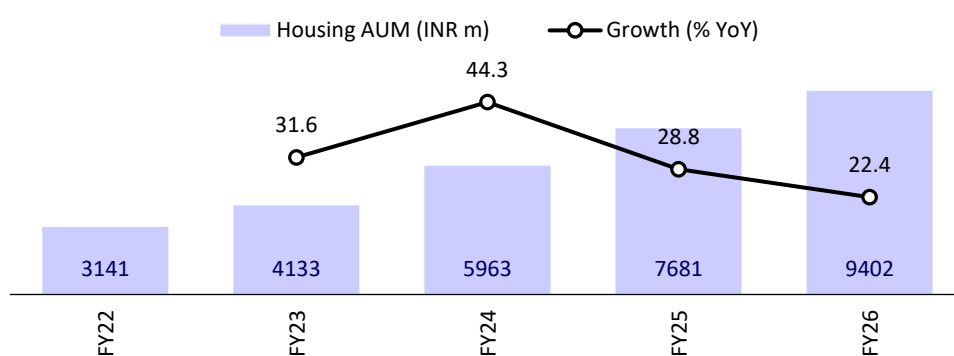
Source: MOFSL, Company

### Subsidiaries

#### MAS Rural Housing & Mortgage Finance Limited (MRHMFL)

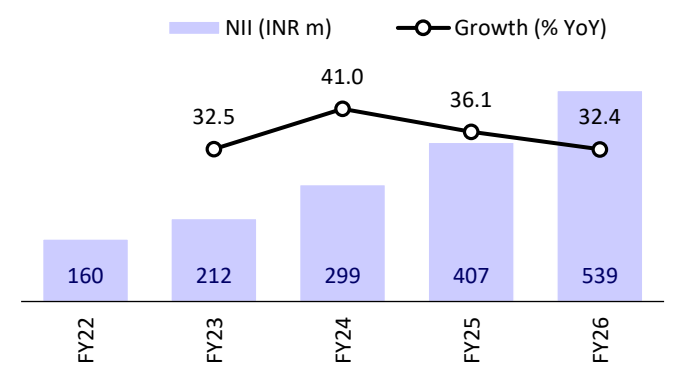
- MAS’s housing finance subsidiary, MRHMFL, is emerging as a structurally high-growth business focused on underserved rural and semi-urban housing markets.
- The platform offers a diversified product suite, including home purchase, construction, improvement and small-ticket commercial property loans.
- Strong multi-channel sourcing across branches, DSAs, builders and digital partnerships is enabling scalable expansion.
- Management expects the housing business to grow at ~30-35% annually, significantly outpacing the parent due to its lower base and strong underlying demand. Over the medium term, the business could scale up to >INR100b in AUM, contributing ~15% of consolidated assets with RoA of ~2.0-2.5% and RoE of ~15%, with potential IPO optionality as scale builds.

**Exhibit 18: AUM growth set to improve going forward**



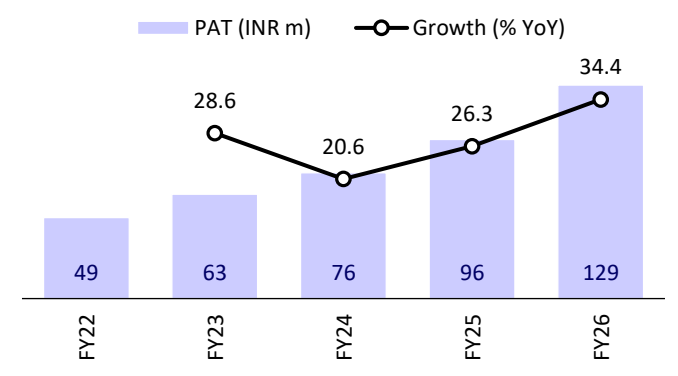
Source: MOFSL, Company

**Exhibit 19: Housing NII growth remains strong...**



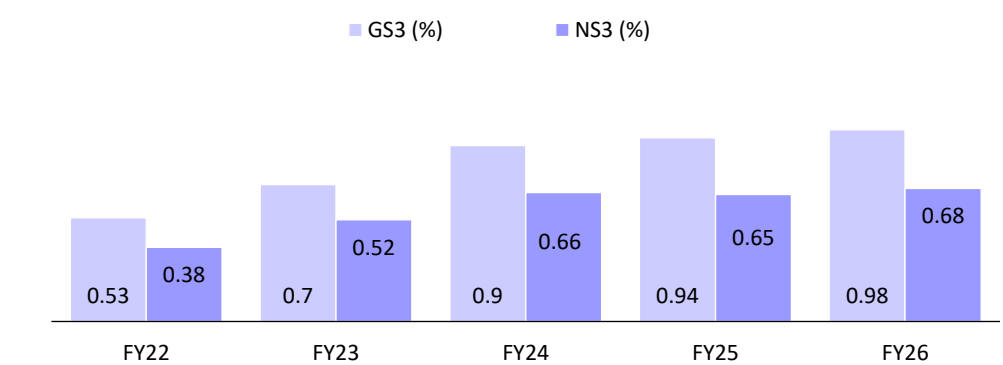
Source: MOFSL, Company

**Exhibit 20: ...aiding robust profitability**



Source: MOFSL, Company

**Exhibit 21: Asset quality remains stable**

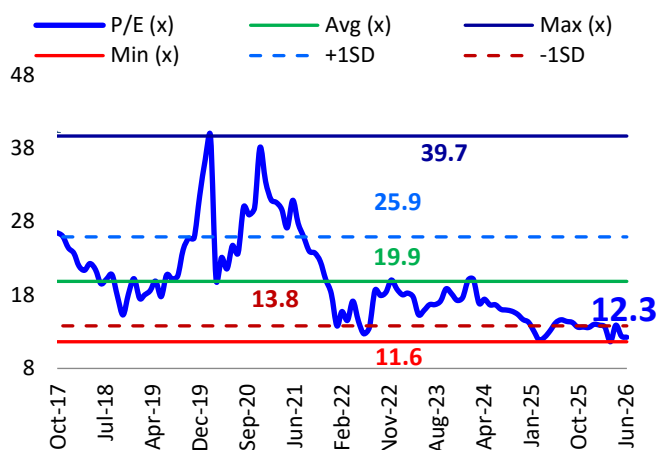


Source: MOFSL, Company

**Valuation and view**

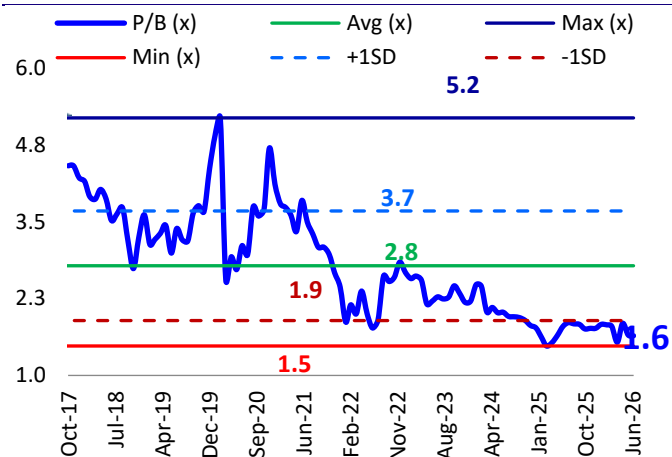
- MAS remains well positioned to deliver sustainable long-term growth, supported by its leadership in MSME lending, an expanding retail and housing finance franchise, and a differentiated distribution model. Management’s disciplined execution, conservative risk framework and consistent focus on asset quality provide strong earnings visibility, while its aspiration to build an INR1t AUM franchise by 2036 underscores confidence in the long-term opportunity. Backed by stable leadership, robust governance and a well-defined strategy, MAS is well placed to compound its loan book, profitability and shareholder value over the medium to long term.
- We estimate MAS to deliver an AUM/PAT CAGR of 19%/20% over FY26-28E, with RoA/RoE of ~3.1%/15% in FY28E. Reiterate BUY with a TP of INR385 (based on 1.8x FY28E BV).

**Exhibit 22: One-year forward P/E**



Source: MOFSL, Company

**Exhibit 23: One-year forward P/B**



Source: MOFSL, Company

## Financials and Valuation

INCOME STATEMENT								INR m
Y/E MARCH	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	4,831	5,611	8,066	10,223	12,896	15,581	18,838	22,398
Interest Expense	2,645	3,195	4,748	6,142	7,224	8,587	9,834	11,890
<b>Net Financing income</b>	<b>2,186</b>	<b>2,416</b>	<b>3,318</b>	<b>4,081</b>	<b>5,673</b>	<b>6,995</b>	<b>9,004</b>	<b>10,508</b>
Change (%)	-22.7	10.5	37.3	23.0	39.0	23.3	28.7	16.7
Gains on Assignment	806	639	680	1,170	1,431	2,270	2,724	3,269
<b>NII incl assignment income</b>	<b>2,992</b>	<b>3,054</b>	<b>3,998</b>	<b>5,251</b>	<b>7,104</b>	<b>9,264</b>	<b>11,728</b>	<b>13,777</b>
Change (%)	-22.1	2.1	30.9	31.3	35.3	30.4	26.6	17.5
Fees and Others	302	321	745	853	877	1,152	1,437	1,657
<b>Total Income</b>	<b>3,294</b>	<b>3,375</b>	<b>4,743</b>	<b>6,104</b>	<b>7,981</b>	<b>10,417</b>	<b>13,165</b>	<b>15,433</b>
Change (%)	-17.8	2.5	40.5	28.7	30.7	30.5	26.4	17.2
<b>Operating Expenses</b>	<b>616</b>	<b>921</b>	<b>1,566</b>	<b>1,894</b>	<b>2,615</b>	<b>3,723</b>	<b>4,806</b>	<b>5,795</b>
Change (%)	-31.4	49.5	69.9	21.0	38.0	42.3	29.1	20.6
<b>Operating Profits</b>	<b>2,678</b>	<b>2,454</b>	<b>3,177</b>	<b>4,210</b>	<b>5,366</b>	<b>6,694</b>	<b>8,359</b>	<b>9,638</b>
Change (%)	-13.8	-8.4	29.5	32.5	27.5	24.8	24.9	15.3
<b>Total Provisions</b>	<b>749</b>	<b>341</b>	<b>530</b>	<b>896</b>	<b>1,261</b>	<b>1,763</b>	<b>2,361</b>	<b>2,619</b>
% to operating income	28.0	13.9	16.7	21.3	23.5	26.3	28.3	27.2
<b>PBT</b>	<b>1,929</b>	<b>2,113</b>	<b>2,647</b>	<b>3,314</b>	<b>4,104</b>	<b>4,888</b>	<b>5,997</b>	<b>7,019</b>
Tax	494	538	637	837	1,045	1,252	1,511	1,769
Tax Rate (%)	25.6	25.5	24.1	25.2	25.5	25.6	25.2	25.2
<b>PAT</b>	<b>1,435</b>	<b>1,575</b>	<b>2,010</b>	<b>2,478</b>	<b>3,059</b>	<b>3,637</b>	<b>4,486</b>	<b>5,250</b>
Change (%)	-13.8	9.7	27.6	23.3	23.5	18.9	23.4	17.0
Proposed Dividend	82	164	197	248	308	363	447	522

BALANCE SHEET								INR m
Y/E MARCH	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	547	547	547	1,640	1,815	1,815	1,815	1,815
Reserves & Surplus (Ex OCI)	10,724	12,404	14,056	15,595	23,588	27,257	31,296	36,024
<b>Networth (Ex OCI)</b>	<b>11,271</b>	<b>12,951</b>	<b>14,602</b>	<b>17,234</b>	<b>25,403</b>	<b>29,071</b>	<b>33,110</b>	<b>37,838</b>
OCI	455	455	455	455	455	455	455	455
<b>Networth (Incl OCI)</b>	<b>11,726</b>	<b>13,406</b>	<b>15,057</b>	<b>17,690</b>	<b>25,858</b>	<b>29,526</b>	<b>33,565</b>	<b>38,293</b>
Change (%)	19.5	14.3	12.3	17.5	46.2	14.2	13.7	14.1
Minority Interest	1	0	0	0	0	0	0	0
Other Capital Instruments	0	0	0	0	0	0	0	0
<b>Borrowings</b>	<b>39,264</b>	<b>46,896</b>	<b>61,432</b>	<b>73,026</b>	<b>87,018</b>	<b>97,624</b>	<b>1,16,163</b>	<b>1,38,171</b>
Change (%)	12.6	19.4	31.0	18.9	19.2	12.2	19.0	18.9
<b>Other liabilities</b>	<b>786</b>	<b>341</b>	<b>291</b>	<b>377</b>	<b>3,769</b>	<b>3,863</b>	<b>4,250</b>	<b>4,675</b>
Change (%)	-24.3	-56.7	-14.6	29.6	899.7	2.5	10.0	10.0
<b>Total Liabilities</b>	<b>51,775</b>	<b>60,642</b>	<b>76,780</b>	<b>91,092</b>	<b>1,16,645</b>	<b>1,31,014</b>	<b>1,53,979</b>	<b>1,81,139</b>
<b>Loans</b>	<b>38,051</b>	<b>45,538</b>	<b>59,102</b>	<b>72,648</b>	<b>86,139</b>	<b>1,04,333</b>	<b>1,23,598</b>	<b>1,47,566</b>
Change (%)	13.6	19.7	29.8	22.9	18.6	21.1	18.5	19.4
<b>Investments</b>	<b>2,350</b>	<b>5,381</b>	<b>8,261</b>	<b>7,877</b>	<b>15,938</b>	<b>10,583</b>	<b>10,583</b>	<b>10,583</b>
Net Fixed Assets	609	647	730	897	1,160	1,978	2,472	2,966
Other assets	10,765	9,077	8,687	9,670	13,409	14,121	17,326	20,023
<b>Total Assets</b>	<b>51,776</b>	<b>60,642</b>	<b>76,780</b>	<b>91,092</b>	<b>1,16,645</b>	<b>1,31,014</b>	<b>1,53,979</b>	<b>1,81,139</b>

E: MOFSL Estimates

Assumptions	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM (INR M)	<b>53,724</b>	<b>62,468</b>	<b>80,926</b>	<b>1,01,257</b>	<b>1,20,998</b>	<b>1,43,637</b>	<b>1,71,217</b>	<b>2,02,966</b>
Change (%)	-10.0	16.3	29.5	25.1	19.5	18.7	19.2	18.5
On Balance Sheet	70.8	72.9	73.0	71.7	71.2	72.6	73.5	74.0
Off Balance Sheet	29.2	27.1	27.0	28.3	28.8	27.4	27.8	27.3

E: MOSL Estimates

## Financials and Valuation

<b>RATIOS</b>	<b>(%)</b>							
<b>Y/E MARCH</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Spreads Analysis (%)</b>								
Yield on loans	13.5	13.4	15.4	15.5	16.2	16.4	16.5	16.5
Cost of Funds	7.1	7.4	8.8	9.1	9.0	9.3	9.2	9.4
Spreads (On books)	6.4	6.0	6.6	6.4	7.2	7.1	7.3	7.2
NIMs (On Books)	6.1	5.8	6.3	6.2	7.1	7.3	7.9	7.8
<b>Profitability Ratios (%)</b>								
RoE	13.9	13.0	14.6	15.6	14.4	13.4	14.4	14.8
RoA	2.9	2.8	2.9	3.0	2.9	2.9	3.1	3.1
RoA (on AUM)	2.5	2.7	2.8	2.7	2.8	2.7	2.8	2.8
Op. Exps./Net Income	18.7	27.3	33.0	31.0	32.8	35.7	36.5	37.5
Empl. Cost/Op. Exps.	48.2	45.8	39.9	46.0	43.9	39.3	38.7	39.1
<b>Asset-Liability Profile (%)</b>								
Net NPAs to Adv.	1.0	1.3	1.4	1.6	1.7	1.2	1.4	1.3
Debt/Equity (x) - On BS	3.5	3.6	4.2	4.2	3.4	3.4	3.5	3.7
Average leverage	3.6	3.6	3.9	4.2	3.8	3.4	3.4	3.6
CAR	26.9	26.4	25.3	24.1	24.7	22.8	27.2	26.2
<b>Valuations</b>								
Book Value (INR)	69	79	89	105	140	160	182	209
Price-BV (x)	4.7	4.1	3.6	3.1	2.3	2.0	1.8	1.5
Adjusted BV (INR)	67	76	86	100	134	154	174	198.2
Price-ABV (x)	4.8	4.2	3.8	3.2	2.4	2.1	1.9	1.6
EPS (INR)	8.8	9.6	12.3	15.1	16.9	20.0	24.7	28.9
EPS Growth (%)	-14	10	28	23	12	19	23	17
Price-Earnings (x)	37	34	26	21	19	16	13	11
Dividend per share	1.5	3.0	3.0	1.5	1.7	2.0	2.5	2.9
Dividend yield (%)	0.2	0.3	0.3	0.5	0.5	0.6	0.8	0.9

E: MOFSL Estimates

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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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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

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**Grievance Redressal Cell:**

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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