

Estimate change	
TP change	
Rating change	

Bloomberg	AAVAS IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	109.2 / 1.2
52-Week Range (INR)	2238 / 1351
1, 6, 12 Rel. Per (%)	-2/-23/-28
12M Avg Val (INR M)	463

Financials & Valuations (INR b)			
INR b	FY26E	FY27E	FY28E
NII	11.8	13.6	16.0
PPP	8.8	10.2	12.2
PAT	6.6	7.7	9.2
EPS (INR)	83	97	116
EPS Gr. (%)	14	17	19
BV/Sh. (INR)	634	731	847
Ratios (%)			
NIM	5.4	5.3	5.4
C/I ratio	44.4	44.0	43.0
Credit cost	0.21	0.19	0.19
RoA	3.3	3.3	3.4
RoE	14.0	14.3	14.7
Valuation			
P/E (x)	16.6	14.1	11.9
P/BV (x)	2.2	1.9	1.6

Shareholding Pattern (%)			
As On	Dec-25	Sep-25	Dec-24
Promoter	49.0	49.0	26.5
DII	14.3	14.1	25.7
FII	24.7	25.9	34.0
Others	12.0	11.0	13.9

FII includes depository receipts

**CMP: INR1,380** **TP: INR1,500 (+9%)** **Neutral**

**Growth recovery still a WIP; re-rating now hinges on execution**

**Weak disbursements but 1+ dpd improved 20bp QoQ and BT-OUT declined YoY**

- AAVAS Financiers' (AAVAS) 3QFY26 PAT grew 16% YoY to ~INR1.7b (in line). NII in 3QFY26 grew 18% YoY to ~INR3b (in line). Other income grew 17% YoY, aided by higher assignment income of ~INR670m (PY: INR530m).
- Opex rose ~19% YoY to INR1.7b (in line). This included one-time provisions of INR250m made on account of the new labor codes. Opex/assets (calc.) stood at ~3.5% (PY: 3.3% and PQ: 3.6%).
- PPoP grew 17% YoY to INR2.3b (in line). Credit costs stood at INR78m (vs MOFSLe of ~INR97m) and translated into an annualized credit cost of ~14bp (PY: ~13bp and PQ: ~15bp).
- AAVAS changed its business processes and disbursement recognition methodology during 1HFY26, which temporarily impacted AUM growth. However, the company shared that the business momentum has rebounded post-Diwali and is expected to continue into 4QFY26. The company targets a disbursement growth of ~25% in FY27, driven by: a) distribution expansion through new branches and deeper market penetration, b) higher volumes from digital channels like e-Mitra and CSC, and c) inflation-led ticket size growth.
- AAVAS plans to cut its PLR by ~15bp from Mar'26, which is expected to reduce overall portfolio yields by ~9–10bp. It does not view competition from large HFCs (in the affordable housing segment) as a significant risk. This is because it focuses on the underserved self-employed segment with an ATS of ~INR1.25m, compared to many of its large HFC peers targeting salaried customers with relatively higher ticket size loans.
- The affordable housing sector was already experiencing heightened competition from PSU banks, and now with large HFCs also entering this segment, the competitive intensity might remain elevated for slightly longer. Given AAVAS' relative underperformance on disbursements for the last few quarters, we believe that investors will now demand better execution on business volumes from the company management for any re-rating in valuation multiples.
- We cut our FY27/FY28 EPS estimates by ~2% each to factor in slightly lower AUM growth. We estimate AUM/PAT CAGR of ~17%/18% over FY26-28E, with an RoA/ RoE of 3.4%/15% by FY28E. AAVAS trades at 1.9x FY27E P/BV, and for any re-rating in its current valuation multiples, we believe that the company will need to deliver on its guided AUM growth. **Reiterate Neutral with a TP of INR1,500 (based on 1.8x Dec'27E BVPS).**

**AUM grows ~15% YoY; eyes expansion in UP and southern states**

- AUM grew 15% YoY and ~4% QoQ to ~INR222b. Securitization during the quarter amounted to ~INR4.4b (PY: ~INR4b) and securitization margins contracted ~120bp QoQ to 15.2%.

- Annualized run-off in the loan book stood at ~16.4% (PQ: ~18.2% and PY: 16.4%). Disbursements rose ~8% YoY/10% QoQ to ~INR17.2b. Share of HL in 9MFY26 disbursements was stable QoQ at ~58%.
- AAVAS' home state Rajasthan continues to exhibit healthy AUM growth. Uttar Pradesh will be a key focus for the company as it will look to penetrate deeper in this State. Gujarat remains an important growth market. The company sees opportunities in Southern India with distribution expansion planned in TN and a potential foray into AP/Telangana in the coming years.
- We expect the company to achieve an AUM CAGR of ~17% over FY26-28.

#### NIM stable at ~8%

- Reported NIM in 3QFY26 was broadly stable QoQ at ~8%. 3QFY26 core NIM (calc.) was also stable QoQ at ~7.05%. Reported spreads rose ~10bp QoQ to 5.35% (vs ~5.25% in 2QFY26).
- RoA/RoE in 3QFY26 stood at 3.4%/14.3%, respectively.
- We expect AAVAS to broadly maintain its spreads and margins over FY27–28, and model NIM of ~5.4% during the same period.

#### Minor improvement in asset quality; credit costs stable

- Asset quality exhibited a minor improvement, with GS3/NS3 declining ~5bp each QoQ at 1.2%/0.8%. 1+dpd improved ~20bp QoQ to 3.8% (PQ: 4%).
- The company has historically maintained strong asset quality, and we expect this trend to continue. We model credit costs of ~20bp for AAVAS in FY27/FY28E.

#### Highlights from the management commentary

- The company has introduced Project Rise, which will help strengthen employee engagement and structured recognition. Branch excellence programs support last-mile frontline salespeople through digital tools like pin code identification and market mapping.
- Incremental branch expansion over the past 24 months and new branches planned next year are expected to provide ~INR3-3.5b of additional disbursements. Digital channels such as CSC and e-Mitra are expected to generate an additional ~INR5b-7b, and inflation-led growth is expected to contribute ~6% (~INR4b) to disbursement growth in FY27.

#### Valuation and view

- While 3QFY26 delivered stable profitability, margin resilience, and healthy asset quality, the change in business processes in 1H and subsequent moderation in disbursements have resulted in below-expected AUM growth outcomes, underscoring the need for stronger traction across distribution expansion and digital channels.
- AAVAS is a structurally sound franchise with earnings resilience and asset quality as core positives. However, near-term valuation upside remains capped until execution on growth initiatives demonstrates tangible results.
- We estimate AUM/PAT CAGR of ~17%/18% each over FY26-28, with an RoA/RoE of ~3.4%/15% by FY28. AAVAS trades at 1.9x FY27E P/BV and for a meaningful re-rating, we believe that management must translate its growth aspirations into consistent AUM and disbursement momentum, particularly in the context of heightened competition in the affordable housing segment. We reiterate our Neutral rating on AAVAS as the company navigates a period of subdued business momentum, with execution on growth initiatives now paramount for valuation re-rating.

**Quarterly performance**

Y/E March	FY25								FY26E		INR m	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY25	FY26E	3Q	v/s Est.
Interest Income	4,797	4,906	5,121	5,353	5,489	5,636	5,738	6,001	20,177	22,865	5,834	-2
Interest Expenses	2,352	2,489	2,587	2,647	2,713	2,755	2,745	2,858	10,075	11,071	2,811	-2
<b>Net Income</b>	<b>2,446</b>	<b>2,418</b>	<b>2,533</b>	<b>2,705</b>	<b>2,776</b>	<b>2,881</b>	<b>2,993</b>	<b>3,144</b>	<b>10,102</b>	<b>11,794</b>	<b>3,023</b>	<b>-1</b>
YoY Growth (%)	8	9	15	14	14	19	18	16	11	17	19	
Other income	628	898	859	1,022	790	1,038	1,008	1,133	3,407	3,969	1,044	-3
<b>Total Income</b>	<b>3,074</b>	<b>3,316</b>	<b>3,392</b>	<b>3,728</b>	<b>3,566</b>	<b>3,919</b>	<b>4,001</b>	<b>4,277</b>	<b>13,509</b>	<b>15,763</b>	<b>4,067</b>	<b>-2</b>
YoY Growth (%)	10	13	16	15	16	18	18	15	13	17	20	
Operating Expenses	1,379	1,368	1,447	1,719	1,662	1,727	1,730	1,881	5,912	7,000	1,790	-3
YoY Growth (%)	3	5	7	20	21	26	19	9	9	18	24	
<b>Operating Profits</b>	<b>1,695</b>	<b>1,948</b>	<b>1,945</b>	<b>2,009</b>	<b>1,904</b>	<b>2,192</b>	<b>2,272</b>	<b>2,395</b>	<b>7,597</b>	<b>8,763</b>	<b>2,277</b>	<b>0</b>
YoY Growth (%)	16	19	23	10	12	12	17	19	17.1	15.3	17.1	
Provisions	86	48	61	76	113	80	78	87	271	358	97	-19
<b>Profit before Tax</b>	<b>1,609</b>	<b>1,900</b>	<b>1,884</b>	<b>1,932</b>	<b>1,791</b>	<b>2,112</b>	<b>2,193</b>	<b>2,308</b>	<b>7,326</b>	<b>8,405</b>	<b>2,180</b>	<b>1</b>
Tax Provisions	348	421	420	395	399	473	493	468	1,585	1,832	488	1
<b>Profit after tax</b>	<b>1,261</b>	<b>1,479</b>	<b>1,464</b>	<b>1,537</b>	<b>1,392</b>	<b>1,639</b>	<b>1,700</b>	<b>1,840</b>	<b>5,741</b>	<b>6,572</b>	<b>1,691</b>	<b>1</b>
YoY Growth (%)	15	22	26	8	10	11	16	20	17.0	14.5	15.5	
<b>Key Parameters (%)</b>												
Yield on loans	13.08	13.04	13.2	13.13	13.13	13.08	13.0		13.5	13.4		
Cost of funds	8.08	8.15	8.2	8.24	8.02	7.85	7.7		7.7	7.5		
Spread	5.00	4.89	4.94	4.89	5.11	5.23	5.34		5.8	5.9		
NIM		7.78	7.75	8.11	7.48	8.04	8.01		5.4	5.4		
Credit cost	0.2	0.1	0.13	0.2	0.2	0.2	0.14		0.2	0.2		
Cost to Income Ratio (%)	44.8	41.2	42.7	46.1	46.6	44.1	43.2		43.8	44.4		
Tax Rate (%)	21.7	22.2	22.3	20.5	22.3	22.4	22.5		21.6	21.8		
<b>Balance Sheet Parameters</b>												
<b>AUM (INR B)</b>	<b>178.4</b>	<b>184.0</b>	<b>192.4</b>	<b>204.2</b>	<b>207.4</b>	<b>213.6</b>	<b>222.0</b>	<b>234.5</b>	<b>204.2</b>	<b>234.5</b>		
Change YoY (%)	21.8	20.1	19.6	17.9	16.2	16.1	15.4	14.9	18	15		
<b>AUM mix (%)</b>												
Home loans	69.0	69.0	69.0	68.0	67.0	67.0	66.0	0.0	68.0	65.7		
Mortgage loans	14.0	13.0	13.0	13.0	13.0	13.0	13.0	0.0	32.0	34.3		
<b>Loans (INR B)</b>	<b>144.4</b>	<b>147.1</b>	<b>153.2</b>	<b>162.3</b>	<b>162.3</b>	<b>166.6</b>	<b>173.0</b>	<b>184.1</b>	<b>162.3</b>	<b>184.1</b>		
% of AUM	81.0	80.0	79.6	79.5	78.2	78.0	77.9	78.5	15.9	13.4		
<b>Disbursements (INR B)</b>	<b>12.1</b>	<b>12.9</b>	<b>15.9</b>	<b>20.2</b>	<b>11.5</b>	<b>15.6</b>	<b>17.2</b>	<b>22.1</b>	<b>61.2</b>	<b>66.4</b>		
Change YoY (%)	13.4	2.8	17.0	6.9	-5.4	20.6	8.0	9.2	10	8		
<b>Borrowings (INR B)</b>	<b>126.0</b>	<b>124.8</b>	<b>133.8</b>	<b>139.2</b>	<b>143.9</b>	<b>144.1</b>	<b>150.0</b>	<b>157.2</b>	<b>139.2</b>	<b>157.2</b>		
Change YoY (%)		12.0	16.6	12.3	14.2	15.5	12.1	13.0	13	13		
Borrowings/Loans (%)	87.2	84.8	87.4	85.8	88.7	86.5	86.7	85.4	85.8	85.4		
Debt/Equity (x)	3.2	3.1	3.2	3.2	3.2	3.1	3.1	3.1	3.2	3.1		
<b>Asset Quality (%)</b>												
<b>GS 3 (INR M)</b>	<b>1,466.1</b>	<b>1,601.0</b>	<b>1,757.0</b>	<b>1,763.0</b>	<b>1,987.0</b>	<b>2,081.0</b>	<b>2,066.0</b>					
G3 %	1.01	1.08	1.1	1.08	1.22	1.24	1.2					
<b>NS 3 (INR M)</b>	<b>1,043.4</b>	<b>1,142.0</b>	<b>1,233.0</b>	<b>1,191.0</b>	<b>1,360.0</b>	<b>1,418.0</b>	<b>1,366.0</b>					
NS3 %	0.72	0.78	0.80	0.73	0.84	0.85	0.79					
<b>PCR (%)</b>	<b>28.8</b>	<b>28.7</b>	<b>29.8</b>	<b>32.4</b>	<b>31.6</b>	<b>31.9</b>	<b>33.9</b>					
ECL (%)	0.6	0.6	0.7	0.7	0.7	0.7	0.7					
<b>Return Ratios - YTD (%)</b>												
ROA (Rep)	3.0	3.3	3.3	3.3	2.9	3.4	3.4					
ROE (Rep)	13.1	14.0	14.1	14.1	12.6	14.3	14.3					

E: MOFSL Estimates



## Highlights from the management commentary

### Guidance

- AAVAS guided for ~25% disbursement growth and 17-18% loan growth in FY27.
- Management guided for credit costs of ~20bp to sustain.
- The company plans to add ~20-25 branches in 4QFY26 and another ~50 branches in FY27.

### AUM growth and disbursements

- The company undertook significant transformation in its business and accounting processes during 1H, tightening credit in a subdued environment, which temporarily moderated AUM growth. However, the business momentum has picked up since Diwali and is expected to sustain in 4QFY26.
- Incremental branch expansion over the past 24 months and new branches planned next year are expected to provide ~INR3-3.5b of additional disbursements. Digital channels such as CSC and e-Mitra are expected to generate an additional ~INR5b, and inflation-led growth is expected to contribute ~6% (~INR4b) to disbursement growth in FY27.
- Focus on Tier 2 and Tier 3 towns with smaller branches is expected to optimize cost and improve growth.
- Management stated that growth in Karnataka has been recovering after eKhata-related slowdown seen in 2HFY25 and FY26. Rajasthan continues to expand at ~20% CAGR, with AUM reaching ~INR74b across 111 branches. Uttar Pradesh will be a key focus for AAVAS and will look to penetrate deeper in this state. Gujarat remains an important growth market. It sees opportunities in Southern India, with distribution expansion planned in Tamil Nadu and foray into AP/Telangana planned in the coming years.
- The company's competitive advantage lies in understanding local customers, cashflow assessment based underwriting, and serving lower-ticket segments. AAVAS has ~65-70% self-employed customers, while larger HFCs typically cater to mostly salaried customers.
- AAVAS prioritizes risk-adjusted returns over market share.
- Disbursement to sanction ratio improved from ~30-32% in 1Q to 38-40% in 3QFY26.

### Yields and margins

- AAVAS will cut its PLR by 15bp effective Mar'26. The company guided for a ~9-10bp decline in overall portfolio yields from this PLR reduction.

### Business updates

- The macroeconomic environment is encouraging, supported by the Atmanirbhar Union Budget, positive progress on India-US trade agreements, GST rationalization, and continued FDI liberalization.
- Government initiatives such as the Interest Subsidy Scheme under PMAY 2.0 and a stable interest rate environment support homebuyer sentiment and affordability.
- AAVAS successfully raised ~INR9.75b (~USD108m) from a marquee multilateral financial institution, the largest NCD placement in the company's history. The

proceeds from this borrowing is expected to support affordable housing loans, women home ownership, green-certified housing, and MSME lending in underserved regions.

- Asset quality exhibited a minor improvement, with ~GS3/NS3 declining ~5bp each QoQ at 1.2%/0.8% and 1+dpd improving ~20bp QoQ to ~3.8%. Credit costs stood at ~16bp.
- AAVAS benefited from a ~25bp cut in the repo rate and will pass on ~15bp to customers (effective 1st March 2026). On the asset side, ~70% of loans are floating and the remainder are fixed.
- Reported NIM in 3QFY26 remained stable at ~8%.
- AUM grew ~15% YoY and ~4% QoQ to ~INR222b.
- Disbursements rose ~8% YoY and 10% QoQ to ~INR17.2b.
- 3QFY26 PAT grew ~16% YoY to ~INR1.7b.
- RoA/RoE in 3QFY26 stood at 3.4%/14.3%, respectively.

### Employee initiatives

- Employee attrition has remained constant for AAVAS.
- The company has introduced Project Rise, which will help strengthen employee engagement and structured recognition. Branch excellence programs support last-mile frontline salespeople through digital tools like pin code identification and market mapping.
- Visits by sales frontline staff has risen by ~30%, which has allowed it to source better quality customers.

### Competitive landscape

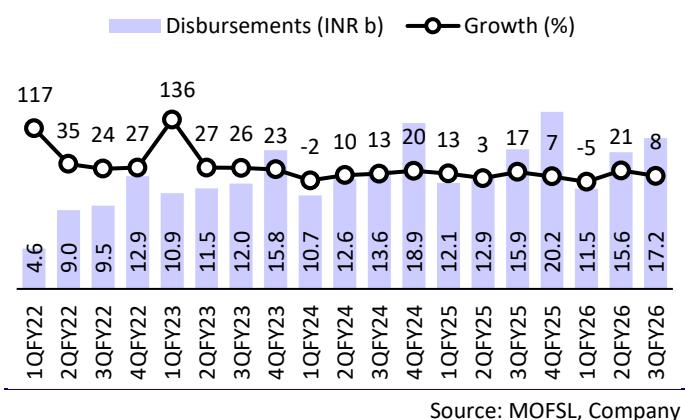
- AAVAS does not view competition as a significant risk, as the company focuses on the underserved segment with a ticket size of around INR1.25m, whereas other competitors in the geography target salaried customers with ticket sizes nearly double that of AAVAS.
- Management considers macroeconomic instability as the primary risk to its growth guidance with no others headwinds currently anticipated. AAVAS does not anticipate its disbursement growth to be impacted by competition.

### Others

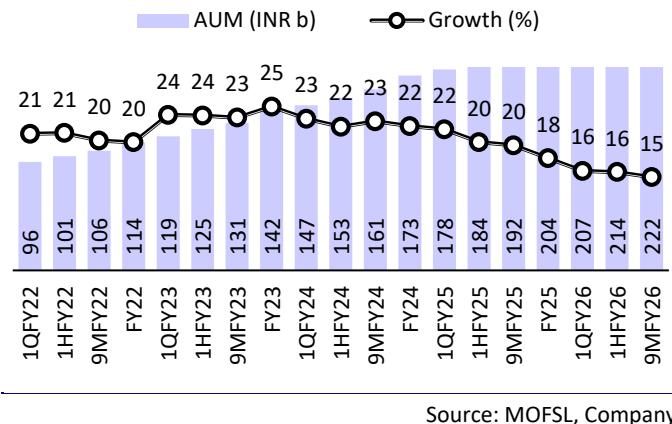
- The company focuses on risk-adjusted returns, accelerating growth only when credit environment is conducive.

## Key exhibits

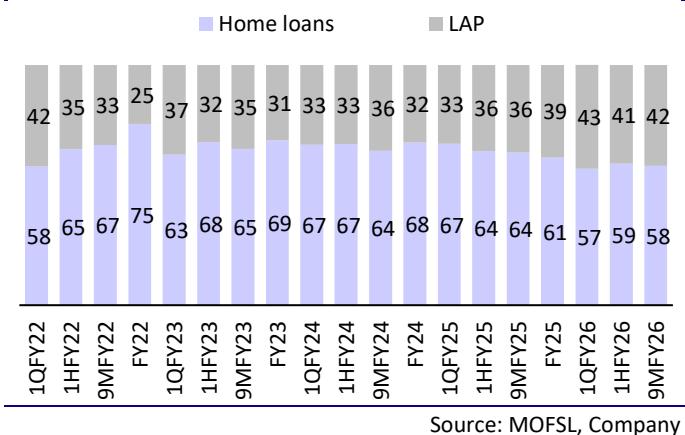
### Exhibit 1: Disbursements rose ~8% YoY



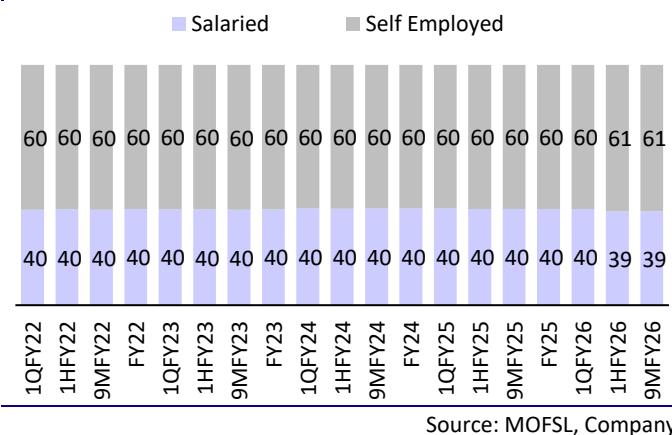
### Exhibit 2: AUM grew 15% YoY



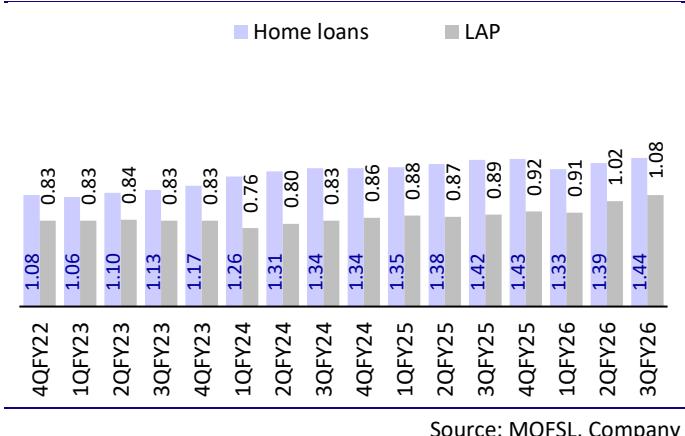
### Exhibit 3: Share of LAP disbursements improved (%)



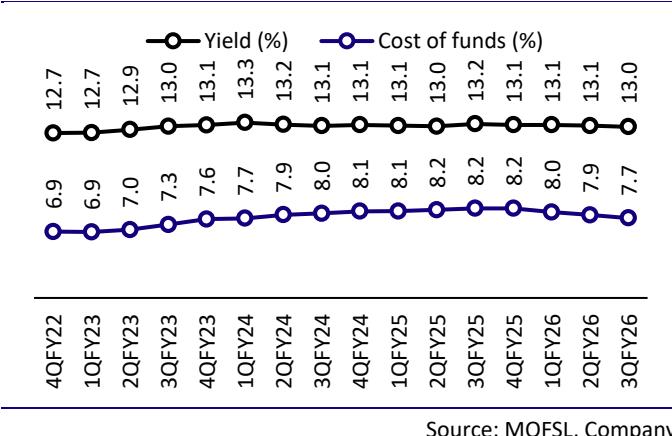
### Exhibit 4: Share of salaried mix remained stable QoQ (%)



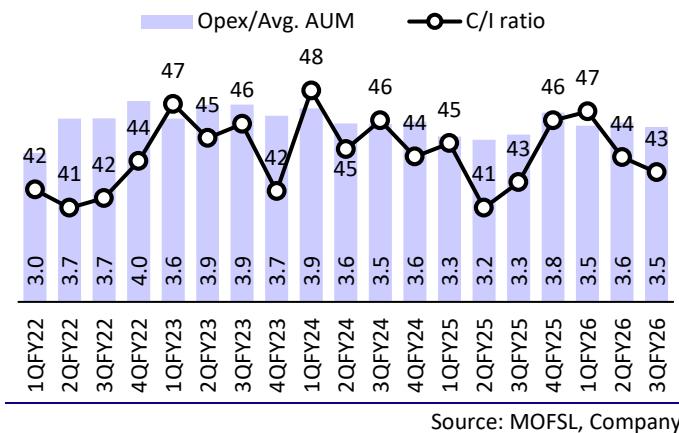
### Exhibit 5: ATS (disb) in HL and LAP rose QoQ (INR m)



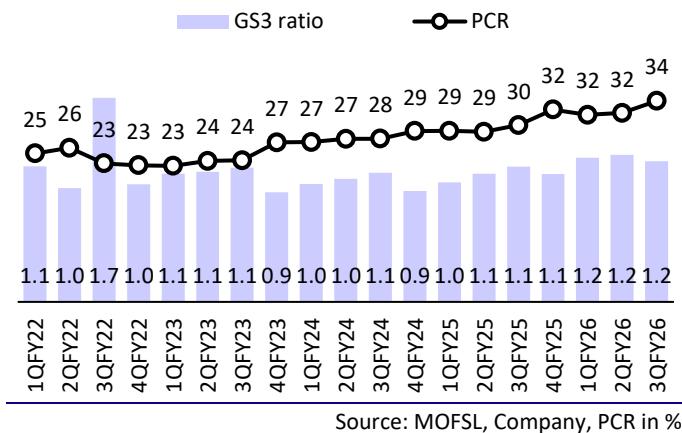
### Exhibit 6: Reported spreads rose ~10bp QoQ



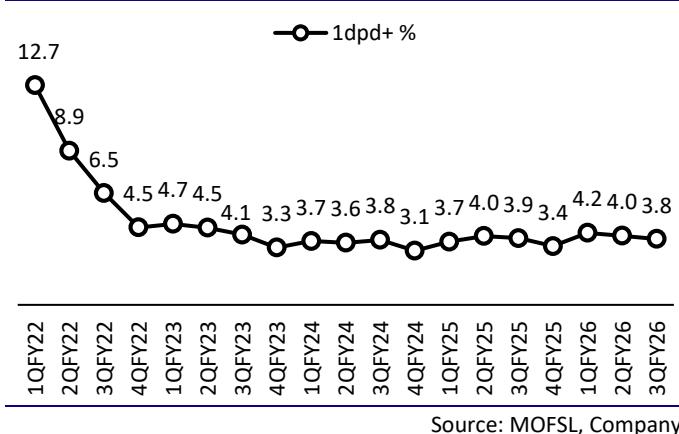
**Exhibit 7: Opex/avg. AUM declined ~10bp QoQ to ~3.5% (%)**



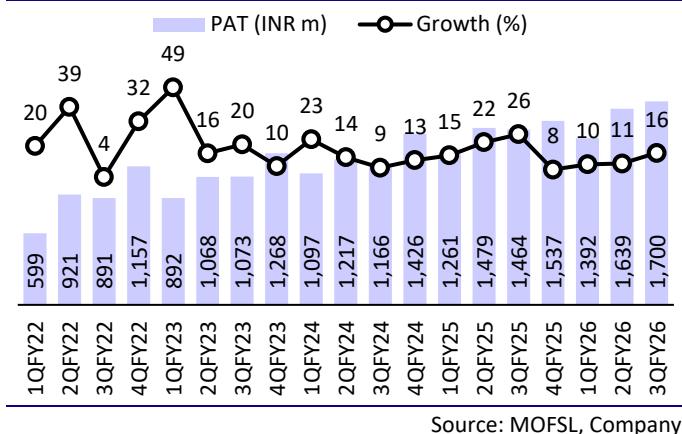
**Exhibit 8: GS3 was stable QoQ (%)**



**Exhibit 9: 1+dpd declined ~20bp QoQ to ~3.8%**



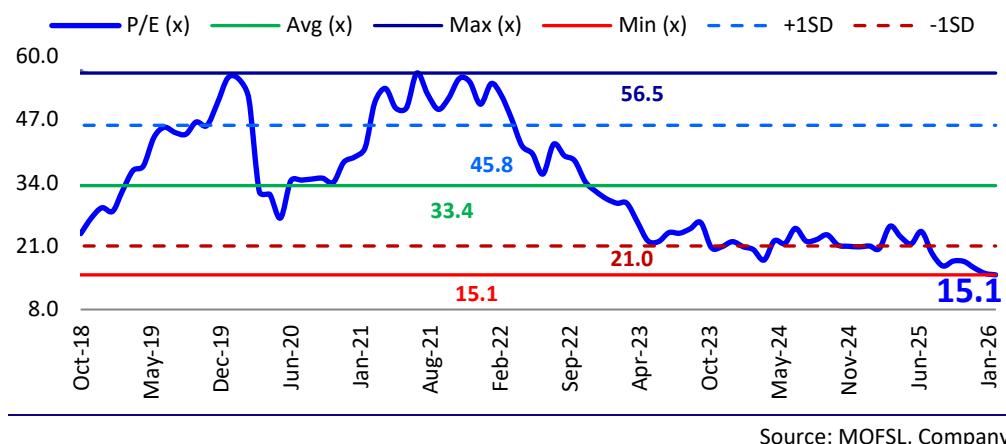
**Exhibit 10: 3QFY26 PAT grew 16% YoY**



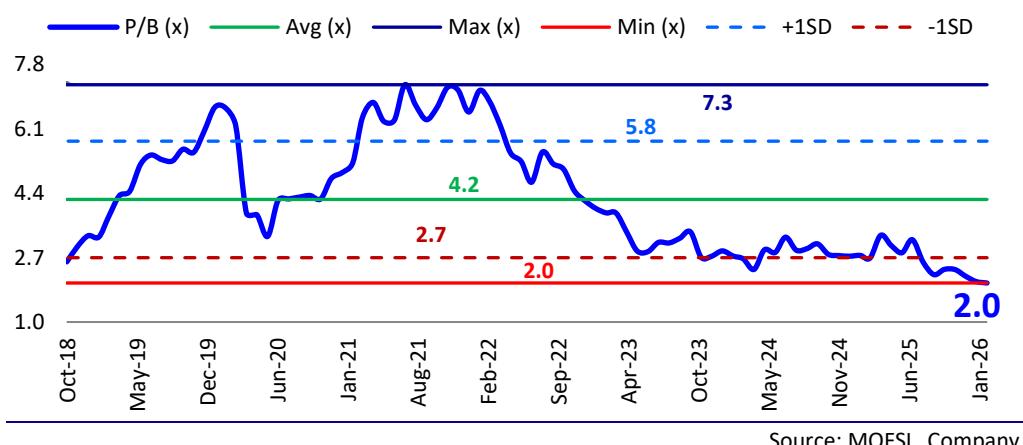
**Exhibit 11: We cut our FY27/28E EPS by ~2% each to factor in slightly lower AUM growth**

INR b	Old Est.			New Est.			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII	11.9	13.9	16.4	11.8	13.6	16.0	-0.8	-2.2	-2.4
Other Income	4.0	4.7	5.3	4.0	4.7	5.3	-1.4	-0.5	-0.1
<b>Total Income</b>	<b>15.9</b>	<b>18.6</b>	<b>21.7</b>	<b>15.8</b>	<b>18.3</b>	<b>21.3</b>	<b>-0.9</b>	<b>-1.8</b>	<b>-1.9</b>
Operating Expenses	7.1	8.2	9.3	7.0	8.0	9.2	-1.5	-1.5	-1.5
<b>Operating Profits</b>	<b>8.8</b>	<b>10.4</b>	<b>12.4</b>	<b>8.8</b>	<b>10.2</b>	<b>12.2</b>	<b>-0.4</b>	<b>-1.9</b>	<b>-2.1</b>
Provisions	0.4	0.4	0.5	0.4	0.4	0.4	-4.6	-8.8	-1.2
<b>PBT</b>	<b>8.4</b>	<b>10.0</b>	<b>12.0</b>	<b>8.4</b>	<b>9.8</b>	<b>11.7</b>	<b>-0.2</b>	<b>-1.7</b>	<b>-2.2</b>
Tax	1.8	2.2	2.6	1.8	2.1	2.5	-0.2	-1.7	-2.2
<b>PAT</b>	<b>6.6</b>	<b>7.8</b>	<b>9.4</b>	<b>6.6</b>	<b>7.7</b>	<b>9.2</b>	<b>-0.2</b>	<b>-1.7</b>	<b>-2.2</b>
AUM	237	277	326	235	274	323	-0.9	-1.2	-1.2
Borrowings	159	190	226	157	187	223	-1.1	-1.5	-1.3
NIM (%)	5.4	5.4	5.4	5.4	5.3	5.4			
ROA (%)	3.3	3.4	3.4	3.3	3.3	3.4			
RoE (%)	14.0	14.5	15.0	14.0	14.3	14.7			

**Exhibit 12: One-year forward P/E**



**Exhibit 13: One-year forward P/B**



## Financials and valuations

Income statement								INR m	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	INR m	
Interest Income	9,764	11,288	13,882	17,347	20,177	22,865	26,262	30,942	
Interest Expended	4,582	4,775	5,910	8,284	10,075	11,071	12,664	14,967	
<b>Net Interest Income</b>	<b>5,182</b>	<b>6,513</b>	<b>7,971</b>	<b>9,063</b>	<b>10,102</b>	<b>11,794</b>	<b>13,598</b>	<b>15,975</b>	
Change (%)	20.4	25.7	22.4	13.7	11.5	16.7	15.3	17.5	
Gain on Securitisation	864	1,240	1,518	1,795	2,074	2,593	2,982	3,370	
Other Operating Income	426	539	701	1,061	1,333	1,376	1,672	1,962	
<b>Total Income</b>	<b>6,471</b>	<b>8,293</b>	<b>10,191</b>	<b>11,919</b>	<b>13,509</b>	<b>15,763</b>	<b>18,252</b>	<b>21,306</b>	
Change (%)	18.3	28.2	22.9	17.0	13.3	16.7	15.8	16.7	
Operating Expenses	2,566	3,506	4,577	5,430	5,912	7,000	8,040	9,156	
<b>Operating Income</b>	<b>3,905</b>	<b>4,787</b>	<b>5,614</b>	<b>6,489</b>	<b>7,597</b>	<b>8,763</b>	<b>10,213</b>	<b>12,151</b>	
Change (%)	23.0	22.6	17.3	15.6	17.1	15.3	16.5	19.0	
Provisions	371	226	124	245	271	358	384	447	
<b>PBT</b>	<b>3,533</b>	<b>4,561</b>	<b>5,490</b>	<b>6,244</b>	<b>7,326</b>	<b>8,405</b>	<b>9,828</b>	<b>11,704</b>	
Tax	638	981	1,189	1,338	1,585	1,832	2,123	2,528	
Tax Rate (%)	18.1	21.5	21.7	21.4	21.6	21.8	21.6	21.6	
<b>PAT</b>	<b>2,895</b>	<b>3,580</b>	<b>4,301</b>	<b>4,907</b>	<b>5,741</b>	<b>6,572</b>	<b>7,706</b>	<b>9,176</b>	
Change (%)	16.2	23.7	20.1	14.1	17.0	14.5	17.2	19.1	

## Balance sheet

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Capital	785	789	791	791	792	792	792	792
Reserves & Surplus	23,229	27,297	31,906	36,942	42,817	49,389	57,095	66,270
<b>Net Worth</b>	<b>24,014</b>	<b>28,086</b>	<b>32,697</b>	<b>37,733</b>	<b>43,608</b>	<b>50,181</b>	<b>57,886</b>	<b>67,062</b>
<b>Borrowings</b>	<b>63,454</b>	<b>79,725</b>	<b>98,407</b>	<b>1,23,365</b>	<b>1,39,185</b>	<b>1,57,237</b>	<b>1,87,352</b>	<b>2,22,704</b>
Change (%)	18.6	25.6	23.4	25.4	12.8	13.0	19.2	18.9
Other liabilities	2,132	2,392	3,002	4,096	3,392	4,070	4,884	5,861
<b>Total Liabilities</b>	<b>89,600</b>	<b>1,10,204</b>	<b>1,34,105</b>	<b>1,65,195</b>	<b>1,86,185</b>	<b>2,11,488</b>	<b>2,50,123</b>	<b>2,95,627</b>
<b>Loans</b>	<b>75,233</b>	<b>90,534</b>	<b>1,14,763</b>	<b>1,40,044</b>	<b>1,62,297</b>	<b>1,84,119</b>	<b>2,17,852</b>	<b>2,58,058</b>
Change (%)	21.7	20.3	26.8	22.0	15.9	13.4	18.3	18.5
<b>Investments</b>	<b>45</b>	<b>675</b>	<b>1,231</b>	<b>1,822</b>	<b>2,300</b>	<b>2,990</b>	<b>3,887</b>	<b>4,859</b>
Change (%)	0.0	1,400.4	82.3	48.0	26.3	30.0	30.0	25.0
Other assets	14,323	18,994	18,112	23,329	21,587	24,379	28,384	32,710
<b>Total Assets</b>	<b>89,600</b>	<b>1,10,204</b>	<b>1,34,105</b>	<b>1,65,195</b>	<b>1,86,185</b>	<b>2,11,488</b>	<b>2,50,123</b>	<b>2,95,627</b>

E: MOFSL Estimates

## Financials and valuations

Ratios								(%)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
<b>Spreads Analysis (%)</b>									
Avg Yield on Loan portfolio	14.1	13.8	13.7	13.6	13.5	13.4	13.2	13.1	
Avg. Cost of borrowings	7.8	6.7	6.6	7.5	7.7	7.5	7.4	7.3	
Interest Spread	6.3	7.1	7.1	6.1	5.8	5.9	5.8	5.8	
Net Interest Margin (AUM)	6.0	6.3	6.2	5.8	5.4	5.4	5.3	5.4	
<b>Profitability Ratios (%)</b>									
RoE	12.9	13.7	14.2	13.9	14.1	14.0	14.3	14.7	
RoA	3.5	3.6	3.5	3.3	3.3	3.3	3.3	3.4	
Loans/Equity (x)	3.1	3.2	3.5	3.7	3.7	3.7	3.8	3.8	
Cost/Income	39.7	42.3	44.9	45.6	43.8	44.4	44.0	43.0	
<b>Asset Quality (%)</b>									
Gross NPAs	739	904	1,067	1,319	1,763	2,117	2,620	2,987	
Gross NPAs to Adv.	1.0	1.0	0.9	0.9	1.1	1.1	1.2	1.2	
Net NPAs	538	695	780	939	1,191	1,397	1,782	2,016	
Net NPAs to Adv.	0.7	0.8	0.7	0.7	0.7	0.8	0.8	0.8	
<b>VALUATION</b>									
	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
Book Value (INR)	306	356	414	477	551	634	731	847	
<b>Price-BV (x)</b>	<b>4.5</b>	<b>3.9</b>	<b>3.3</b>	<b>2.9</b>	<b>2.5</b>	<b>2.2</b>	<b>1.9</b>	<b>1.6</b>	
EPS (INR)	36.9	45.4	54.4	62.0	72.5	83.0	97.3	115.9	
EPS Growth YoY	16	23	20	14	17	14.5	17.2	19.1	
<b>Price-Earnings (x)</b>	<b>37.3</b>	<b>30.4</b>	<b>25.3</b>	<b>22.2</b>	<b>19.0</b>	<b>16.6</b>	<b>14.1</b>	<b>11.9</b>	
Dividend per share (INR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Dividend yield (%)</b>	<b>0.0</b>								

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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

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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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