

IIFL Finance

Estimate changes



TP change



Rating change



Bloomberg	IIFL IN
Equity Shares (m)	425
M.Cap.(INRb)/(USDb)	229.1 / 2.5
52-Week Range (INR)	675 / 280
1, 6, 12 Rel. Per (%)	-2/1/31
12M Avg Val (INR M)	884

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	58.7	77.0	93.4
Total Income	76.9	94.5	113.1
PPoP	41.3	50.5	61.2
PAT (pre-NCI)	17.6	23.7	30.2
PAT (post-NCI)	16.1	21.9	28.2
EPS (INR)	37.9	51.7	66.4
EPS Gr. (%)	324	37	28
BV (INR)	326	373	433

Ratios (%)

NIM	6.3	6.5	6.6
C/I ratio	46.3	46.5	45.9
Credit cost	2.7	2.3	2.2
RoA	2.2	2.4	2.6
RoE	12.2	14.8	16.5

Valuations

P/E (x)	14.3	10.5	8.2
P/BV (x)	1.7	1.5	1.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	24.9	24.9	24.9
DII	9.2	9.1	4.5
FII	27.8	26.8	27.8
Others	38.2	39.2	42.8

FII Includes depository receipts

CMP: INR539

TP: INR720 (+34%)

Buy

Earnings in line; no operational risk from special IT audit

Strong gold loan growth; sequential improvement in asset quality

- IIFL Finance's (IIFL) 3QFY26 NII grew 28% YoY and ~10% QoQ to ~INR15.8b (in line). Other income stood at ~INR4.1b (16% miss; PQ: INR4.9b). This included assignment income of ~INR2.8b (PQ: INR3.5b).
- Net Total Income (NTI) grew ~49% YoY to ~INR20b (5% miss). Opex grew ~25% YoY to INR9.3b (in line), with the cost-income ratio increasing to ~46.8% (PQ: 45.2% and PY: 55.8%). This included a one-time provision on gratuity and leave liabilities of INR225m on account of the new labor code.
- Calculated NIMs expanded ~10bp QoQ to 6.7%. Credit costs stood at INR4b (~17% lower than MOFSLe). This translated into annualized credit costs of ~2.6% (PQ: ~3.4% and PY: ~4.2%).
- PPoP stood at INR10.6b and grew ~79% YoY (in line). PAT (post NCI) in 3QFY26 rose 23% QoQ and stood at INR4.6b (in line).
- Management clarified that the special income tax audit is a procedural step in an ongoing assessment for a block period of six years, and it does not represent any allegation, finding, or adjudication. It shared that such audits are common for large and complex financial institutions and currently carry no tax demand, penalty, or financial impact.**
- The audit involves the appointment of an independent auditor to assist with verification of data, particularly in areas identified during the earlier search, and the report will only serve as an input to the assessment process. Management reiterated that there is no risk to the company's business operations, growth, or financial position, and that the revised returns have already been filed and are currently under verification by the tax authorities.**

Consol. AUM rises ~38% YoY; strong 26% QoQ growth in gold loans

- Consol. AUM grew 38% YoY and ~9% QoQ to INR901b. On-book loans grew ~28% YoY. Off-book formed ~35% of the AUM mix.
- Gold loan AUM stood at ~INR434b and rose ~26% QoQ. Home loans and MFI AUM were flat QoQ, while discontinued business AUM declined to INR31b (PQ: INR39b).
- Management indicated that momentum in the gold loan segment remains strong, supported by elevated gold prices and a calibration in the unsecured MSME and MFI segments, which is driving customer migration toward gold loans. The company also shared that if gold prices were to remain at current levels, it expects robust gold loan growth to sustain in the coming quarters.
- The company guided for consolidated AUM growth of 20-25% in FY27, with home loan growth expected at around 15-16%. We estimate gold loans/consolidated AUM to grow ~152%/~39% YoY in FY26 and a consol. AUM CAGR of ~26% over FY25-28E.

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GS3 declines ~50bp QoQ; credit costs decline sequentially

- GS3 declined ~50bp QoQ to ~1.6%, while NS3 declined ~20bp QoQ to ~0.8%. PCR rose ~40bp QoQ to ~53.2%.
- IIFL has undertaken a portfolio recalibration, as it has exited the digital unsecured MSME, micro-LAP from HFC, and high-risk MFI geographies.
- Management shared that credit costs were high due to stress in the MFI and micro-LAP segments, along with losses from discontinued digital PL originated through partnerships. The company expects credit costs to normalize to ~2% on a steady-state basis in FY27. We model credit costs of 2.7%/2.3% for FY26/FY27.
- IIFL (Standalone) CRAR stood at ~19% as of Dec'25.

Income tax audit clarification

- The special IT audit will involve the appointment of an independent auditor to assist with the verification and reconciliation of data, particularly in areas identified during the IT searches made last year. The audit report will only act as an input to the assessment process and does not imply any conclusion. The company has already filed revised returns, which are under verification.
- Management reiterated that there is no risk to business operations, growth, or financial position from this audit. For large businesses, such audits are considered normal procedure, and any final tax demand, if issued, may also be contested by the company.

Highlights from the management commentary

- The company conducted a comprehensive review of its entire housing loan and LAP portfolio to align with its long-term strategy. Certain segments, such as BLC (beneficiary-linked construction) and micro-LAP, were identified as non-core and were fully exited.
- Management shared that co-lending was paused for a few months following the implementation of the new RBI co-lending guidelines effective from 1st Jan'26. The company is currently working on system integration, and co-lending activities will resume once the integration with co-lending partners is completed.

Valuation and view

- IIFL reported a decent quarter, with strong momentum in the gold loan segment supported by robust demand and rising gold prices, while growth in other segments remained subdued. The company witnessed improvement in asset quality across all product segments, including MFI, and has exited riskier segments such as micro-LAP and personal loans, resulting in sequentially lower credit costs.
- We raise our FY26/FY27E EPS by ~2%/5%, respectively, to factor in slightly lower credit costs and higher AUM growth. The stock trades at 1.5x FY27E P/BV and ~11x P/E for an estimated RoA/RoE of 2.6%/16.5% in FY28. **We have a BUY rating on the stock with an unchanged TP of INR720 (based on SoTP valuation; refer to the table below).**

IIFL: SoTP – Dec'27

Particulars	Stake	Value (INR b)	Value (USD b)	INR per share	% To Total	Target Multiple(x)	Basis
IIFL Finance (Standalone)	100	187	2.2	441	61	2.0	PBV
IIFL Home Finance (HFC)	80	102	1.2	241	33	1.5	PBV
IIFL Samasta Finance (MFI)	100	16	0.2	38	5	0.8	PBV
Target Value		305	3.6	720	100		

IIFL Finance (Consolidated): Quarterly Performance
(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	3QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	24,721	23,181	22,308	24,833	25,835	28,209	30,193	31,354	95,043	1,15,591	30,466	-1
Interest Expenses	10,340	9,788	9,957	11,694	12,888	13,819	14,370	15,835	41,695	56,912	14,441	0
Net Interest Income	14,381	13,394	12,352	13,139	12,947	14,390	15,822	15,519	53,348	58,679	16,025	-1
YoY Growth (%)	9.7	-6.0	-21.6	-20.2	-10.0	7.4	28.1	18.1	-10.4	10.0	29.7	
Other Income	-43	2,467	1,051	810	3,758	4,882	4,135	5,453	4,202	18,229	4,895	-16
Total Income	14,338	15,861	13,402	13,949	16,705	19,272	19,958	20,972	57,550	76,908	20,920	-5
YoY Growth (%)	-1	-2	-21	-10	17	22	49	50	-8.5	33.6	56.1	
Operating Expenses	7,461	7,329	7,478	7,367	8,017	8,702	9,332	9,574	29,634	35,625	9,038	3
Operating Profit	6,878	8,531	5,925	6,582	8,688	10,570	10,626	11,398	27,916	41,282	11,148	-5
YoY Growth (%)	-14.9	-8.9	-38.2	-16.6	26.3	23.9	79.3	73.2	-19.9	47.9	88.1	
Provisions & Loan Losses	2,516	4,063	4,914	3,487	5,125	5,003	3,997	3,803	14,980	17,928	4,803	-17
Profit before Tax	4,362	4,468	1,011	3,095	3,563	5,567	6,629	7,595	7,070	23,354	6,345	4
Exceptional items		-5,865				0						
Tax Provisions	980	-466	193	581	821	1,388	1,616	1,912	1,289	5,737	1,472	10
PAT (Pre NCI)	3,382	-931	818	2,514	2,742	4,179	5,014	5,683	5,782	17,618	4,873	3
NCI	501	646	410	437	408	416	371	355	1,994	1,550	429	-14
PAT (Post NCI)	2,881	-1,577	408	2,077	2,334	3,763	4,643	5,328	3,788	16,068	4,444	4
YoY Growth (%)	-32	-133	-92	-44	-19	-339	1,038	157	-79	324	989	
Key Parameters (%)												
Yield on AUM	13.3	13.6	12.90	13.3	12.7	13.0	12.82					
Cost of funds	9.5	9.7	9.45	9.7	9.8	9.9	9.74					
Spread	3.8	3.9	3.4	3.5	3.0	3.1	3.1					
NIM (on AUM)	7.7	7.8	7.1	7.0	6.4	6.6	6.7					
Credit cost	2.09	3.61	4.17	2.67	3.65	3.42	2.59					
Cost to Income Ratio (%)	52.0	46.2	55.8	52.8	48.0	45.2	46.8					
Tax Rate (%)	22.5	-10.4	19.1	18.8	23.1	24.9	24.4					
Balance Sheet Parameters												
Consol. AUM (INR B)	696	670	714	783	839	901	983					
Change YoY (%)	2	-8	-8	-1	21	35	38					
Disbursements - Core (INR B)	43	73	176	197	191	235	308					
Change YoY (%)	-71	-54	6	21	345	223	75					
Borrowings (INR B)	414	391	451	509	545	574	606					
Change YoY (%)	8	-3	5	11	32	47	34					
Borrowings/AUM (%)	59.5	58.4	63.2	65.0	65.0	63.7	61.7					
Debt/Equity (x)	3.4	3.3	3.7	4.1	4.3	4.5	4.6					
Asset Quality (%)												
GS 3 (INR M)	10,231	10,687	12,028	12,253	13,170	12,534	10,206					
G3 %	2.25	2.40	2.42	2.23	2.34	2.14	1.60					
NS 3 (INR M)	4,982	4,756	4,956	5,685	6,295	5,916	4,776					
NS3 %	1.1	1.1	1.01	1.0	1.1	1.0	0.80					
PCR (%)	51.3	55.5	58.8	53.6	52.3	52.8	53.2					
ECL (%)	2.9	3.2	2.8	2.2	2.1	1.9	1.5					
Return Ratios - YTD (%)												
ROA (Rep)	2.3	0.8	0.8	0.9	1.6	1.9	2.1					
ROE (Rep)	10.3	2.3	2.0	3.4	7.6	9.8	11.3					

E: MOFSL Estimates



Key highlights from the management commentary

Guidance

- Management guided for 20-25% consolidated AUM growth for FY27. The company expects gold loan growth of 25% QoQ in 4QFY26.
- It guided for home loan growth of 15-16% and disbursement growth of 24-25%.
- Even at current gold prices, management expects strong gold loan momentum.
- Credit costs are expected to normalize to around 2% on a steady-state basis from next year onwards.
- Current quarter GNPA levels in home loans are seen as sustainable going forward.
- RoE in normal conditions were at 18-20%, and management aims to reach these RoE levels over the next 2-3 years.
- Rising gold prices, improving customer productivity, and higher share of secured lending are expected to structurally support profitability and asset quality.
- Gold loan tonnage is expected to continue growing strongly.
- SR has declined from INR36b in 2QFY26 to INR31b IN 3QFY26, and the company expects most of the SRs to get realized the next year.

Income tax audit clarification

- The special income tax audit under Section 142(2A) is a procedural step in an ongoing assessment for a multi-year block period and does not represent any allegation, finding, or adjudication against the company.
- Such audits are common for large and complex financial institutions with high transaction volumes, multi-year data, and diversified operations.
- There is no tax demand, no penalty, no determination, and no financial impact on the company at this stage.
- The audit allows income tax authorities to appoint an independent auditor to assist in verification and reconciliation of data.
- The audit report will be an input to the assessment process and does not imply any conclusion.
- The scope of audit is more to do with areas that were identified during the search conducted by the authorities.
- The company has already filed revised returns, and the department will now verify the same.
- Management reiterated that there is no risk to business operations, growth, or financial position of the company from this audit.
- For large and complex businesses with millions of customers and six-year block periods, such special audits are considered normal procedure.
- Once the audit is completed, the tax department may issue a final demand, which the company may contest if required.

Financial highlights

- The company continued consistent execution of its strategy with a strong focus on asset quality and balance sheet strengthening.
- GNPA improved from 2.14% to 1.6%, reflecting meaningful improvement in portfolio quality. Stage 2 and 3 assets also trended down, indicating improving credit behavior across segments.
- RoA stood at 2.1% and RoE at 11.3% for the quarter.
- S&P International Rating Agency has reaffirmed rating and revised the outlook to positive.

- Gold loan continued the strong momentum, growing 26% QoQ, and Gold loan AUM crossed pre-embargo levels.
- Core segments now form 95% of total AUM, reflecting a more stable business mix.
- The company maintained a cautious stance on unsecured and MFI segments, focusing on recovery and collections, which have remained resilient QoQ.

Gold loans

- Core products, such as home loans, gold loans, and microfinance, collectively grew 46% YoY and 11% QoQ during the quarter.
- Gold loan AUM grew around 26% QoQ and 189% YoY, driven by strong customer demand and higher tonnage.
- Gold loan tonnage has crossed 60 tons and is now above pre-embargo levels.
- The addressable market for gold loans has expanded significantly. The calibration of unsecured MSME and MFI portfolios has led many customers to shift toward gold loans.
- Average loan per branch is INR125m, which is about half of the market leader, providing substantial growth headroom and operating efficiency.
- If gold prices remain at current levels, management expects strong growth in gold loans, with potential for ~25% QoQ growth.

Strategy shift in housing

- The company has revised its strategy to focus more on affordable and emerging housing segments. In Tier 3 and Tier 4 cities, around 90% of opportunity lies in affordable housing.
- In the top 50-60 cities, the company will selectively target higher-yield segments. The shift is towards affordable first, followed by emerging segments.
- This strategy does not require geographical expansion, as the company is already present in relevant locations.
- Segment mix within existing geographies will be adjusted to improve yields.
- Onboarding yields are expected to increase over the next 2-3 quarters due to this shift.

ARC transaction in Housing subsidiary

- The company conducted a comprehensive review of its entire housing loan and LAP portfolio to align with its long-term strategy. Certain segments such as BLC (beneficiary-linked construction), construction-linked loans, and micro-LAP were identified as non-core and were fully exited.
- These discontinued segments were transferred in a one-time transaction to ARC, with joint collection efforts, enabling the company to focus on core strategic businesses.
- The total portfolio transferred was approximately INR8.75b. As a result of this clean-up, gross NPAs in the housing segment declined sharply from 1.4% to 0.5%, which is the targeted steady-state level.
- The clean-up was undertaken to prepare the balance sheet for sustainable growth over the next 3–4 years. The BLC and micro-LAP portfolios have now entirely moved out of the book.
- Going forward, the company's strategic focus will be on emerging and affordable housing segments, with affordable housing being the primary growth driver.

Asset quality and credit costs

- Asset quality has improved materially on the ground, with better credit discipline and lower customer leverage.
- Discontinued portfolios now mainly comprise unsecured MSME, digital loans, and personal loans in the standalone entity.
- Credit costs remained elevated due to turbulence in MFI and micro-LAP. Losses from discontinued digital personal loan partnerships also impacted provisions.
- The discontinued portfolio reduced from INR40b to INR30b in one quarter. Management expects credit costs to normalize to ~2% on a steady-state basis next year.

MSME portfolio

- The secured MSME portfolio has been completely recalibrated. Earlier, historical portfolio yielded 18-19% but carried higher risk.
- The current portfolio focuses on ticket sizes of INR5m-10m, extendable up to INR20m. Current yields are 13.6-14% on an ongoing basis.
- Management indicated that there are no meaningful delinquencies in the recalibrated MSME portfolio so far.
- Secured MSME sourced from housing averages ticket size of around INR1.4m.

Co-lending and capital raise

- Co-lending was on hold for a few months due to the new RBI co-lending guidelines, which has been enforced from 1st Jan. The company is undertaking integration and once done, it will restart co-lending.
- Management emphasized that the co-lending engine must scale up quickly to support growth.
- Leverage is expected to remain in the range of 4-4.5x.
- Capital adequacy should be maintained at around 20%. While it is slightly lower, the company will restart co-lending, which is expected to release capital. There are no immediate plans for equity capital raising.
- Co-lending and direct assignments carry around 100bp higher cost. However, these structures help release capital and avoid equity dilution.
- Net gains on derecognition arise from selling loans to banks under direct assignments and co-lending.
- NIMs remain broadly similar, whether assets are retained on book, sold to banks, or transferred to ARC.

Borrowings & funding

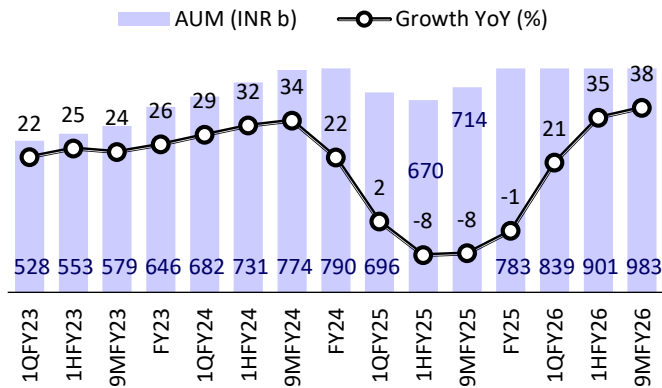
- There was no significant change in the borrowing mix during the quarter.
- Cost of funds declined marginally by around 10bp.
- The company continues to receive fresh funding lines from banks.
- Management expressed confidence on liquidity access, even as smaller MFIs face funding pressure.

IIFL Samasta

- Collection efficiency improved significantly in Tamil Nadu and Karnataka during November and December.
- Collection efficiency reached over 99.5% in both states and sustained into January.
- Disbursements in MFI recovered steadily, with disbursements of INR5b in Oct'25, INR7b in Nov'25, and INR8b in Dec'25.

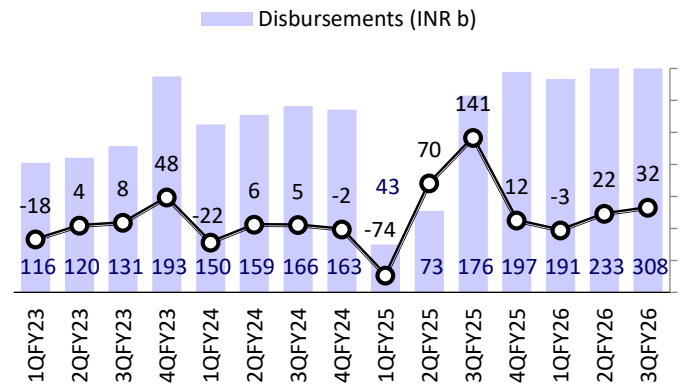
Key exhibits

Exhibit 1: Consol. AUM grew ~38% YoY



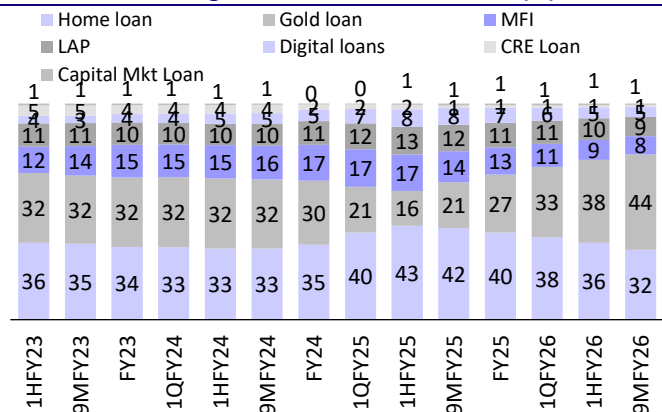
Source: MOFSL, Company

Exhibit 2: Disbursements grew ~32% QoQ



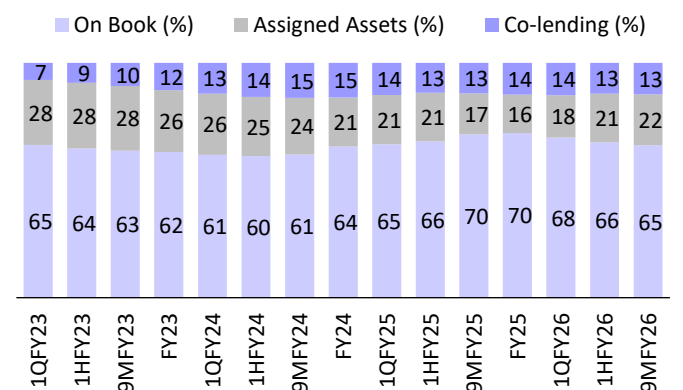
Source: MOFSL, Company

Exhibit 3: Share of gold loans continued to rise (%)



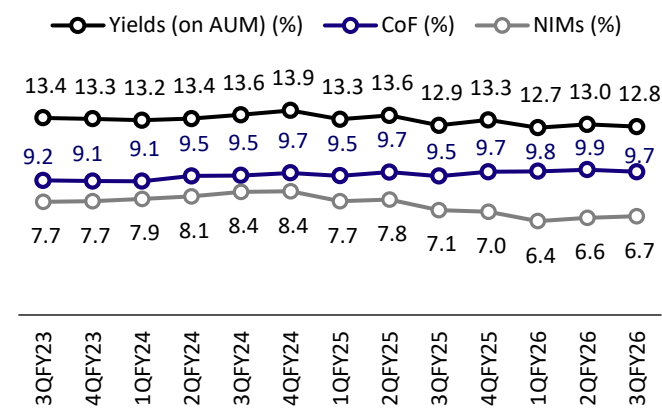
Source: MOFSL, Company

Exhibit 4: Off-book loans formed 35% of the AUM mix (%)



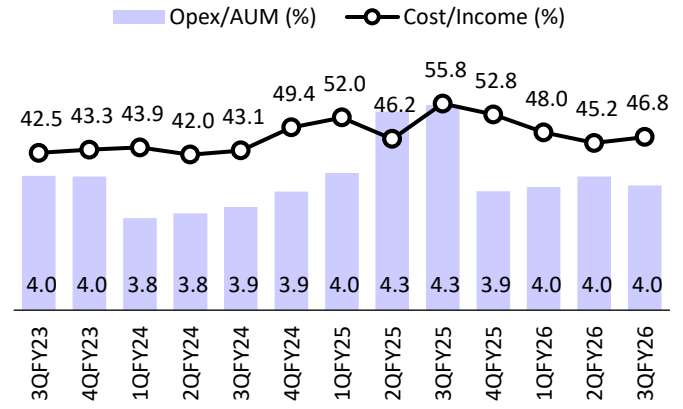
Source: MOFSL, Company

Exhibit 5: Yields declined ~15bp QoQ (%)

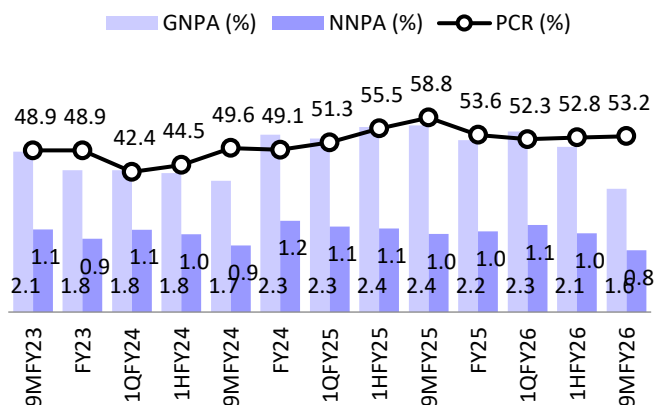


Source: MOFSL, Company

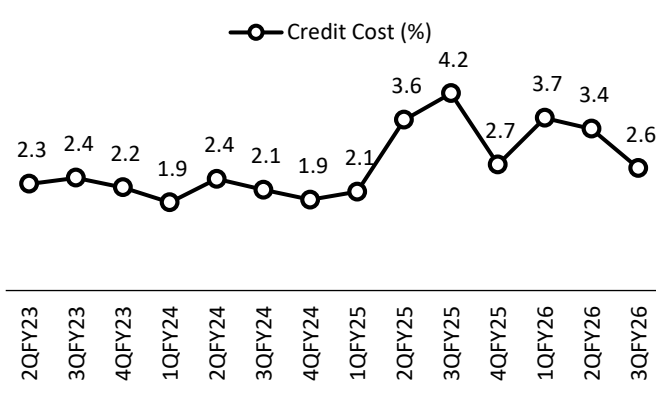
Exhibit 6: Cost/income ratio rose to 46.8%



Source: MOFSL, Company

Exhibit 7: GS3/NS3 declined ~55bp/20bp QoQ


Source: MOFSL, Company

Exhibit 8: Credit costs declined to ~2.6%


Source: MOFSL, Company

Exhibit 9: We raise our FY27 EPS by ~5% to factor in slightly lower credit costs and higher AUM growth

INR m	Old Est.			New Est.			% change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	59,166	75,557	92,123	58,679	77,011	93,421	-0.8	1.9	1.4
Other Income	18,084	16,911	19,273	18,229	17,474	19,708	0.8	3.3	2.3
Total Income	77,250	92,469	1,11,396	76,908	94,485	1,13,129	-0.4	2.2	1.6
Operating Expenses	35,757	44,111	52,185	35,625	43,939	51,973	-0.4	-0.4	-0.4
Operating Profits	41,493	48,357	59,212	41,282	50,546	61,156	-0.5	4.5	3.3
Provisions	18,523	18,489	20,827	17,928	19,283	22,098	-3.2	4.3	6.1
PBT	22,970	29,869	38,385	23,354	31,263	39,058	1.7	4.7	1.8
Exceptional items	-	-	-	-	-	-			
Tax	5,667	7,189	8,688	5,737	7,514	8,892	1.2	4.5	2.3
PAT (pre-NCI)	17,303	22,680	29,697	17,618	23,749	30,167	1.8	4.7	1.6
NCI	1,600	1,800	2,000	1,550	1,800	2,000	-3.1	0.0	0.0
PAT (post-NCI)	15,703	20,880	27,697	16,068	21,949	28,167	2.3	5.1	1.7
AUM	10,39,506	12,34,216	14,82,240	10,88,608	12,90,394	15,54,648	4.7	4.6	4.9
Borrowings	6,91,243	7,93,274	9,85,937	7,32,270	8,35,683	10,42,892	5.9	5.3	5.8
RoA	2.2	2.4	2.7	2.2	2.4	2.6	-0.8	0.2	-2.9
RoE	12.0	14.2	16.3	12.2	14.8	16.5	2.2	4.5	0.7

Exhibit 10: Du-Pont (% of avg. assets)

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	14.4	14.2	14.9	17.0	14.6	14.5	15.0	15.1
Interest Expended	7.0	6.9	6.5	6.7	6.4	7.1	7.1	7.1
NIM	7.5	7.3	8.4	10.3	8.2	7.4	7.8	8.0
Other income	1.5	2.1	2.2	0.6	0.6	2.3	1.8	1.7
Total income	9.0	9.3	10.6	10.9	8.8	9.6	9.6	9.7
Operating cost	3.2	3.7	4.5	4.9	4.6	4.5	4.5	4.5
PPOP	5.8	5.6	6.0	6.0	4.3	5.2	5.1	5.2
Provision	3.1	2.1	1.8	1.6	2.3	2.2	2.0	1.9
PBT	2.7	3.5	4.3	4.5	2.0	2.9	3.2	3.3
Tax	0.7	0.8	1.0	1.0	0.2	0.7	0.8	0.8
ROA (pre-NCI)	2.0	2.7	3.3	3.4	1.8	2.2	2.4	2.6
NCI	0.0	0.0	0.2	0.4	0.3	0.2	0.2	0.2
ROA (post-NCI)	2.0	2.7	3.0	3.1	1.5	2.0	2.2	2.4
Avg. leverage (x)	7.4	7.3	6.4	5.9	5.6	6.1	6.6	6.8
RoE	15.0	20.0	19.4	18.0	8.4	12.2	14.8	16.5

Financials and Valuation

Income Statement						(INR M)		
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	54,212	61,345	73,693	98,386	95,043	1,15,591	1,47,240	1,76,503
Interest Expenses	26,258	29,910	32,218	38,829	41,695	56,912	70,230	83,082
Net Interest Income	27,954	31,435	41,474	59,557	53,348	58,679	77,011	93,421
Change (%)	26	12	32	44	-10	10	31	21
-NII on on-book	20,934	23,713	30,183	41,538	39,876	44,221	57,442	70,221
-NII on off-book	7,020	7,722	11,291	18,019	13,390	14,458	19,569	23,200
Other Operating Income	4,186	7,202	8,896	931	3,941	17,387	16,314	18,194
Other Income	1,499	1,689	1,883	2,410	262	842	1,160	1,515
Total Income	33,639	40,326	52,253	62,899	57,550	76,908	94,485	1,13,129
Change (%)	37	20	30	20	-9	34	23	20
Total Operating Expenses	11,904	15,918	22,466	28,067	29,634	35,625	43,939	51,973
Change (%)	-6	34	41	25	6	20	23	18
Employee Expenses	7,231	9,307	13,295	16,849	18,888	21,466	25,434	29,304
Depreciation	1,057	1,217	1,526	1,808	1,886	2,000	2,348	2,683
Other Operating Expenses	3,617	5,394	7,645	9,410	8,861	12,159	16,157	19,986
Operating Profit	21,734	24,408	29,787	34,832	27,916	41,282	50,546	61,156
Change (%)	82	12	22	17	-20	48	22	21
Provisions and write-offs	11,686	9,048	8,661	9,113	14,980	17,928	19,283	22,098
PBT	10,048	15,359	21,125	25,719	12,935	23,354	31,263	39,058
Exceptional Items					-5,865	0	0	0
Tax Provisions	2,440	3,477	5,050	5,977	1,289	5,737	7,514	8,892
Tax Rate (%)	24.3	22.6	23.9	23.2	10.0	24.6	24.0	22.8
PAT (pre-NCI)	7,608	11,882	16,076	19,742	5,782	17,618	23,749	30,167
Change (%)	51	56	35	23	-71	205	35	27
Non Controlling Interest (NCI)	-7	-4	-1,072	-2,107	-1,994	-1,550	-1,800	-2,000
PAT (post-NCI)	7,601	11,879	15,003	17,635	3,788	16,068	21,949	28,167
Change (%)	51	56	26	18	-79	324	37	28
Balance Sheet						(INR M)		
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	758	759	761	763	849	849	849	849
Reserves & Surplus	53,177	63,879	89,160	1,05,607	1,23,273	1,37,643	1,57,469	1,83,088
Non-controlling interest		59.0	12,101	14,195	15,428	16,978	18,778	20,778
Net Worth	53,934	64,697	1,02,021	1,20,564	1,39,550	1,55,469	1,77,095	2,04,715
Borrowings	3,22,645	3,57,255	3,96,040	4,66,992	5,10,680	7,32,270	8,35,683	10,42,892
Change (%)	16.4	10.7	10.9	17.9	9.4	43.4	14.1	24.8
Other Liabilities	30,090	37,150	31,951	36,655	26,212	29,876	34,525	39,827
Total Liabilities	4,06,669	4,59,102	5,30,012	6,24,212	6,76,442	9,17,615	10,47,303	12,87,434
Cash and Bank	47,841	81,569	58,390	42,457	41,918	54,284	51,289	56,425
Investments	316	11,922	35,110	40,590	44,380	53,581	61,587	70,041
Loans	3,35,332	3,36,929	4,00,011	5,09,523	5,53,643	7,69,593	8,87,410	11,06,669
Change (%)	17.5	0.5	18.7	27.4	8.7	39.0	15.3	24.7
Fixed Assets	4,102	4,777	5,708	6,569	6,315	6,998	8,114	9,119
Other Assets	19,079	23,908	30,794	25,072	30,187	33,159	38,903	45,181
Total Assets	4,06,669	4,59,104	5,30,013	6,24,212	6,76,442	9,17,615	10,47,303	12,87,434

E: MOFSL Estimates

Financials and Valuation

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	4,46,891	5,12,097	6,46,376	7,89,599	7,83,413	10,88,608	12,90,394	15,54,648
Change (%)	18	15	26	22	-1	39	19	20
On-book/Off-book Mix (%)								
On-book AUM (%)	75	67	62	64	70	71	68	70
Assignments (%)	25	28	26	21	16	17	20	18
Co-lending (%)	0	6	12	15	14	11	12	12
Total (%)	100	100	100	100	100	100	100	100
Disbursements	2,78,300	3,83,090	5,59,630	6,38,263	4,88,325	10,38,423	12,48,746	14,49,971
Change (%)		38	46	14	-23	113	20	16
Ratios								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)								
Avg. Yield on Loans	17.5	18.3	20.0	21.6	17.9	17.5	17.8	17.7
Avg Cost of Funds	8.8	8.8	8.6	9.0	8.5	9.2	9.0	8.8
Spread of loans	8.7	9.5	11.4	12.6	9.3	8.3	8.8	8.9
NIM (as % of total AUM)	6.8	6.6	7.2	8.3	6.8	6.3	6.5	6.6
On-book NIM (% of on-book AUM)	6.8	7.0	8.1	9.1	7.5	6.7	6.9	7.1
Profitability Ratios (%)								
RoE	15.0	20.0	19.4	18.0	3.3	12.2	14.8	16.5
RoA	2.0	2.7	3.3	3.4	0.9	2.2	2.4	2.6
Int. Expended / Int.Earned	48.4	48.8	43.7	39.5	43.9	49.2	47.7	47.1
Other Inc. / Net Income	16.9	22.0	20.6	5.3	7.3	23.7	18.5	17.4
Efficiency Ratios (%)								
Op. Exps. / Avg AUM	2.9	3.3	3.9	3.9	3.8	3.8	3.7	3.7
Op. Exps. / Net Income	35	39	43	45	51	46	47	46
Empl. Cost/Op. Exps.	61	58	59	60	64	60	58	56
Asset-Liability Profile (%)								
Debt-Equity Ratio	6.0	5.5	4.4	4.4	4.1	5.3	5.3	5.7
Assets/Equity	7.5	7.1	5.9	5.9	5.4	6.6	6.6	7.0
Asset Quality (%)								
GNPA (INR m)	6,620	10,740	7,380	11,692	12,253	13,381	13,993	14,587
GNPA (%)	2.1	3.2	1.8	2.3	2.2	1.7	1.6	1.3
NNPA (INR m)	2,986	6,218	3,771	5,951	5,685	5,997	6,240	6,653
NNPA (%)	1.0	1.8	1.1	1.2	1.0	0.8	0.7	0.6
PCR (%)	55	42	49	49	54	55	55	54
Credit costs	3.8	2.7	2.4	2.0	2.8	2.7	2.3	2.2
Valuations								
	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	142	170	236	279	292	326	373	433
BV Growth (%)	13	20	39	18	5	12	14	16
P/BV	3.8	3.2	2.3	1.9	1.9	1.7	1.5	1.2
EPS (INR)	20	31	39	46	9	38	52	66
EPS Growth (%)	51	56	26	17	-81	324	37	28
P/E	27.0	17.3	13.7	11.7	60.6	14.3	10.5	8.2
Dividend	3.0	3.5	4.0	4.0	4.0	5.0	6.0	6.0
Dividend yield	0.6	0.6	0.7	0.7	0.7	0.9	1.1	1.1

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