

Estimate change 

TP change 

Rating change 

	MASFIN IN
Bloomberg	MASFIN IN
Equity Shares (m)	55
M.Cap.(INRb)/(USDb)	39.9 / 0.5
52-Week Range (INR)	938 / 485
1, 6, 12 Rel. Per (%)	-3/-17/14
12M Avg Val (INR M)	38

## Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Total income	4.7	6.2	7.9
PPP	3.2	4.0	5.3
PAT	2.0	2.5	3.4
EPS (INR)	36.8	46.5	61.5
EPS Gr. (%)	27.6	26.4	32.3
BVPS (INR)	267	309	359
<b>Ratios (%)</b>			
NIM	6.3	6.2	6.2
C/I ratio	33.0	34.6	33.5
RoA on AUM	2.8	2.7	2.9
RoE	14.6	16.1	18.4
Payout	9.8	10.0	18.5
<b>Valuations</b>			
P/E (x)	19.8	15.7	11.8
P/BV (x)	2.7	2.4	2.0
Div. yield (%)	0.5	0.6	1.6

## Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	73.7	73.7	73.6
DII	11.0	11.0	9.5
FII	1.6	1.5	1.5
Others	13.7	13.7	15.4

FII Includes depository receipts

**CMP: INR729**

**TP: INR900 (+24%)**

**Buy**

## Earnings inline despite NIM compression and high credit costs

- MASFIN's 4QFY23 PAT rose 23% YoY to INR556m. NII grew 36% YoY to ~INR1.3b, while opex at INR381m grew 30% YoY. PPOP rose 39% YoY to INR887m. FY23 PAT grew 28% YoY to ~INR2m (PY: INR1.6b).
- Credit costs grew 28% QoQ to INR182m (est. INR119m). Total Covid-related provisions stood at ~0.3% of on-book assets.
- 4QFY23 disbursements grew 27% YoY/12% QOQ to ~INR25b. FY23 disbursements surged 50% YoY to INR91.3b (PY: INR60.8b).
- Asset quality improved QoQ, with GS3/NS3 at 2.15%/1.5%. In MSME and SME lending, MASFIN is relatively better than its peers. Capital adequacy and liquidity on the balance sheet remained healthy. We increase our FY25E EPS by ~4% to factor in higher loan growth
- **Maintain BUY with a TP of INR900 (premised on 2.5x FY25E BV).**

## AUM up 6% sequentially; spreads contract QoQ

- Standalone AUM grew 6% QoQ and 30% YoY to INR81b. AUM of micro-enterprises/SME/2W rose 19%/31%/47% YoY. AUM in its housing subsidiary increased by 31% YoY to INR4.1b.
- MASFIN has re-started undertaking assignment transactions and the share of off-balance sheet loans increased by 200bp QoQ to 19%.
- Yields on loans (calculated) and CoF increased ~30bp/100bp QoQ to 14.5%/9.7%. This led to an ~80bp QoQ contraction in overall spreads.

## Opex ratio moderates but likely to remain high; asset quality stable

- Operating expenses moderated, with the C/I ratio declining by ~390bp QoQ to ~30% and the opex-to-AUM ratio improving by ~40bp to 1.9%.
- 1+dpd loans declined by ~35bp QoQ to 4.8% in 4QFY23. Total standalone Covid-related provisions stood at INR200m (~0.3% of on-book loans). The OTR pool declined to INR71m (~9bp of AUM) in 4QFY23.

## Other highlights

- The average ticket size of SME loans declined to INR41.8k (PQ: INR32.3k).
- MASFIN's RoTA improved ~20bp QoQ to ~2.9% in 4QFY23.

## HFC subsidiary:

- Housing AUM grew 31% QoQ to INR4.1b. GS3 deteriorated sequentially by ~10bp to ~0.7% (PQ: 0.6%).
- MASFIN's housing finance subsidiary is expected to contribute meaningfully and post a CAGR of 25-30% over the medium term.
- The company continues to carry a Covid-related provision of 0.7% of the AUM.

**Key highlights from the management commentary**

- The company continues to guide for a standalone AUM CAGR of 20-25% over the medium term.
- Guided for steady state credit cost of ~1% for FY24.
- The company has formed a management advisory committee, whose term will be renewed every year and which will advise on the strategic initiatives of the company.

**Valuation and view**

- We model an AUM/PAT CAGR of 27%/29% over FY23-FY25E with RoA/RoE of 2.9%/18% in FY25. The company has maintained high earnings quality, backed by healthy AUM growth. With the improvement in economic activity, we expect earnings growth to be strong in the coming years.
- MASFIN has successfully navigated a tough environment, with a large exposure to microloans and the MSME sector. It has developed a niche expertise to serve the MSME market and continues to demonstrate healthy loan growth momentum, while its asset quality is perhaps the best among MFI and SME lending peers.
- **Maintain BUY with a TP of INR900 (premised on 2.5x FY25E BV).** Key Risk is slowdown in the economic environment leading to sluggish loan growth and deterioration in the asset quality.

Quarterly Performance												(INR m)
Y/E March	FY22				FY23				FY22	FY23	4QFY23E	Act. v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue from Operations</b>	<b>1,485</b>	<b>1,567</b>	<b>1,718</b>	<b>1,837</b>	<b>1,983</b>	<b>2,300</b>	<b>2,515</b>	<b>2,703</b>	<b>6,571</b>	<b>9,491</b>	<b>2,725</b>	<b>-1</b>
Interest Income	1,283	1,352	1,473	1,568	1,677	1,941	2,183	2,325	5,611	8,066	2,444	-5
Gain on assignments	149	155	175	180	157	178	158	198	639	680	179	11
Other operating Income	53	61	70	89	150	182	173	180	321	745	102	77
Interest expenses	699	759	831	905	928	1,108	1,276	1,435	3,195	4,748	1,413	2
<b>Total income</b>	<b>786</b>	<b>808</b>	<b>887</b>	<b>931</b>	<b>1,055</b>	<b>1,192</b>	<b>1,238</b>	<b>1,268</b>	<b>3,375</b>	<b>4,743</b>	<b>1,312</b>	<b>-3</b>
Growth Y-o-Y (%)	-13.7	-1.6	13.4	19.3	34.3	47.5	39.7	36.1	2.5	40.5	45.9	
Operating Expenses	149	203	280	294	348	416	421	381	921	1,566	455	-16
<b>Operating Profits</b>	<b>636</b>	<b>605</b>	<b>607</b>	<b>638</b>	<b>707</b>	<b>775</b>	<b>818</b>	<b>887</b>	<b>2,454</b>	<b>3,177</b>	<b>856</b>	<b>4</b>
Growth Y-o-Y (%)	-19.2	-13.1	-4.5	10.9	11.1	28.2	34.8	39.0	-8.4	29.5	41.5	
Provisions	141	90	68	38	85	121	142	182	341	530	119	53
<b>Profit before tax</b>	<b>495</b>	<b>515</b>	<b>539</b>	<b>600</b>	<b>623</b>	<b>654</b>	<b>676</b>	<b>704</b>	<b>2,113</b>	<b>2,647</b>	<b>737</b>	<b>-4</b>
Growth Y-o-Y (%)	1.3	12.9	11.4	20.1	25.7	27.0	25.4	17.4	9.5	25.3	29.9	
Tax Provisions	127	132	138	150	157	164	170	149	538	637	186	-20
<b>Net Profit</b>	<b>368</b>	<b>383</b>	<b>401</b>	<b>450</b>	<b>465</b>	<b>491</b>	<b>506</b>	<b>556</b>	<b>1,575</b>	<b>2,010</b>	<b>551</b>	<b>1</b>
Growth Y-o-Y (%)	0.6	12.0	10.8	23.2	26.3	28.0	26.0	23.4	9.7	27.6	29.3	
<b>Key Operating Parameters (%)</b>												
Yield on loans (Cal)	12.7	12.8	13.0	12.9	12.7	13.5	14.2	14.5				
Cost of funds (Cal)	7.8	8.0	7.9	8.1	7.7	8.1	8.7	9.7				
Spreads (Cal)	4.9	4.8	5.1	4.8	5.0	5.4	5.5	4.8				
NIM on AUM (Cal)	6.0	6.1	6.3	6.2	6.5	6.9	6.7	6.5				
Credit Cost (%)	1.1	0.7	0.5	0.3	0.5	0.7	0.8	0.9				
Cost to Income Ratio	19.0	25.1	31.6	31.5	33.0	34.9	34.0	30.1				
Tax Rate	25.7	25.6	25.6	25.0	25.3	25.0	25.2	21.1				
<b>Balance Sheet Parameters</b>												
<b>Standalone AUM (INR B)</b>	<b>51.6</b>	<b>54.9</b>	<b>57.4</b>	<b>62.5</b>	<b>66.8</b>	<b>71.4</b>	<b>76.1</b>	<b>80.9</b>				
Change YoY (%)	-8.8	3.5	13.6	16.3	29.5	30.1	32.5	29.5				
<b>Disbursements (INR B)</b>	<b>10.4</b>	<b>14.8</b>	<b>16.0</b>	<b>19.6</b>	<b>21.5</b>	<b>22.6</b>	<b>22.2</b>	<b>24.9</b>				
Change YoY (%)	864.2	80.0	55.0	51.6	106.8	53.2	39.0	27.0				
<b>Borrowings (INR B)</b>	<b>35.4</b>	<b>40.8</b>	<b>43.6</b>	<b>45.5</b>	<b>50.5</b>	<b>58.4</b>	<b>59.3</b>	<b>59.1</b>				
Change YoY (%)	18.3	26.5	45.6	24.3	42.6	43.0	36.2	29.8				
Debt/Equity (x)	2.9	3.3	3.4	3.5	3.7	4.3	0.4	0.4				
<b>Asset liability Mix</b>												
<b>AUM Mix (%)</b>												
Micro Enterprises	53.5	52.7	50.1	52.0	52.7	50.3	49.7	47.9				
SME loans	35.1	36.5	39.6	36.4	36.6	37.4	37.3	36.9				
2W loans	7.3	6.6	6.3	6.0	5.8	6.6	6.6	6.9				
CV loans	4.1	4.2	4.0	5.5	5.0	3.8	3.8	4.6				
<b>Borrowings Mix (%)</b>												
Direct Assignment	26.0	22.0	21.0	21.0	20.0	18.0	19.0	21.0				
Cash Credit	31.0	31.0	26.0	28.0	26.0	25.0	21.0	18.0				
Term Loan	32.0	34.0	37.0	40.0	43.0	45.0	47.0	50.0				
NCD	10.0	10.0	12.0	7.0	9.0	9.0	10.0	8.0				
Sub Debt	1.0	1.0	3.0	3.0	2.0	2.0	3.0	3.0				
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	737	854	1,005	1,050	1,177	1,308	1,380	1,327				
GS 3 (%)	2.21	2.30	2.35	2.28	2.27	2.26	2.23	2.15				
NS 3 (INR m)	494	580	667	689	742	837	901	814				
NS 3 (%)	1.74	1.80	1.76	1.70	1.63	1.60	1.60	1.52				
PCR (%)	32.9	32.1	33.7	34.4	37.0	36.0	34.7	38.6				
<b>Return Ratios (%)</b>												
ROA	2.9	2.9	2.8	2.9	2.9	2.8	2.7	2.9				
Tier I ratio	26.6	24.0	23.8	23.1	22.5	21.2	21.2	20.8				

E: MOFSL estimates

## Highlights from the management commentary

### Business Update

- The company crossed ~INR2b in consolidated PAT in FY23.
- It is confident of crossing the INR100b mark in consolidated AUM in FY24.
- 4QFY23 was a robust and strong quarter, with PAT up 23.4% YoY to ~INR550m.
- The board has announced a dividend of INR1.85/share.

### Corporate Advisory Committee

- It has formed a management advisory Committee to the Board -  
Mr. Rajiv Kumar - Former Niti Aayog Vice Chairman  
Mr. TTS Srinivasaraghavan - Ex-MD of Sundaram Finance  
Mr. U.S. Paliwal - CEO of Association of Small Finance Banks and former ED at

### RBI

- Term of the Committee will be renewed every year and they will be advising on the strategic initiatives of the company. It will meet every quarter before the Board meeting but the number of meets can be increased based on the need.

### Guidance

- The company has guided for NS3 between 1.5%-2% and GS3 of 2.25%-2.75%. Credit cost guidance is ~1% for FY24.
- It continues to guide for an AUM CAGR of 20-25% over the medium term.
- MASFIN will strive for NIM of 6.75%-7.0% in FY24. It will working on re-pricing of the assets.
- Cost of borrowings stood at 9.26% in 4QFY23 and 9.02% in FY23. Expects the CoB to settle around 9.5% in the coming quarters

### AUM growth

- Micro Enterprise Loans grew ~19% YoY, SME Loans grew ~31% YoY. 2W grew by ~47% YoY.
- There were few instances of pre-closure in its CV book because of which the CV AUM growth was muted.

### Housing

- Housing AUM grew by 31% YoY to ~INR4.13b
- Opex was elevated because of expansion of branch distribution and addition of manpower.
- Housing Finance will be one of the strong value accretion to the company
- Guided for 30-35% YoY growth in FY24
- Confident of reaching a Housing AUM of ~INR10b within the next two-three years.
- Acceptable levels in affordable housing are GS3 <2% and MASF Housing GS3 is at ~0.7%. There is nothing to be worried about in the Housing business. Expect a range-bound NS3 of <1% until it reaches AUM of ~INR10b and between 1.0-1.5% beyond that.
- ATS of ~INR700k and majority is in Gujarat, Maharashtra. Started exploring MP and Rajasthan.
- Housing is 83% of the AUM mix. Commercial (LAP and loans to purchase shops/commercial property) is 15% and Project Funding is 2%.

**Distribution**

- MASFIN continues to focus on the MSME business, which constitutes >80% of its AUM mix. It will remain focused on MSME through both its direct distribution as well as NBFC partners.
- It will continue to strengthen its distribution network.
- The company is keen to expand the distribution network to 175 branches by Mar'24. The expansion to new geographies and new branches will be done in such a way that it will not impact the asset quality and risk-adjusted returns.
- 30 new branches will be opened this year or by 1QFY25.

**Digitization**

- MASFIN is also in the process of adopting digitization.
- In credit decisions, digital cannot completely replace the manual decision-making process. Fintechs have not had a great experience so far when digital solutions are used as a replacement of manual decision-making.
- Because of technology advancements, underwriting has improved, which will help reduce the turnaround time and improve asset quality.

**Liabilities**

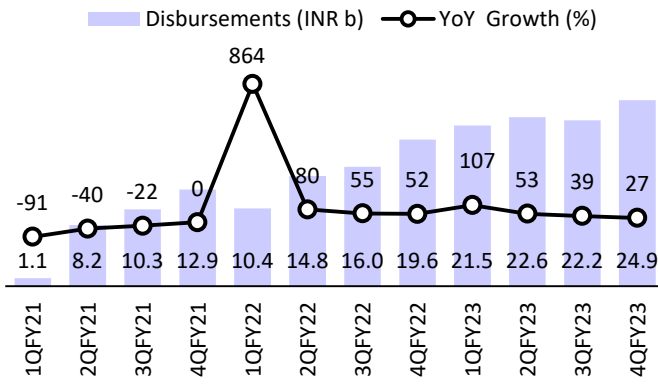
- Tied up with 3 banks and in discussions with 3 other banks for co-lending.
- Cash credit of ~INR17b; Utilization of 55-70% and rest is kept as a liquidity buffer.
- Term Loans are for tenors of 3-5 years, which helps in strengthening the ALM profile.
- CRAR of 25.25% and D/E of 4.0x. Raised INR1b of subordinated debt which qualifies as tier 2 debt and helps strengthen the capital position.
- Continuous endeavor to reduce the cost of borrowings. MASF is rated A+ by CARE and AA- by Acuite. It expects a credit rating upgrade soon from the other credit rating agencies.
- It has >INR12b of sanctions which is sufficient for 1QFY24 and by end of 1QFY24, it will already have sanctions for the rest of the year.
- The cost of raising money through NCDs is 0.50-0.75% higher than bank term loans.
- Most bank term loans are linked to the 1-year MCLR. Portfolio CoB can increase to 9.5% (v/s 9.05% now).
- Salaried Personal Loans 4% of the total AUM. MASF will grow cautiously but it needs some critical mass to assess the product performance.
- Salaried personal loans will not be more than 5-7% of the total AUM within the next 2 years.

**Others**

- Cross-sell proportion is not very high because of the limitations that the credit team faces in extending additional loans to the same customers.
- New branches will become more productive and start gaining traction.
- SME is a huge landscape to be served. It is not a rate-sensitive segment and interest rate differentials of 50-100bp does not make much of a difference to the asset quality and the target customer segment.
- GS3 of 2.15% and NS3 of 1.52% (PY: GS3: 2.23% and NS3: 1.60%)

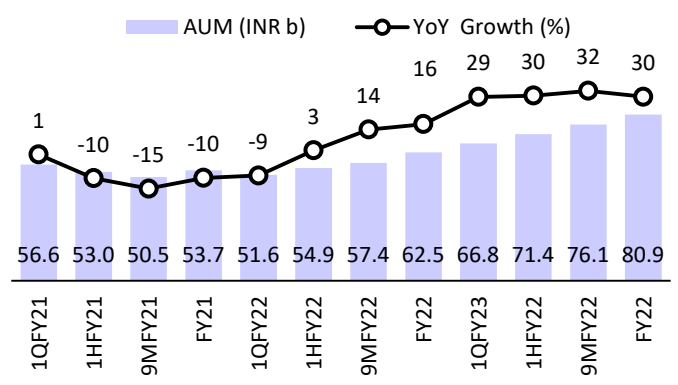
Key exhibits

Exhibit 1: Disbursements grew 27% YoY...



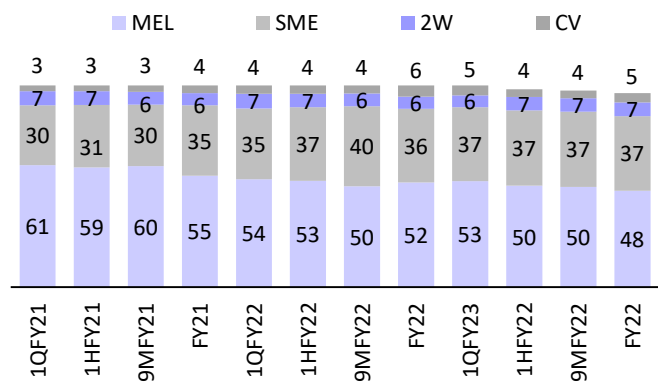
Source: MOFSL, Company

Exhibit 2: ...leading to AUM growth of ~30% YoY



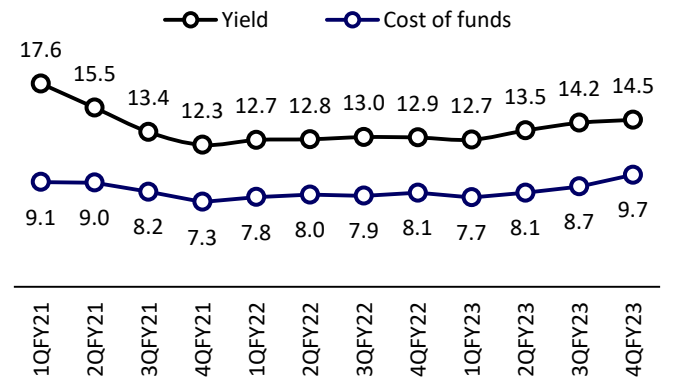
Source: MOFSL, Company

Exhibit 3: Share of MEL loans declined sequentially (%)



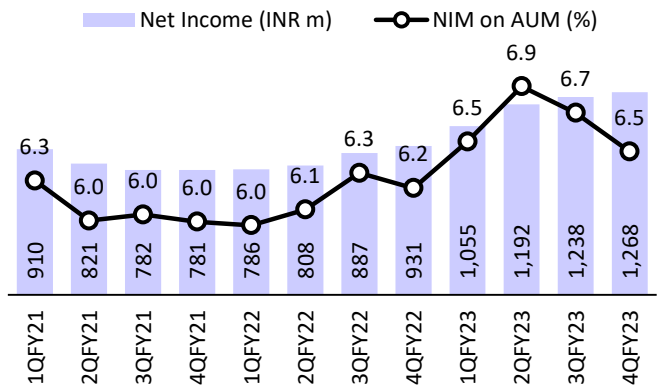
Source: MOFSL, Company

Exhibit 4: Spreads (calculated) contracted ~40bp QoQ (%)



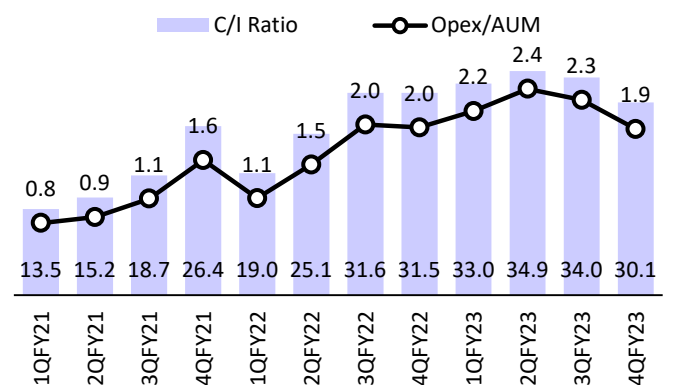
Source: MOFSL, Company

Exhibit 5: NIM on AUM contracted ~25bp sequentially



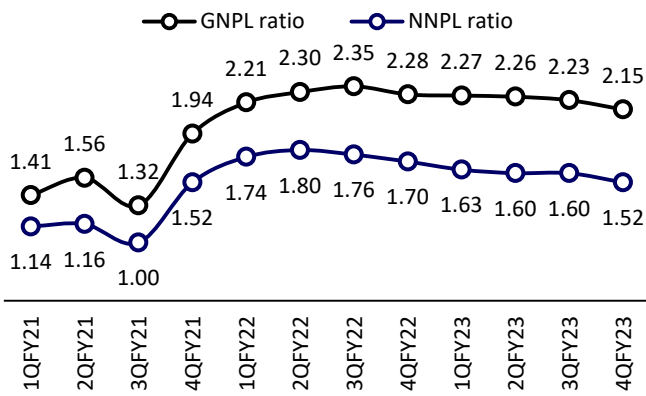
Source: MOFSL, Company; Note: including upfront assignment income

Exhibit 6: OPEX-to-AUM moderated by ~35bp QoQ (%)



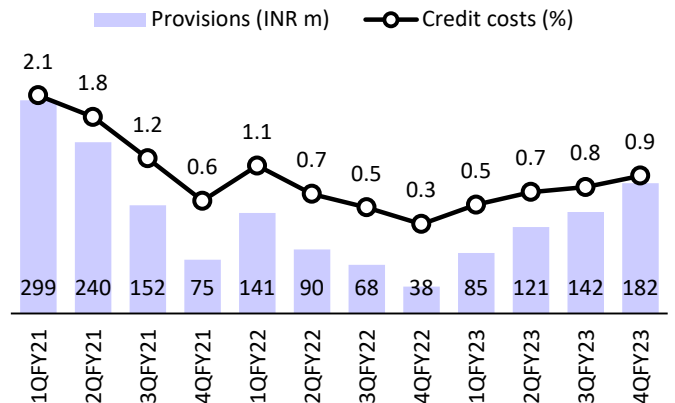
Source: MOFSL, Company

**Exhibit 7: GNPL ratio improved ~10bp sequentially**



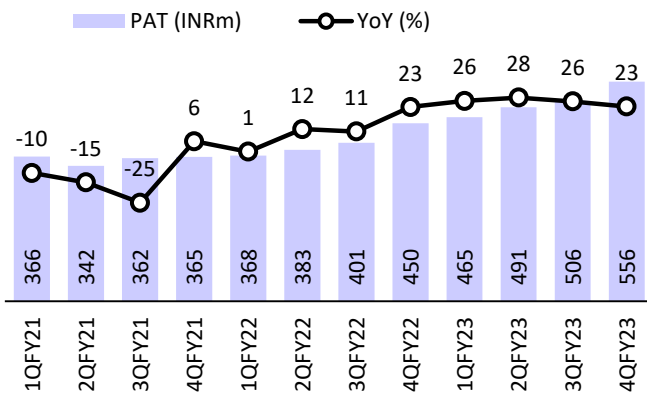
Source: MOFSL, Company

**Exhibit 8: Credit costs increased ~10bp QoQ (%)**



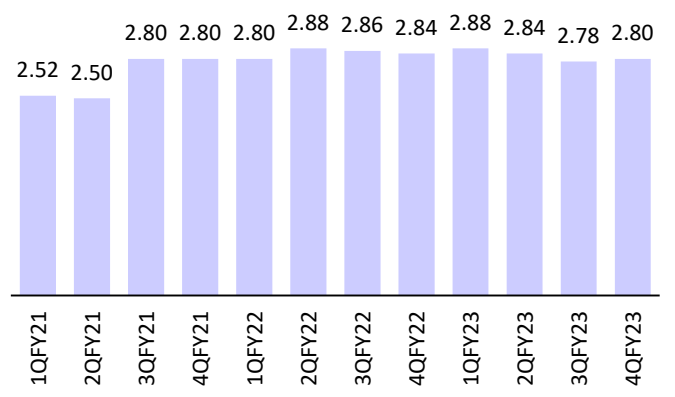
Source: MOFSL, Company

**Exhibit 9: PAT up 10% sequentially and 23% YoY**



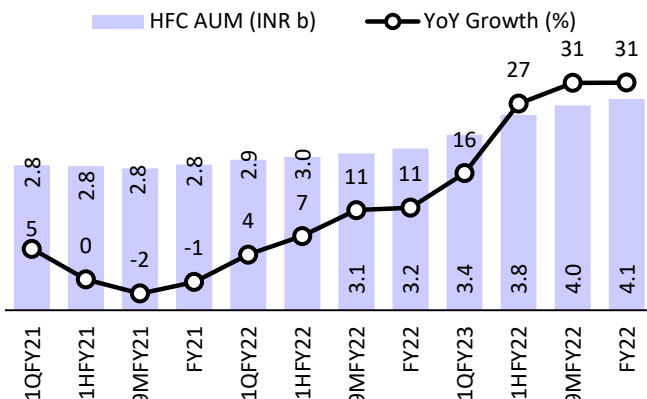
Source: MOFSL, Company

**Exhibit 10: RoA (on AUM) (%)**



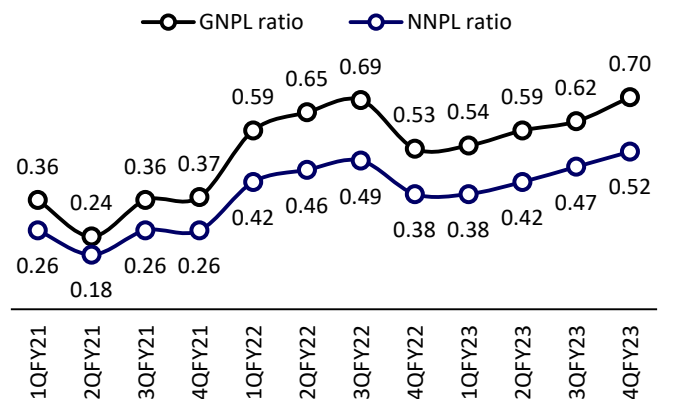
Source: MOFSL, Company. Reported RoA

**Exhibit 11: HFC subsidiary's AUM grew 31% YoY...**



Source: MOFSL, Company

**Exhibit 12: ...while asset quality deteriorated sequentially (%)**



Source: MOFSL, Company

### Valuation and view

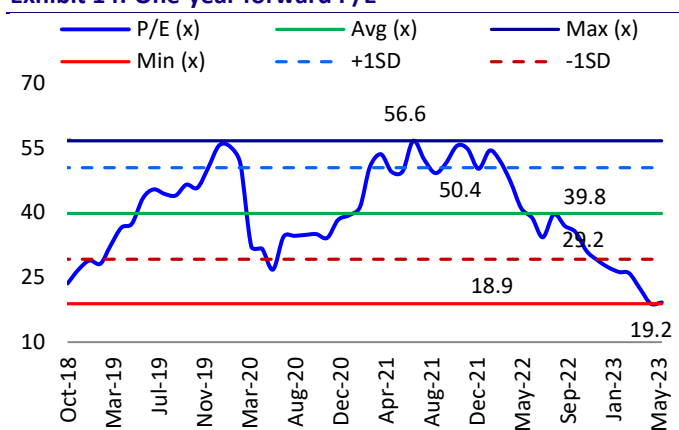
- We model an AUM/PAT CAGR of 27%/29% over FY23-FY25E with RoA/RoE of 2.9%/18% in FY25. The company has maintained high earnings quality, backed by healthy AUM growth. With the improvement in economic activity, we expect earnings growth to be strong in the coming years.
- MASFIN has successfully navigated a tough environment, with a large exposure to microloans and the MSME sector. It has developed a niche expertise to serve the MSME market and continues to demonstrate healthy loan growth momentum, while its asset quality is perhaps the best among MFI and SME lending peers.
- **Maintain BUY with a TP of INR900 (premised on 2.5x FY25E BV).** Key Risk is slowdown in the economic environment leading to sluggish loan growth and deterioration in the asset quality.

Exhibit 13: Increase our FY25 EPS by ~4% to factor in higher loan growth

INR b	Old Est.		New Est.		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
NII	4.7	5.9	4.4	5.9	-5.6	0.0
Other Income	1.5	1.8	1.8	2.0	16.9	10.6
<b>Total Income</b>	<b>6.2</b>	<b>7.7</b>	<b>6.2</b>	<b>7.9</b>	<b>-0.1</b>	<b>2.5</b>
Operating Expenses	2.2	2.7	2.1	2.6	-2.7	-0.6
<b>Operating Profits</b>	<b>4.0</b>	<b>5.0</b>	<b>4.0</b>	<b>5.3</b>	<b>1.3</b>	<b>4.1</b>
Provisions	0.6	0.7	0.6	0.8	17.1	10.9
<b>PBT</b>	<b>3.4</b>	<b>4.4</b>	<b>3.4</b>	<b>4.5</b>	<b>-1.2</b>	<b>3.1</b>
Tax	0.9	1.1	0.9	1.1	-2.4	1.9
<b>PAT</b>	<b>2.6</b>	<b>3.2</b>	<b>2.5</b>	<b>3.4</b>	<b>-0.8</b>	<b>3.5</b>
<b>AUM</b>	<b>103</b>	<b>126</b>	<b>104</b>	<b>130</b>	<b>1.0</b>	<b>3.5</b>
<b>NIM (%)</b>	<b>5.1</b>	<b>5.1</b>	<b>4.8</b>	<b>5.0</b>		
<b>ROAA (%)</b>	<b>2.7</b>	<b>2.8</b>	<b>2.8</b>	<b>2.9</b>		
<b>RoAE (%)</b>	<b>16.7</b>	<b>18.4</b>	<b>16.1</b>	<b>18.4</b>		

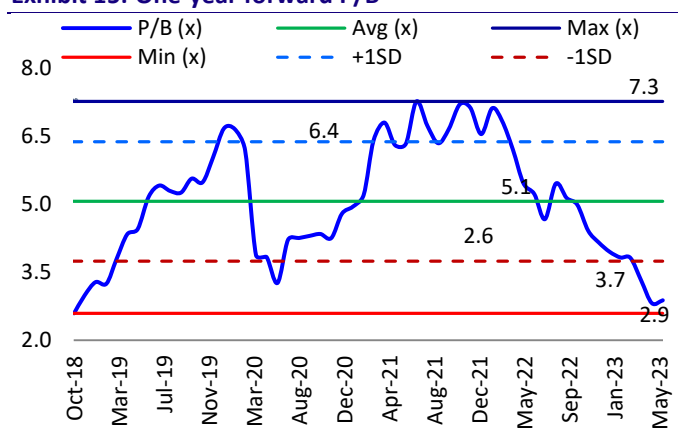
Source: MOFSL, Company

Exhibit 14: One-year forward P/E



Source: MOFSL, Company

Exhibit 15: One-year forward P/B



Source: MOFSL, Company



## Financials and valuations

Income statement									INR m
Y/E MARCH	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	3,148	3,594	4,645	5,551	4,831	5,611	8,066	11,421	15,184
Interest Expense	1,513	1,705	2,067	2,722	2,645	3,195	4,748	7,001	9,317
<b>Net Financing income</b>	<b>1,634</b>	<b>1,889</b>	<b>2,579</b>	<b>2,829</b>	<b>2,186</b>	<b>2,416</b>	<b>3,318</b>	<b>4,421</b>	<b>5,866</b>
Change (%)	20.5	15.6	36.5	9.7	-22.7	10.5	37.3	33.3	32.7
Gains on Assignment	0	801	941	1,012	806	639	680	782	861
<b>NII incl assignment income</b>	<b>1,634</b>	<b>2,689</b>	<b>3,520</b>	<b>3,841</b>	<b>2,992</b>	<b>3,054</b>	<b>3,998</b>	<b>5,203</b>	<b>6,727</b>
Change (%)	20.3	64.6	30.9	9.1	-22.1	2.1	30.9	30.1	29.3
Fees and Others	268	115	139	165	302	321	745	980	1,177
<b>Total Income</b>	<b>1,902</b>	<b>2,804</b>	<b>3,659</b>	<b>4,005</b>	<b>3,294</b>	<b>3,375</b>	<b>4,743</b>	<b>6,184</b>	<b>7,904</b>
Change (%)	17.5	47.4	30.5	9.5	-17.8	2.5	40.5	30.4	27.8
<b>Operating Expenses</b>	<b>604</b>	<b>725</b>	<b>775</b>	<b>899</b>	<b>616</b>	<b>921</b>	<b>1,566</b>	<b>2,138</b>	<b>2,646</b>
Change (%)	-11.3	20.1	6.8	16.0	-31.4	49.5	69.9	36.5	23.8
<b>Operating Profits</b>	<b>1,298</b>	<b>2,079</b>	<b>2,885</b>	<b>3,106</b>	<b>2,678</b>	<b>2,454</b>	<b>3,177</b>	<b>4,046</b>	<b>5,257</b>
Change (%)	38.4	60.2	38.7	7.7	-13.8	-8.4	29.5	27.3	30.0
<b>Total Provisions</b>	<b>267</b>	<b>428</b>	<b>545</b>	<b>825</b>	<b>749</b>	<b>341</b>	<b>530</b>	<b>649</b>	<b>762</b>
% to operating income	20.6	20.6	18.9	26.5	28.0	13.9	16.7	16.0	14.5
<b>PBT</b>	<b>1,031</b>	<b>1,652</b>	<b>2,339</b>	<b>2,282</b>	<b>1,929</b>	<b>2,113</b>	<b>2,647</b>	<b>3,397</b>	<b>4,496</b>
Tax	357	617	818	616	494	538	637	856	1,133
Tax Rate (%)	34.6	37.4	35.0	27.0	25.6	25.5	24.1	25.2	25.2
<b>PAT</b>	<b>674</b>	<b>1,034</b>	<b>1,521</b>	<b>1,666</b>	<b>1,435</b>	<b>1,575</b>	<b>2,010</b>	<b>2,541</b>	<b>3,363</b>
Change (%)	56.1	53.5	47.1	9.5	-13.8	9.7	27.6	26.4	32.3
Proposed Dividend	132	200	279	437	82	164	197	254	622

Balance sheet									INR m
Y/E MARCH	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	430	547	547	547	547	547	547	547	547
Reserves & Surplus (Ex OCI)	1,147	6,674	7,859	8,807	10,724	12,404	14,056	16,342	19,083
<b>Networth (Ex OCI)</b>	<b>1,576</b>	<b>7,221</b>	<b>8,406</b>	<b>9,354</b>	<b>11,271</b>	<b>12,951</b>	<b>14,602</b>	<b>16,889</b>	<b>19,630</b>
OCI	159	376	455	455	455	455	455	455	455
<b>Networth (Incl OCI)</b>	<b>1,735</b>	<b>7,596</b>	<b>8,861</b>	<b>9,809</b>	<b>11,726</b>	<b>13,406</b>	<b>15,057</b>	<b>17,344</b>	<b>20,085</b>
Change (%)	24.4	337.7	16.6	10.7	19.5	14.3	12.3	15.2	15.8
Minority Interest	0	0	0	0	1	0	0	0	10
Other Capital Instruments	0	0	0	0	0	0	0	0	0
<b>Borrowings</b>	<b>18,433</b>	<b>18,871</b>	<b>27,438</b>	<b>34,870</b>	<b>39,264</b>	<b>46,896</b>	<b>61,432</b>	<b>86,732</b>	<b>1,07,380</b>
Change (%)	10.6	2.4	45.4	27.1	12.6	19.4	31.0	41.2	23.8
<b>Other liabilities</b>	<b>101</b>	<b>509</b>	<b>736</b>	<b>1,038</b>	<b>786</b>	<b>341</b>	<b>276</b>	<b>304</b>	<b>334</b>
Change (%)	-92.8	405.8	44.5	41.0	-24.3	-56.7	-18.9	10.0	10.0
<b>Total Liabilities</b>	<b>20,269</b>	<b>26,977</b>	<b>37,036</b>	<b>45,718</b>	<b>51,775</b>	<b>60,642</b>	<b>76,765</b>	<b>1,04,380</b>	<b>1,27,799</b>
<b>Loans</b>	<b>19,342</b>	<b>25,463</b>	<b>32,185</b>	<b>33,485</b>	<b>38,051</b>	<b>45,538</b>	<b>59,102</b>	<b>84,564</b>	<b>1,05,232</b>
Change (%)	12.1	31.6	26.4	4.0	13.6	19.7	29.8	43.1	24.4
<b>Investments</b>	<b>133</b>	<b>134</b>	<b>223</b>	<b>375</b>	<b>2,350</b>	<b>5,381</b>	<b>8,261</b>	<b>8,261</b>	<b>8,261</b>
Net Fixed Assets	72	565	572	603	609	647	730	817	915
Other assets	722	815	4,056	11,255	10,765	9,077	8,673	10,738	13,400
<b>Total Assets</b>	<b>20,269</b>	<b>26,977</b>	<b>37,036</b>	<b>45,718</b>	<b>51,776</b>	<b>60,642</b>	<b>76,765</b>	<b>1,04,380</b>	<b>1,27,809</b>

E: MOFSL Estimates

Assumptions	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
AUM (INR M)	31,561	41,570	53,384	59,663	53,724	62,468	80,926	1,04,399	1,29,916
Change (%)	16.9	31.7	28.4	11.8	-10.0	16.3	29.5	29.0	24.4
On Balance Sheet	61.3	61.8	60.9	55.7	75.4	81.4	81.0	81.0	81.0
Off Balance Sheet	38.7	38.2	39.1	44.3	24.6	18.6	19.0	19.0	19.0

E: MOSL Estimates

## Financials and valuations

Ratios	(%)								
Y/E MARCH	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Spreads Analysis (%)</b>									
Yield on loans	17.2	16.0	16.1	16.9	13.5	13.4	15.4	15.9	16.0
Cost of Funds	8.6	9.1	8.9	8.7	7.1	7.4	8.8	9.5	9.6
Spreads (On books)	8.6	6.9	7.2	8.2	6.4	6.0	6.6	6.5	6.4
NIMs (On Books)	8.9	8.4	8.9	8.6	6.1	5.8	6.3	6.2	6.2
<b>Profitability Ratios (%)</b>									
RoE	45.3	23.5	19.5	18.8	13.9	13.0	14.6	16.1	18.4
RoA	3.4	4.4	4.8	4.0	2.9	2.8	2.9	2.8	2.9
RoA (on AUM)	2.3	2.8	3.2	2.9	2.5	2.7	2.8	2.7	2.9
Op. Exps./Net Income	31.8	25.9	21.2	22.4	18.7	27.3	33.0	34.6	33.5
Empl. Cost/Op. Exps.	43.4	52.4	60.9	58.3	48.2	45.8	39.9	39.5	39.9
<b>Asset-Liability Profile (%)</b>									
Net NPAs to Adv.	1.3	1.7	1.6	1.4	1.0	1.2	1.3	1.0	0.9
Debt/Equity (x) - On BS	11.7	2.6	3.3	3.7	3.5	3.6	4.2	5.1	5.5
Average leverage	11.8	4.2	3.0	3.5	3.6	3.6	3.9	4.7	5.3
CAR	16.9	31.9	29.1	31.0	26.9	27.9	24.2	22.2	20.6
<b>Valuations</b>									
Book Value (INR)	37	132	154	171	206	237	267	309	359
Price-BV (x)				4.3	3.5	3.1	2.7	2.4	2.0
Adjusted BV (INR)	32.6	126.5	147.0	165.2	201.1	229.2	256.7	295.3	343.7
Price-ABV (x)				4.4	3.6	3.2	2.8	2.5	2.1
EPS (INR)	15.7	18.9	27.8	30.5	26.3	28.8	36.8	46.5	61.5
EPS Growth (%)	-42	21	47	9	-14	10	28	26	32
Price-Earnings (x)			26.2	23.9	27.8	25.3	19.8	15.7	11.8
Dividend per share	3.3	3.7	5.1	8.0	1.5	3.0	3.6	4.6	11.4
Dividend yield (%)				1.1	0.2	0.4	0.5	0.6	1.6

E: MOFSL Estimates

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