

Estimate change 

TP change 

Rating change 

Bloomberg	AAVAS IN
Equity Shares (m)	79
M.Cap.(INRb)/(USD\$b)	166.5 / 2
52-Week Range (INR)	2238 / 1457
1, 6, 12 Rel. Per (%)	2/27/20
12M Avg Val (INR M)	522

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	10.1	11.8	13.7
PPP	7.6	9.1	10.8
PAT	5.7	6.9	8.1
EPS (INR)	73	87	103
EPS Gr. (%)	17	19	19
BV/Sh. (INR)	551	638	740

## Ratios (%)

NIM	5.4	5.3	5.2
C/I ratio	43.8	42.3	41.1
Credit cost	0.18	0.19	0.19
RoA	3.3	3.4	3.4
RoE	14.1	14.6	14.9

## Valuation

P/E (x)	28.9	24.2	20.4
P/BV (x)	3.8	3.3	2.8

## Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	26.5	26.5	26.5
DII	10.8	25.7	24.0
FII	29.7	34.0	34.8
Others	33.1	13.9	14.7

FII includes depository receipts

**CMP: INR2,104**

**TP: INR2,070 (-2%)**

**Neutral**

## Tech transformation benefits likely to materialize from FY26

### Earnings in line; AUM growth weaker than guidance even as NIM expands

- AAVAS Financiers (AAVAS)'s 4QFY25 PAT grew ~8% YOY to ~INR1.54b (in line). FY25 PAT grew ~17% YoY to INR5.7b. NII in 4QFY25 grew 14% YoY to ~INR2.7b (in line). Other income grew 16% YoY, aided by higher assignment income of ~INR652m (PY: INR551m).
- 4QFY25 NIM (calc.) expanded ~10bp QoQ to ~6.9%. Reported spreads declined ~5bp QoQ to 4.9% from ~4.95% as of Dec'24.
- Opex rose ~20% YoY to INR1.7b (~10% higher than MOFSLe). The opex-to-avg. AUM stood at ~3.5% (PY: 3.4% and PQ: ~3.1%). We estimate the opex-to-avg. AUM will decline to ~2.9% by FY27E from ~3.1% in FY25.
- Aavas continues to strengthen its distribution network and added 24 branches in 4QFY25. The company will front-end its branch expansion strategy and accelerate new branch additions in 1HFY26. AAVAS will continue to focus on <INR1m ticket-size loans, where it can command better risk-adjusted yields.
- We estimate ~18%/19% CAGR in AUM and PAT over FY25-27E, with an RoA/RoE of 3.4%/15% by FY27E. AAVAS trades at 2.8x FY27E P/BV. Valuations factor in the company's readiness to demonstrate operating efficiencies, now that all major technology transformations have been completed.  
**Reiterate Neutral with a TP of INR2,070 (based on 2.8x Mar'27E BVPS).**

### AUM rises ~18% YoY; share of HL in disbursements stands at ~61.5%

- AUM grew 18% YoY to ~INR204b. AUM growth in FY25 was lower than the guidance due to the caution exercised by the company in certain states in western India and in lending to customers who were overleveraged.
- Disbursements rose ~7% YoY and ~27% QoQ to ~INR20.2b. Share of HL in 4QFY25 disbursements stood at ~62%. The annualized run-off in the loan book was slightly elevated at ~17.5% (PY and PQ: ~16.4%).
- Management has guided for ~20% growth in disbursements in FY26 and targets an AUM CAGR of ~20% in the medium term. The company exhibited strong momentum in customer logins and disbursements, suggestive of an improvement in the business activity.
- Securitization during the quarter amounted to ~INR4.5b (PY: ~INR4.0b) and the securitization margin improved ~120bp QoQ to 14.4%.

### Highlights from the management commentary

- The company remains cautiously optimistic in the MSME segment. In light of ongoing stress in the unsecured lending space and potential spillover effects, it has adopted a cautious approach towards the MSME segment.
- The company does not anticipate any compression in spreads, even in a declining interest rate environment.
- With ~36% of its borrowings tied to EBLR and ~21% linked to the 3M MCLR, Aavas is well-positioned for a faster repricing of its liabilities in a declining interest rate environment, which will lead to a decline in its CoB.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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### Valuation and view

- AAVAS reported an RoA/RoE of ~3.3%/~14.1% in 4QFY25. The company's continuous efforts to improve its technological edge and relentless focus on asset quality have positioned it as a standout player among its peers. Notably, its 1+DPD remains well below the guided levels, driven by its prudent underwriting process and efficient collection efforts.
- Now that the company has completed all major tech transformations, we expect no disruptions to business activities in the future. Moreover, the improvement in TAT (down to 7 days from 11 days earlier) should translate into a stronger disbursement growth trajectory in the subsequent quarters.
- The stock trades at 2.8x FY27E P/BV, and the sustenance of these valuation multiples will depend on stronger AUM growth and delivery of operating efficiencies to further improve the RoA profile. **Reiterate Neutral with a TP of INR2,070 (based on 2.8x Mar'27E BVPS).**

### Quarterly performance

Y/E March	INR m											
	FY24				FY25E				FY24	FY25E	4QFY25E	vs. Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,128	4,259	4,373	4,586	4,797	4,906	5,121	5,353	17,347	20,177	5,377	0
Interest Expenses	1,866	2,036	2,166	2,216	2,352	2,489	2,587	2,647	8,284	10,075	2,749	-4
<b>Net Income</b>	<b>2,262</b>	<b>2,223</b>	<b>2,208</b>	<b>2,371</b>	<b>2,446</b>	<b>2,418</b>	<b>2,533</b>	<b>2,705</b>	<b>9,063</b>	<b>10,102</b>	<b>2,628</b>	<b>3</b>
YoY Growth (%)	26	18	6	7	8	9	15	14	14	11	11	
Other income	540	716	719	882	628	898	859	1,022	2,856	3,407	962	6
<b>Total Income</b>	<b>2,802</b>	<b>2,938</b>	<b>2,926</b>	<b>3,252</b>	<b>3,074</b>	<b>3,316</b>	<b>3,392</b>	<b>3,728</b>	<b>11,919</b>	<b>13,509</b>	<b>3,590</b>	<b>4</b>
YoY Growth (%)	28	16	12	14	10	13	16	15	17	13	10	
Operating Expenses	1,339	1,308	1,349	1,434	1,379	1,368	1,447	1,719	5,430	5,912	1,560	10
YoY Growth (%)	30	14	12	19	3	5	7	20	19	9	9	
<b>Operating Profits</b>	<b>1,464</b>	<b>1,631</b>	<b>1,577</b>	<b>1,818</b>	<b>1,695</b>	<b>1,948</b>	<b>1,945</b>	<b>2,009</b>	<b>6,489</b>	<b>7,597</b>	<b>2,030</b>	<b>-1</b>
YoY Growth (%)	27	17	11	10	16	19	23	10	15.6	17.1	11.7	
Provisions	57	65	80	43	86	48	61	76	245	271	53	44
<b>Profit before Tax</b>	<b>1,407</b>	<b>1,565</b>	<b>1,497</b>	<b>1,775</b>	<b>1,609</b>	<b>1,900</b>	<b>1,884</b>	<b>1,932</b>	<b>6,244</b>	<b>7,326</b>	<b>1,977</b>	<b>-2</b>
Tax Provisions	310	348	331	349	348	421	420	395	1,338	1,585	390	2
<b>Profit after tax</b>	<b>1,097</b>	<b>1,217</b>	<b>1,166</b>	<b>1,426</b>	<b>1,261</b>	<b>1,479</b>	<b>1,464</b>	<b>1,537</b>	<b>4,907</b>	<b>5,741</b>	<b>1,588</b>	<b>-3</b>
YoY Growth (%)	23	14	9	13	15	22	26	8	14.1	17.0	11.3	

**Key Parameters (%)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Yield on loans	13.3	13.2	13.07	13.1	13.1	13.04	13.18	13.1	13.6	13.5
Cost of funds	7.7	7.9	7.95	8.1	8.1	8.15	8.24	8.2	7.5	7.7
Spread	5.6	5.3	5.12	5.1	5.0	4.89	4.94	4.9	6.1	5.8
NIM - YTD	8.0	8.0	7.9	7.9	7.3	7.6	7.5	7.6	5.8	5.4
Credit cost	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.15	0.2	0.2
Cost to Income Ratio (%)	47.8	44.5	46.1	44.1	44.8	41.2	42.7	46.1	45.6	43.8
Tax Rate (%)	22.0	22.2	22.1	19.7	21.7	22.2	22.3	20.5	21.4	21.6
<b>Balance Sheet Parameters</b>										
<b>AUM (INR B)</b>	<b>146.5</b>	<b>153.2</b>	<b>160.8</b>	<b>173.1</b>	<b>178.4</b>	<b>184.0</b>	<b>192.4</b>	<b>204.2</b>	<b>173.1</b>	<b>204.2</b>
Change YoY (%)	23.2	22.1	22.9	22.2	21.8	20.1	19.6	17.9	22.2	18
<b>AUM mix (%)</b>										
Home loans	69.8	69.7	69.3	69.3	69.0	69.0	69.0	68.0	69.3	68.0
Mortgage loans	30.2	30.3	30.7	30.7	14.0	13.0	13.0	13.0	30.7	32.0
<b>Loans (INR B)</b>	<b>119.1</b>	<b>124.0</b>	<b>129.9</b>	<b>140.0</b>	<b>144.4</b>	<b>147.1</b>	<b>153.2</b>	<b>162.3</b>	<b>140.0</b>	<b>162.3</b>
% of AUM	81.3	81.0	80.8	80.9	81.0	80.0	79.6	79.5	22.0	15.9
<b>Disbursements (INR B)</b>	<b>10.7</b>	<b>12.6</b>	<b>13.6</b>	<b>18.9</b>	<b>12.1</b>	<b>12.9</b>	<b>15.9</b>	<b>20.2</b>	<b>55.8</b>	<b>61.2</b>
Change YoY (%)	-2.3	9.7	13.3	19.7	13.4	2.8	17.0	6.9	11.1	10
<b>Borrowings (INR B)</b>	<b>106.8</b>	<b>111.4</b>	<b>114.7</b>	<b>124.0</b>	<b>126.0</b>	<b>124.8</b>	<b>133.8</b>	<b>139.2</b>	<b>123.4</b>	<b>139.2</b>
Change YoY (%)		30.0	25.2	25.4		12.0	16.6	12.3	25.4	13
Borrowings/Loans (%)	89.6	89.9	88.3	88.5	87.2	84.8	87.4	85.8	88.1	85.8
Debt/Equity (x)	3.2	3.2	3.2	3.3	3.2	3.1	3.2	3.2	3.3	3.2
<b>Asset Quality (%)</b>										
<b>GS 3 (INR M)</b>	<b>1,193.4</b>	<b>1,294.7</b>	<b>1,425.0</b>	<b>1,318.6</b>	<b>1,466.1</b>	<b>1,601.0</b>	<b>1,757.0</b>	<b>1,763.0</b>	<b>1,193</b>	<b>1,295</b>
G3 %	1.0	1.0	1.1	0.9	1.0	1.1	1.14	1.1	1.00	1.04
<b>NS 3 (INR M)</b>	<b>871.8</b>	<b>938.7</b>	<b>1,032.8</b>	<b>938.7</b>	<b>1,043.4</b>	<b>1,142.0</b>	<b>1,233.0</b>	<b>1,191.0</b>	<b>872</b>	<b>939</b>
NS3 %	0.73	0.76	0.79	0.67	0.72	0.78	0.80	0.73	0.73	0.76
<b>PCR (%)</b>	<b>26.9</b>	<b>27.5</b>	<b>27.5</b>	<b>28.8</b>	<b>28.8</b>	<b>28.7</b>	<b>29.8</b>	<b>32.4</b>	<b>26.9</b>	<b>27.5</b>
ECL (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.64	0.64
<b>Return Ratios - YTD (%)</b>										
ROA (Rep)	3.2	3.3	3.2	3.3	3.0	3.3	3.3	3.3	3.3	3.3
ROE (Rep)	13.2	13.6	13.5	13.9	13.1	14.0	14.1	14.1	13.9	14.1

E: MOFSL Estimates

**Minor improvement in asset quality; 1+dpd stands at ~3.4%**

- Asset quality exhibited minor improvement, with GS3/NS3 declining by ~5bp/7bp QoQ to 1.08%/0.73%. Its 1+dpd declined ~45bp QoQ to 3.4%.
- Credit costs stood at INR76m (vs. MOSLe of ~INR53m) and translated into annualized credit costs of ~15bp (PY: ~10bp). AAVAS guided for credit costs of less than ~25bp on a sustainable basis in the near-to-medium term.
- Management indicated that bounce rates remain in line with historical levels. The company remains confident that NPA rollbacks will materialize over the next one to two quarters. We model credit costs of ~20bp each in FY26-27.

**Spreads dip ~5bp QoQ; sequential expansion of ~10bp in NIM**

- Reported spreads declined ~5bp QoQ to 4.9% (vs. ~4.95% as of Dec'24), while CoF was stable QoQ at ~8.24%. Management stated that the company will maintain its strategy of increasing disbursement yields by focusing on product segments with ticket sizes below INR1.5m.
- Reported NIMs for FY25 rose ~10bp to ~7.65% (vs. 7.55% in 9MFY25), while 4QFY25 NIM (calc.) expanded ~10bp QoQ to ~6.9%.



## Highlights from the management commentary

### Guidance

- Guided for credit costs of <25bp on a sustainable basis
- Continues to strengthen its distribution network and added 24 branches in 4QFY25. Aims to accelerate its branch expansion strategy in 1HFY26. Branch expansions will now be front-ended in the new fiscal year.
- Disbursement growth of >20% in FY26 and AUM CAGR of 20%
- Guided for Opex to Assets to decline by 10-20bp in FY26
- Fee income will continue to grow in line with the AUM growth.
- Going forward, Stage 3 PCR will remain in the range of 32-34%
- Target product mix between Home Loans and LAP/MSME is 65%:35%

### Business update

- Aavas crossed an AUM of ~INR200b in 4QFY25. AUM rose 18% YoY to INR204b
- Healthy traction in customer logins and disbursements - Aavas crossed 55K in logins and ~INR20b in quarterly disbursements for the first time
- The company has completed tech upgradations and they are now stabilizing
- FY25 PAT grew 17% YoY to INR5.74b
- Opex to asset ratio has declined by ~26bp YoY in FY25
- GNPA declined ~6bp QoQ to 1.08%

### Financial performance

- Aavas raised ~INR61.8b @ 8.42% in FY25. The average tenor of borrowings continues to be higher than its assets.
- Liability Mix: Bank TL: ~51%, Assignments: 25%, Debt Capital Markets: ~10%
- PAT in 4QFY25 grew 8% YoY to INR1.54b
- 36% of its borrowings are linked to EBLR and 21% are linked to 3M MCLR which will allow it faster repricing in a declining rate environment
- NIM as % of total assets stood at ~8.11% in 4QFY25 (and 7.64% in FY25)

### Asset quality

- Remains within the guided range with 1+dpd stood at 3.39%
- GS3/NS3 stood at ~1.08% / 0.73% as of Mar'25
- Stage 3 PCR rose to 32%; Aavas has calibrated the ECL model and also incorporated economic and behavioral changes.
- Bounce rates are similar to what it was earlier. Confident that roll-back of NPAs will happen in the next 1-2 quarters. Behavior across the states has been similar and management is confident that GNPA will decline to <1%.

### Yields

- Constant endeavor has been to increase the disbursement yields. Disbursement yields have improved by ~22bp in FY25.
- Confident of its disbursement yields. Even in a falling rate scenario, the lowering of the borrowing cost, a change in the product type, and product segment will ensure that the company will be able to maintain healthy spreads of ~5%.
- The entire loan book which is ~70% floating rate is linked to its internal PLR which is linked to its CoB.

- Aavas will continue to hold on to its disbursement yields because of structural changes in the product type and product segments since the segment of <INR1.5m is not interest-rate sensitive.
- Aavas will continue its approach to increase the disbursement yields by growing in segments where the ticket sizes are less than INR1.5m. With its BRE, it can get its pricing risk right.

### **Spreads and NIM**

- Even in a falling interest rate scenario, the company does not expect a compression in its spreads.
- Banks are yet to reduce the MCLR in this quarter. There will be a positive trajectory on the CoB in the coming quarters.

### **Opex**

- Added 30 branches during the year out of which 24 branches were added in 4Q. Resource and capacity planning resulted in higher employee expenses during the quarter.
- Higher variable cost is also linked to business growth in the quarter.

### **Branch expansion**

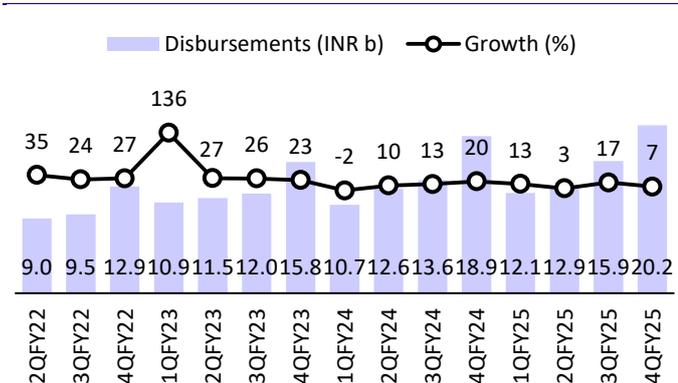
- The focus is on risk-adjusted returns. Branch expansions were in the existing States in 4QFY25. It will expand to a new state in Southern India - Tamil Nadu - in the next year.

### **Others**

- On MSME, it has been cautiously optimistic; Given the stress in the unsecured segment and potential spillovers, it has been cautious in MSME.
- Total employees stood at 7273 as of Mar'25
- AUM growth in FY25 was lower than the guidance because of the caution exercised by the company. Aavas was cautious in certain states in the western part of India and also towards MFI customers who were overleveraged.
- Login to sanction ratio in 4QFY25 stood at ~38% (vs. the normalized ratio of ~42%)
- In the segments that it serves, it does not see the kind of competition in the normal prime markets.

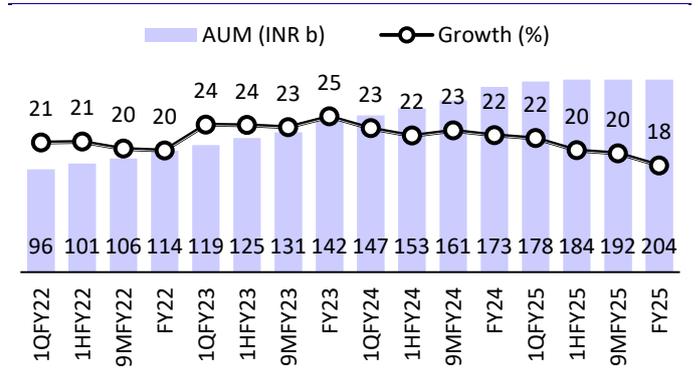
## Key exhibits

**Exhibit 1: Disbursements rose ~7% YoY**



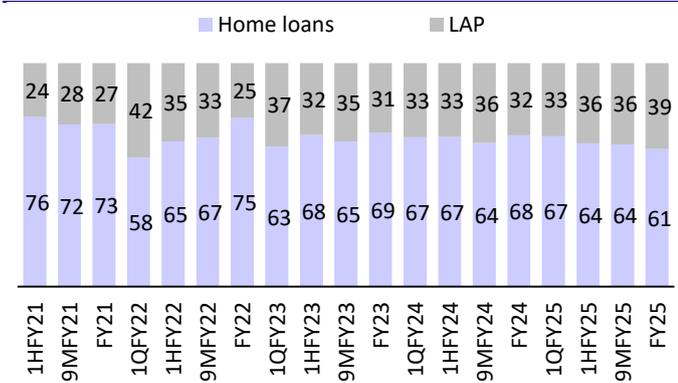
Source: MOFSL, Company

**Exhibit 2: AUM grew 18% YoY**



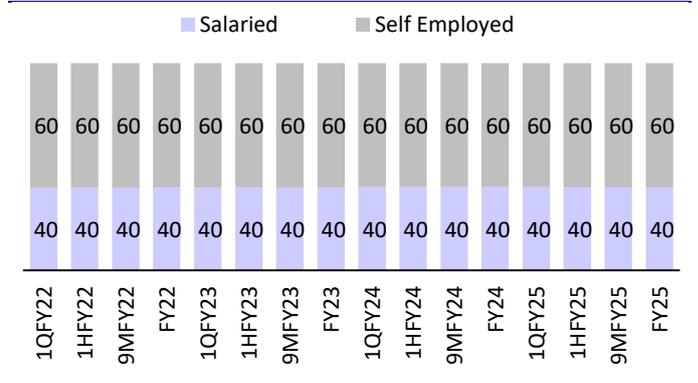
Source: MOFSL, Company

**Exhibit 3: Share of home loans in disbursements declined QoQ (%)**



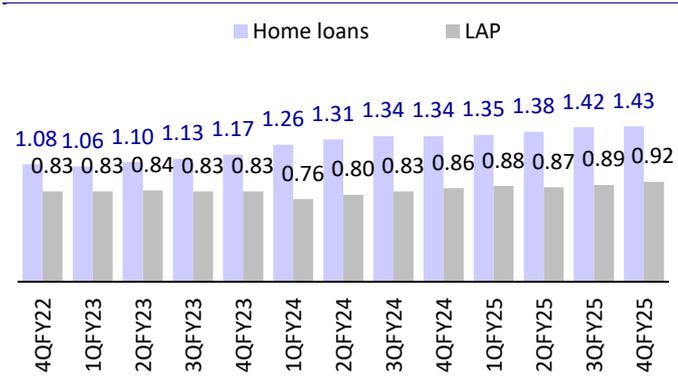
Source: MOFSL, Company

**Exhibit 4: Stable customer mix (%)**



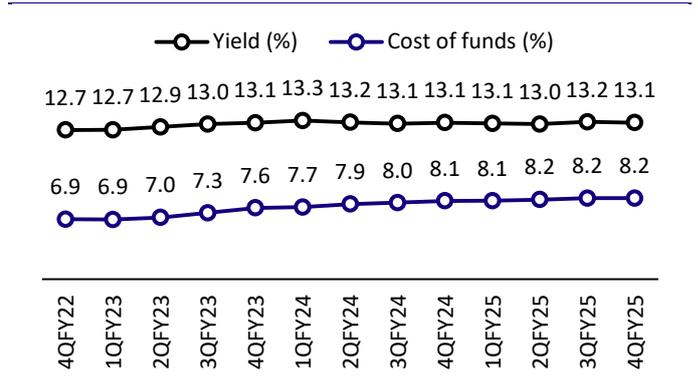
Source: MOFSL, Company

**Exhibit 5: ATS in home loans increased QoQ (INR m)**



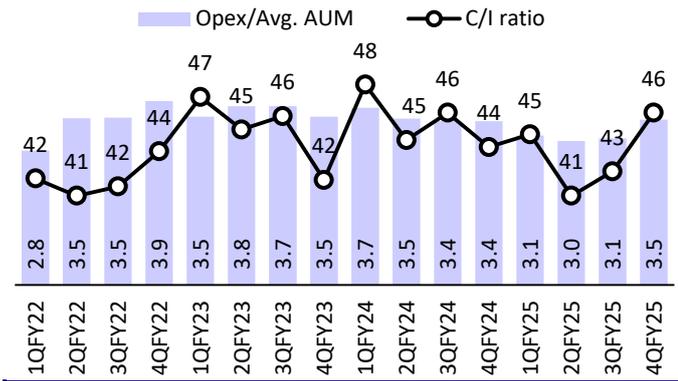
Source: MOFSL, Company

**Exhibit 6: Reported spreads declined ~5bp QoQ**



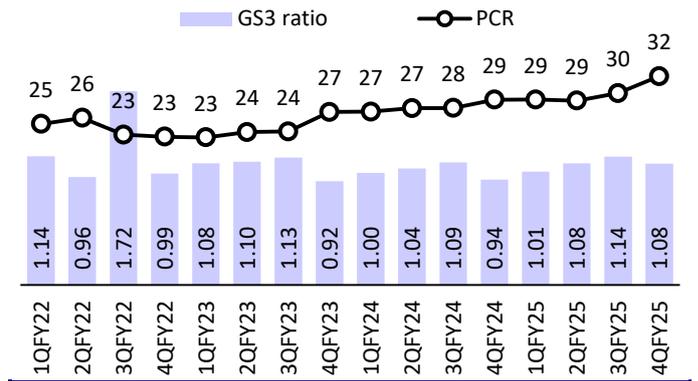
Source: MOFSL, Company

**Exhibit 7: Opex/AUM rose to ~3.5% (%)**



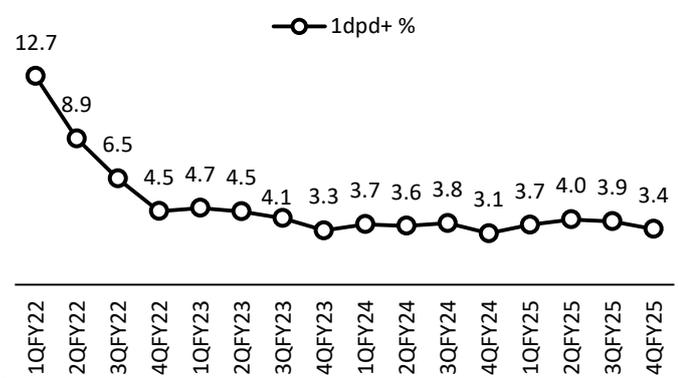
Source: MOFSL, Company

**Exhibit 8: GS3 declined ~5bp QoQ (%)**



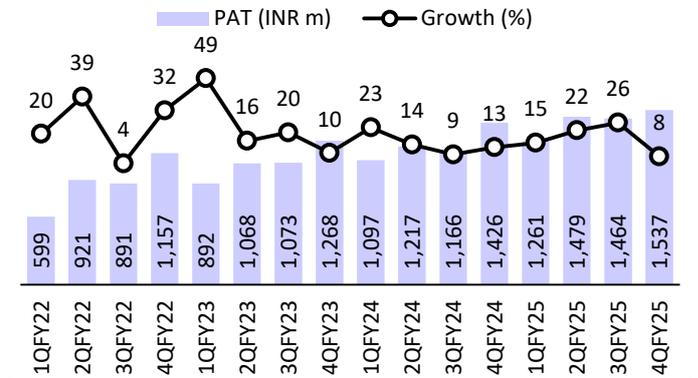
Source: MOFSL, Company, PCR in %

**Exhibit 9: 1+dpd declined ~45bp QoQ to ~3.4%**



Source: MOFSL, Company

**Exhibit 10: 4QFY25 PAT grew 8% YoY**



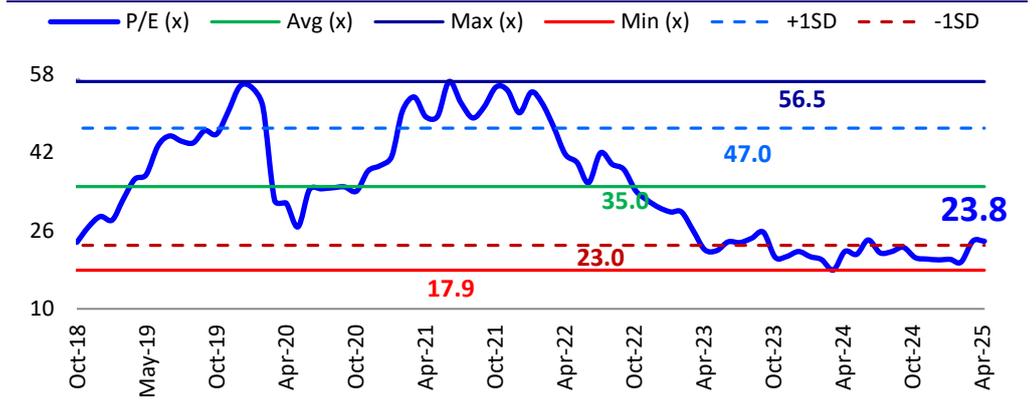
Source: MOFSL, Company

**Exhibit 11: We cut our FY26/FY27 EPS estimates by ~1%/3% to factor in lower loan growth and non-interest income**

INR b	Old Est.		New Est.		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY26E
NII	11.8	13.9	11.8	13.7	0.2	-1.4
Other Income	4.0	4.6	4.0	4.6	-1.1	-1.6
<b>Total Income</b>	<b>15.8</b>	<b>18.5</b>	<b>15.7</b>	<b>18.3</b>	<b>-0.2</b>	<b>-1.4</b>
Operating Expenses	6.6	7.5	6.7	7.5	0.7	-0.1
<b>Operating Profits</b>	<b>9.2</b>	<b>11.0</b>	<b>9.1</b>	<b>10.8</b>	<b>-0.8</b>	<b>-2.4</b>
Provisions	0.3	0.4	0.3	0.4	-1.5	-2.0
<b>PBT</b>	<b>8.8</b>	<b>10.6</b>	<b>8.7</b>	<b>10.4</b>	<b>-0.8</b>	<b>-2.4</b>
Tax	1.9	2.3	1.9	2.2	0.2	-1.4
<b>PAT</b>	<b>6.9</b>	<b>8.3</b>	<b>6.9</b>	<b>8.1</b>	<b>-1.0</b>	<b>-2.6</b>
AUM	243	288	241	284	-0.6	-1.4
Borrowings	171	205	164	195	-3.9	-4.9
NIM (%)	5.3	5.2	5.3	5.2		
ROA (%)	3.3	3.4	3.4	3.4		
RoE (%)	14.7	15.3	14.6	14.9		

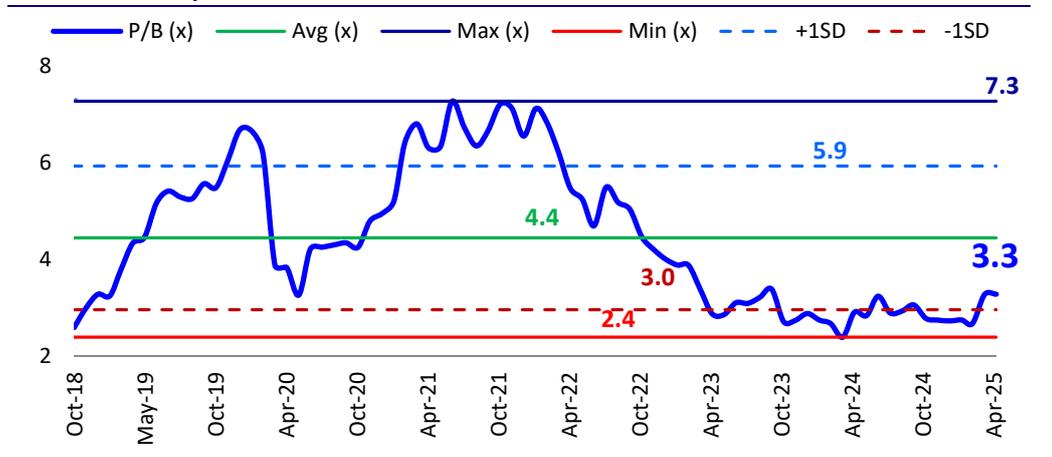
Source: MOFSL, Company

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



Source: MOFSL, Company

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



Source: MOFSL, Company

## Financials and valuations

Income statement										INR m
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	3,926	5,935	7,864	9,764	11,288	13,882	17,347	20,177	23,106	26,939
Interest Expended	1,931	2,554	3,561	4,582	4,775	5,910	8,284	10,075	11,327	13,229
<b>Net Interest Income</b>	<b>1,995</b>	<b>3,382</b>	<b>4,304</b>	<b>5,182</b>	<b>6,513</b>	<b>7,971</b>	<b>9,063</b>	<b>10,102</b>	<b>11,779</b>	<b>13,710</b>
Change (%)	56.0	69.5	27.3	20.4	25.7	22.4	13.7	11.5	16.6	16.4
Gain on Securitisation	602	783	766	864	1,240	1,518	1,795	2,074	2,386	2,743
Other Operating Income	417	391	401	426	539	701	1,061	1,333	1,569	1,820
<b>Total Income</b>	<b>3,014</b>	<b>4,556</b>	<b>5,470</b>	<b>6,471</b>	<b>8,293</b>	<b>10,191</b>	<b>11,919</b>	<b>13,509</b>	<b>15,734</b>	<b>18,274</b>
Change (%)	85.3	51.2	20.1	18.3	28.2	22.9	17.0	13.3	16.5	16.1
Operating Expenses	1,645	1,890	2,296	2,566	3,506	4,577	5,430	5,912	6,655	7,516
<b>Operating Income</b>	<b>1,369</b>	<b>2,666</b>	<b>3,174</b>	<b>3,905</b>	<b>4,787</b>	<b>5,614</b>	<b>6,489</b>	<b>7,597</b>	<b>9,079</b>	<b>10,758</b>
Change (%)	43.6	94.7	19.1	23.0	22.6	17.3	15.6	17.1	19.5	18.5
Provisions	26	89	153	371	226	124	245	271	335	390
<b>PBT</b>	<b>1,343</b>	<b>2,577</b>	<b>3,020</b>	<b>3,533</b>	<b>4,561</b>	<b>5,490</b>	<b>6,244</b>	<b>7,326</b>	<b>8,744</b>	<b>10,368</b>
Tax	412	818	529	638	981	1,189	1,338	1,585	1,892	2,243
Tax Rate (%)	30.7	31.7	17.5	18.1	21.5	21.7	21.4	21.6	21.6	21.6
<b>PAT</b>	<b>931</b>	<b>1,759</b>	<b>2,491</b>	<b>2,895</b>	<b>3,580</b>	<b>4,301</b>	<b>4,907</b>	<b>5,741</b>	<b>6,852</b>	<b>8,125</b>
Change (%)	60.9	89.0	41.6	16.2	23.7	20.1	14.1	17.0	19.4	18.6
Proposed Dividend	0	0	0	0	0	0	0	0	0	0

### Balance sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Capital	692	781	783	785	789	791	791	792	792	792
Reserves & Surplus	11,207	17,589	20,196	23,229	27,297	31,906	36,942	42,817	49,669	57,794
<b>Net Worth</b>	<b>11,899</b>	<b>18,370</b>	<b>20,979</b>	<b>24,014</b>	<b>28,086</b>	<b>32,697</b>	<b>37,733</b>	<b>43,608</b>	<b>50,461</b>	<b>58,586</b>
<b>Borrowings</b>	<b>27,376</b>	<b>36,533</b>	<b>53,520</b>	<b>63,454</b>	<b>79,725</b>	<b>98,407</b>	<b>1,23,365</b>	<b>1,39,185</b>	<b>1,64,477</b>	<b>1,95,001</b>
Change (%)	52.6	33.4	46.5	18.6	25.6	23.4	25.4	12.8	18.2	18.6
Other liabilities	1,126	1,366	2,081	2,132	2,392	3,002	4,096	3,392	4,070	4,884
<b>Total Liabilities</b>	<b>40,401</b>	<b>56,268</b>	<b>76,580</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>2,19,008</b>	<b>2,58,471</b>
<b>Loans</b>	<b>33,334</b>	<b>47,245</b>	<b>61,808</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>1,90,367</b>	<b>2,24,397</b>
Change (%)	54.1	41.7	30.8	21.7	20.3	26.8	22.0	15.9	17.3	17.9
<b>Investments</b>	<b>45</b>	<b>45</b>	<b>45</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>
Change (%)	NM	0.0	0.0	0.0	1,400.4	82.3	48.0	26.3	30.0	30.0
Other assets	7,022	8,978	14,727	14,323	18,994	18,112	23,329	21,587	25,651	30,187
<b>Total Assets</b>	<b>40,401</b>	<b>56,268</b>	<b>76,580</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>2,19,008</b>	<b>2,58,471</b>

E: MOFSL Estimates

## Financials and valuations

Ratios	(%)									
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Spreads Analysis (%)</b>										
Avg Yield on Loan portfolio	14.2	13.9	13.5	14.1	13.8	13.7	13.6	13.5	13.3	13.1
Avg. Cost of borrowings	8.5	8.0	7.9	7.8	6.7	6.6	7.5	7.7	7.5	7.4
Interest Spread	5.7	5.9	5.6	6.3	7.1	7.1	6.1	5.8	5.8	5.7
Net Interest Margin (AUM)	5.9	6.8	6.3	6.0	6.3	6.2	5.8	5.4	5.3	5.2
<b>Profitability Ratios (%)</b>										
RoE	10.6	11.6	12.7	12.9	13.7	14.2	13.9	14.1	14.6	14.9
RoA	2.9	3.6	3.8	3.5	3.6	3.5	3.3	3.3	3.4	3.4
Loans/Equity (x)	2.8	2.6	2.9	3.1	3.2	3.5	3.7	3.7	3.8	3.8
Cost/Income	54.6	41.5	42.0	39.7	42.3	44.9	45.6	43.8	42.3	41.1
<b>Asset Quality (%)</b>										
Gross NPAs	107	158	210	739	904	1,067	1,319	1,763	2,145	2,574
Gross NPAs to Adv.	0.3	0.3	0.3	1.0	1.0	0.9	0.9	1.1	1.1	1.1
Net NPAs	83	112	171	538	695	780	939	1,191	1,449	1,739
Net NPAs to Adv.	0.2	0.2	0.3	0.7	0.8	0.7	0.7	0.7	0.8	0.8
<b>VALUATION</b>										
Book Value (INR)	172	235	268	306	356	414	477	551	638	740
<b>Price-BV (x)</b>	<b>12.2</b>	<b>8.9</b>	<b>7.8</b>	<b>6.9</b>	<b>5.9</b>	<b>5.1</b>	<b>4.4</b>	<b>3.8</b>	<b>3.3</b>	<b>2.8</b>
EPS (INR)	13.5	22.5	31.8	36.9	45.4	54.4	62.0	72.5	86.6	102.7
EPS Growth YoY	35	67	41	16	23	20	14	17	19.4	18.6
<b>Price-Earnings (x)</b>	<b>155.7</b>	<b>93.1</b>	<b>65.9</b>	<b>56.8</b>	<b>46.2</b>	<b>38.5</b>	<b>33.8</b>	<b>28.9</b>	<b>24.2</b>	<b>20.4</b>
Dividend per share (INR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Dividend yield (%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

E: MOFSL Estimates

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