

13 February 2026

India | Equity Research | Results Update

Muthoot Finance

Gold Loan

Positive cycle, strong execution and favourable regulations; but downgrade to respect cyclical highs

We have backed Muthoot Finance to exhibit strong execution, which has been a constant feature with the company over the years. This has been helped by the positive demand cycle and overall favourable regulations. Muthoot's standalone business performance has been strong in terms of AUM-yield balance, illustrated by a +40%/55bps YoY change in standalone AUM/yields in FY25 and ~51%/162bps YoY in 9MFY26, before adjusting for recovery and assignment income. Key business drivers ahead: 1) Managing NIMs (calculated; 11.3% in FY25 and 12.2%/12.8%/13% in Q1/Q2/Q3FY26 and growing tonnage/new clients (10.6%/12.2% YoY growth in FY25 and 1.5%/4.5% YoY in 9MFY26).

- 2) Driving full benefit of branch expansion – opened 122/115 gold branches in FY23/FY24 in standalone and 115 branches in 9MFY26. 703/850 new branches in FY24/FY25 and 149 new branches in 9MFY26 at the group level.
- 3) Managing asset quality in non-gold, especially in the MFI business Belstar reported positive PAT of INR 509mn in Q3FY26 vs. decline in PAT in FY25/H1FY26.

Downside risks include increase in competitive intensity in gold, fall in gold prices and weakness in asset quality in the non-gold segment. Upside risks include continued traction in gold loan growth with added flexibility (still unused) in new regulations (LTV of 85% for up to INR 0.25mn loan amount, LTV of 80% for greater than INR 0.25mn and up to INR 0.5mn and 75% for above INR 0.5mn). Current LTV for Muthoot stands at 55.8%.

Downgrade to HOLD (from Add); TP revised to INR 4,000 (INR 2,670 earlier)

Our target price is based on a 2.8x FY28E P/B (2.5x FY27E earlier) for Muthoot's standalone business and 1x FY28E P/B (1x FY27E earlier) for home finance and 1x (unchanged) FY28E P/B for others. This turns to 2.7x FY27E P/B on a consolidated basis vs. its historical average of ~2x and peak of 3.3x in FY22. The multiple reflects better earnings growth prospects in gold loan (yields are relatively low and gold prices remain high).

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Interest Income (NII)	1,22,506	1,79,423	2,13,572	2,49,214
PAT	53,524	95,971	1,12,521	1,32,126
EPS (INR)	133.3	239.1	280.3	329.1
% Chg YoY	19.8	79.3	17.2	17.4
P/E (x)	30.5	17.0	14.5	12.4
P/BV (x)	5.4	4.3	3.5	2.8
Dividend Yield (%)	0.6	1.2	1.4	1.6
RoA (%)	4.7	6.0	5.5	5.5
RoE (%)	19.7	28.9	27.1	25.8

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Market Data

Market Cap (INR)	1,633bn
Market Cap (USD)	18,026mn
Bloomberg Code	MUTH IN
Reuters Code	MUTT.BO
52-week Range (INR)	4,150 /1,964
Free Float (%)	27.0
ADTV-3M (mn) (USD)	25.3

Price Performance (%)	3m	6m	12m
Absolute	22.3	60.5	86.3
Relative to Sensex	23.3	56.3	76.5

ESG Score	2024	2025	Change
ESG score	71.2	70.4	(0.8)
Environment	60.1	58.4	(1.7)
Social	76.2	75.6	(0.6)
Governance	71.1	70.4	(0.7)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

14-08-2025: [Q1FY26 results review](#)

15-05-2025: [Q4FY25 results review](#)

Factoring consolidated PAT CAGR (FY25–28E) of ~35%; RoE to be ~27/26% for FY27/28E

We factor in ~26% gold AUM CAGR for FY25–28E with calculated yields ~19.3%/18.3%/18.4% in FY26E/FY27/FY28E vs. 18.3%/19.6%/20%/20.3% in FY25/Q1/Q2/Q3FY26.

We model NIM/opex/credit cost to AUM at 12.1%/2.7%/0.32% for FY26E, 11.2%/2.6%/0.40% for FY27E and 11.3%/2.7%/0.35% for FY28E for the standalone segment, which leads to standalone RoE of 29.5%/27.2%/25.7% in FY26/FY27/FY28E (vs. RoE of 19.7%/28.3%/30.6%/32% in FY25/Q1/Q2/Q3FY26).

For Belstar, we factor in 8.6% AUM CAGR between FY25–28E. We estimate NIM/opex/credit cost to AUM at 14.1%/7.1%/9.1% in FY26, 14%/6.4%/8.2% in FY27 and 13.6%/5.9%/7.4% for FY28, which should lead to RoE of -2%/3.4%/7% in FY26/FY27/FY28 (vs. RoE of 2.7%/ -30%/-7.8%/12.4% in FY25/Q1/Q2/Q3FY26).

This results in a consol. AUM CAGR of ~24% between FY25–28E and interest income/PPOP/PAT CAGRs of 27%/29.4%/35.1% between FY25–28E (vs. CAGRs of 17.7%/17.8%/16.8% between FY19–25).

Consol. RoAA/RoAE stand at 6%/28.9% for FY26E, 5.5%/27.1% for FY27E and 5.5%/25.8% for FY28E (vs. ~6.2%/29.5% in 9MFY26).

AUM growth strong; current LTV remains at 55.8%

Consol. AUM grew 11.5%/48% QoQ/YoY in Q3FY26 to INR 1,647bn. Gold loan AUM reported 11.8%/50.2% QoQ/YoY growth to 1,397bn. Average ticket size of gold loans breached INR 100k mark in Q4FY25 and stood at INR 131.1k for Q3FY26 (vs. 117.2k in Q2FY26). Average LTV decreased to 55.8% in Q3FY26 vs. 56.6% in Q2FY26 and 66% in Q3FY25. Average LTV remains lower vs. regulatory limit of 75%. Higher gold price has resulted in lower tonnage. Gold holdings declined QoQ to 205te in Q3FY26.

Consol. credit cost decreased to INR 2.17bn (0.6% of average AUM) in Q3FY26 vs. INR 2.95bn (0.8% of average AUM) in Q2FY26. Consol. PPOP reported growth of 14.1%/74.6% QoQ/YoY in Q3FY26. Consol. Q3FY26 PAT increased by 17.1%/102.9% QoQ/YoY to INR 28.2bn registering a strong RoA/RoE of 6.6%/32.4% in Q3FY26 vs. 6.2%/30% in Q2FY26 and 4.8%/19.9% in Q3FY25.

Higher interest income due to one-offs; NIMs to remain steady

Standalone yield (calculated) increased by 172bps/35bps YoY/QoQ at 20.3% in Q3FY26. Due to high gold prices, there is better realisation in NPA bucket of old dues, more than ~INR 5,000mn, auction income was INR 1,200mn and ARC recovery was INR ~250mn in Q3FY26, this has resulted in higher yields. Normalised yields remain in range of 18.5-19% (exhibit 3), occasionally, churn in NPA could happen and some interest income may come, as per management. NIMs and spreads are expected to remain stable, if any benefit comes in cost of fund, that would be passed on to customers or vice versa.

Guidance expected to further revised upward on back of strong 9M

Earlier in H1FY26, strong performance (gold loan AUM grew 21.3% from FY25 to H1FY26) led to management upgrading FY26 gold loan growth guidance from 15% to 30-35%. However, from FY25 to 9MFY26, gold loan AUM has already grown by 35.8%. We expect further upward revision in guidance for FY26. Favourable regulatory changes in RBI norms for gold loan sector, higher gold prices, and tighter norms for unsecured credit are expected to boost gold loan demand.

Opex increases by 30% in 9MFY26

On consolidated basis, total operating expenses increased by 27%/30% YoY in Q3/9MFY26. Within that, employee expenses increased by 35%/36% in Q3/9MFY26. Operating expenses grew by 14.5%/20% in Q3/9MFY26. Increase in expenses was driven by higher variable pay for employees, rent expenses and higher spend on advertisement, on back of strong business growth.

Cost of funds has room for improvement

Cost of funds (calculated) on standalone business increased ~25bps QoQ to 8.8% in Q3FY26 vs. 8.6% in Q2FY26. ~50% of the loans are linked to the MCLR and banks have not materially reduced MCLR yet.

Non-gold business recovery visible

During Q3FY26, non-gold AUM reported strong growth of 24.2% YoY (vs 2.1%/1.3%/10.1% YoY growth in Q4FY25/Q1/Q2FY26). Overall share of PAT also increased to 6% of consolidated PAT (vs 3%/2% in Q2FY26/Q3FY25).

Belstar (microfinance subsidiary)

AUM grew 2.5% QoQ/ declined 9.1% YoY to INR 79bn in Q3FY26. Belstar's revenue grew 10.6% on a QoQ basis to INR 4.7bn vs. INR 4.3bn in Q2FY26. It reported positive PAT of INR 509mn vs losses of INR 316mn in Q2FY26. The company's GS-3 (as percentage of AUM) stood at 4.6% in Q3FY26 vs. 4.3% in Q2FY26 and 2.6% in Q3FY25.

Muthoot Homefin's (housing finance subsidiary)

AUM increased by 24.3%/4.1% YoY/QoQ to INR 33.8bn in Q3FY26. Revenue grew by 27.1%/down 1.5% YoY/QoQ, to INR 1,173mn in Q3FY26. Yield on AUM declined QoQ to 13.4% in Q3FY26 while cost of funds decreased by 16bps QoQ to 8.6%, resulting in 23bps NIM improvement QoQ. Muthoot Home's PAT increased 6% QoQ to INR 89mn.

Muthoot Money (vehicle finance subsidiary) – transforming to a gold loan company

Muthoot Money extends loan against vehicle finance as well as gold loans. Muthoot Money has 998 branches. AUM grew 25% QoQ to INR 80bn in Q3FY26. It reported revenue of INR 3.6bn (up 26% QoQ) and PAT of INR 972mn (up 40% QoQ) in Q3FY26. Its capital adequacy ratio increased to 27.1% vs. 24.7% in Q2FY26.

Regulatory comfort increasing for gold loan

RBI draft regulation proposes removal of requirement for gold loan NBFCs to get prior approval for branch opening once branch count exceeds 1,000. This shows RBI being supportive of the gold loan business. However, management will likely follow a calibrated expansion of branches when required.

Exhibit 1: Q3FY26 Standalone result review

INR mn	Q3FY26	Q3FY25	%Chg. YoY	Q2FY26	%Chg. QoQ
Net interest Income	44,671	27,214	64.1%	39,917	11.9%
Add: Other Income	1,492	622	139.8%	1,565	-4.7%
Total Net income	46,163	27,836	65.8%	41,482	11.3%
Less: Operating expenses	9,237	7,243	27.5%	8,827	4.7%
-Employee benefit expense	5,756	4,147	38.8%	5,210	10.5%
-Depreciation & amortization	279	199	39.9%	257	8.6%
-OTHER Expense	3,203	2,896	10.6%	3,360	-4.7%
Pre-provisioning profit	36,925	20,593	79.3%	32,655	13.1%
Less: Provisions & write-offs	1,109	2,088	-46.9%	1,141	-2.8%
-Standard assets and NPA	1,109	2,088	-46.9%	1,141	-2.8%
-Write offs	-	-	#DIV/0!	0	#DIV/0!
PBT	35,817	18,505	93.5%	31,514	13.7%
Less: Taxes	9,252	4,874	89.8%	8,063	14.8%
PAT	26,564	13,631	94.9%	23,452	13.3%
Balance sheet key items (INR mn)					
AUM	14,75,524	9,74,872	51.4%	13,23,049	11.5%
Loan assets on balance sheet	14,65,153	9,77,685	49.9%	13,13,696	11.5%
Networth	3,45,024	2,70,011	27.8%	3,18,434	8.4%
Borrowings	12,73,457	7,86,124	62.0%	11,19,447	13.8%
Asset Quality					
Gross stage 3 (Rs mn)	23,248	41,179	-43.5%	29,774	-21.9%
Gross stage 3	1.58%	4.22%	-264 bps	2.25%	-67 bps
ECL Provisions on gross assets (Rs mn)	16,270	15,211	7.0%	15,986	1.8%
ECL Provisions on gross assets	1.10%	1.56%	-46 bps	1.21%	-11 bps
Credit cost	0.00	0.01	-58 bps	0.00	-5 bps
Key ratios (annualised)					
Yield on AUM	20.34%	18.6%	172 bps	20.0%	35 bps
Cost of funds	8.8%	8.7%	11 bps	8.6%	25 bps
NIMs on AUM	12.8%	11.6%	117 bps	12.7%	11 bps
Other income on AUM	0.4%	0.3%	16 bps	0.5%	-7 bps
Cost to income	20.0%	26.0%	-601 bps	21.3%	-127 bps
Opex to AUM	2.6%	3.1%	-45 bps	2.8%	-16 bps
RoA	6.8%	5.2%	156 bps	6.6%	17 bps
RoE	32.0%	20.7%	1133 bps	30.6%	142 bps
Debt to Equity (times)	3.7	2.9		3.5	
Tier 1	19.5%	24.4%	-485 bps	20.2%	-63 bps
CAR	20.3%	25.1%	-484 bps	20.9%	-63 bps

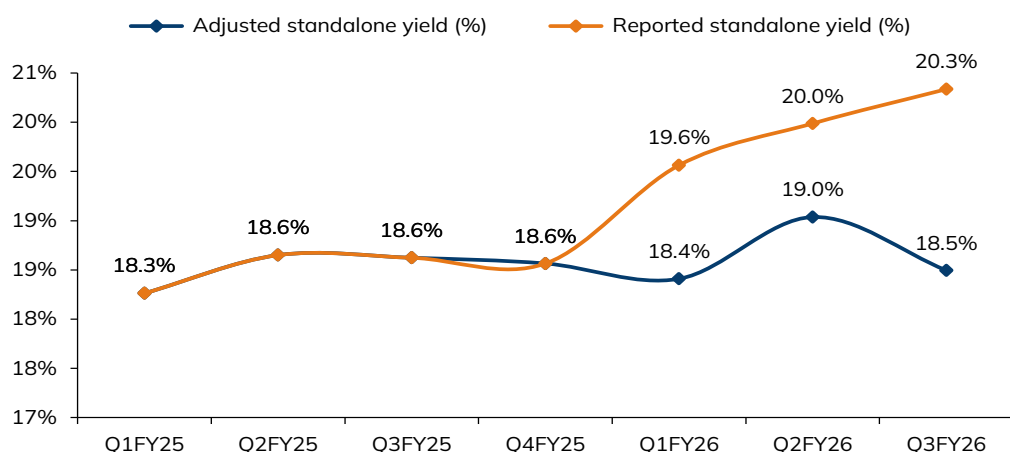
Source: I-Sec research, Company data

Exhibit 2: Standalone Dupont

Dupont (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Interest Income	16.5	16.9	16.7	16.7	17.4	17.8	18.2
Interest Expense	6.1	6.4	6.3	6.6	6.6	6.5	6.8
Net Interest Income	10.4	10.4	10.4	10.1	10.8	11.3	11.4
Other Income	0.2	0.2	0.2	0.4	0.4	0.4	0.4
Total Net Income	10.6	10.7	10.7	10.5	11.2	11.7	11.8
Operating Expenses	2.9	2.7	2.8	3.0	2.5	2.5	2.4
Pre Provision Operating Profit	7.7	7.9	7.9	7.5	8.7	9.2	9.4
Provisions	1.0	0.9	0.8	0.4	0.1	0.3	0.3
PBT	6.7	7.1	7.1	7.0	8.5	8.9	9.2
Tax	1.9	1.9	1.9	1.8	2.2	2.3	2.4
Reported PAT	4.9	5.2	5.2	5.3	6.4	6.6	6.8
Leverage (avg. assets/avg. equity)	3.6	3.9	4.0	4.1	4.4	4.6	4.7
RoE	17.7	20.0	20.7	21.8	28.3	30.6	32.0

Source: I-Sec research, Company data

Exhibit 3: Standalone yields remained stable adjusting for one-offs



Source: I-Sec research, Company data

Exhibit 4: Q3FY26 consolidated result review

INR mn	Q3FY26	Q3FY25	%Chg. YoY	Q2FY26	%Chg. QoQ
Net interest Income	50,642	31,678	59.9%	45,201	12.0%
Add: Other Income	2,563	1,544	66.0%	2,413	6.2%
Total Net income	53,205	33,221	60.2%	47,614	11.7%
Less: Operating expenses	12,815	10,090	27.0%	12,218	4.9%
-Employee benefit expense	7,850	5,800	35.3%	7,269	8.0%
-Depreciation & amortization	405	306	32.4%	376	7.6%
-OTHER Expense	4,561	3,983	14.5%	4,573	-0.3%
Pre-provisioning profit	40,390	23,132	74.6%	35,396	14.1%
Less: Provisions & write-offs	2,165	4,269	-49.3%	2,954	-26.7%
PBT	38,225	18,863	102.6%	32,442	17.8%
Less: Taxes	9,990	4,948	101.9%	8,325	20.0%
PAT	28,235	13,915	102.9%	24,117	17.1%

Balance sheet key items (INR mn)

AUM	16,47,198	11,13,078	48.0%	14,76,734	11.5%
Loan assets on balance sheet	16,23,608	10,98,556	47.8%	14,54,981	11.6%
Networth	3,56,236	2,79,617	27.4%	3,28,187	8.5%
Borrowings	13,98,972	8,82,240	58.6%	12,33,111	13.5%

Asset Quality

Gross stage 3 (Muthoot Homefin)	2.0%	1.4%	56 bps	1.4%	54 bps
Net stage 3 (Muthoot Homefin)	1.2%	0.5%	67 bps	0.8%	42 bps
Gross stage 3 (Belstar)	4.6%	2.6%	204 bps	4.3%	28 bps
Net stage 3 (Belstar)	0.2%	0.3%	-16 bps	0.3%	-9 bps
Gross stage 3 (Muthoot Money)	0.6%	1.8%	-120 bps	0.8%	-18 bps
Net stage 3 (Muthoot Money)	0.5%	1.5%	-103 bps	0.6%	-17 bps
Credit cost	0.6%	1.6%	-104 bps	0.8%	-29 bps

Key ratios (annualised)

Yield on AUM	20.4%	18.8%	162 bps	20.1%	29 bps
Cost of funds	8.9%	8.9%	-3 bps	8.7%	20 bps
NIMs on AUM	13.0%	11.8%	120 bps	12.8%	12 bps
Other income on AUM	0.7%	0.6%	8 bps	0.7%	-3 bps
Cost to income	24.1%	30.4%	-629 bps	25.7%	-158 bps
Opex to AUM	3.3%	3.7%	-47 bps	3.5%	-19 bps
RoA	6.6%	4.8%	184 bps	6.2%	38 bps
RoE	32.4%	19.9%	1253 bps	30.0%	245 bps

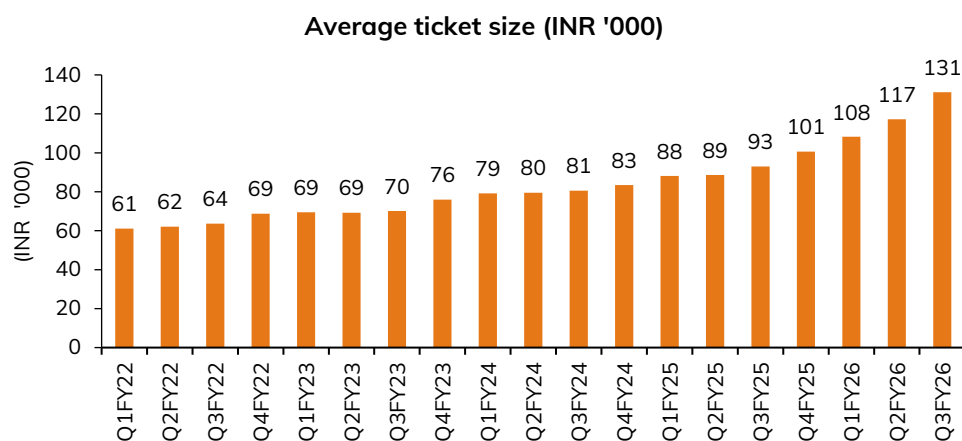
Source: I-Sec research, Company data

Exhibit 5: Consolidated Dupont

Dupont (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Interest Income	17.3	17.6	17.4	17.3	17.9	18.3	18.7
Interest Expense	6.3	6.7	6.5	6.7	6.7	6.6	6.8
Net Interest Income	11.0	11.0	10.9	10.6	11.2	11.7	11.9
Other Income	0.6	0.6	0.5	0.6	0.6	0.6	0.6
Total Net Income	11.5	11.6	11.4	11.2	11.7	12.3	12.5
Operating Expenses	3.5	3.4	3.5	3.8	3.3	3.2	3.0
Pre Provision Operating Profit	8.0	8.2	8.0	7.4	8.5	9.2	9.5
Provisions	1.5	1.5	1.5	1.3	0.9	0.8	0.5
PBT	6.6	6.6	6.5	6.1	7.5	8.4	9.0
Tax	1.8	1.8	1.7	1.5	1.9	2.2	2.3
Reported PAT	4.8	4.9	4.8	4.6	5.6	6.2	6.6
Leverage (avg. assets/avg. equity)	4.0	4.2	4.3	4.4	4.7	4.9	5.0
RoE	19.0	20.4	20.4	20.1	26.4	30.5	33.0

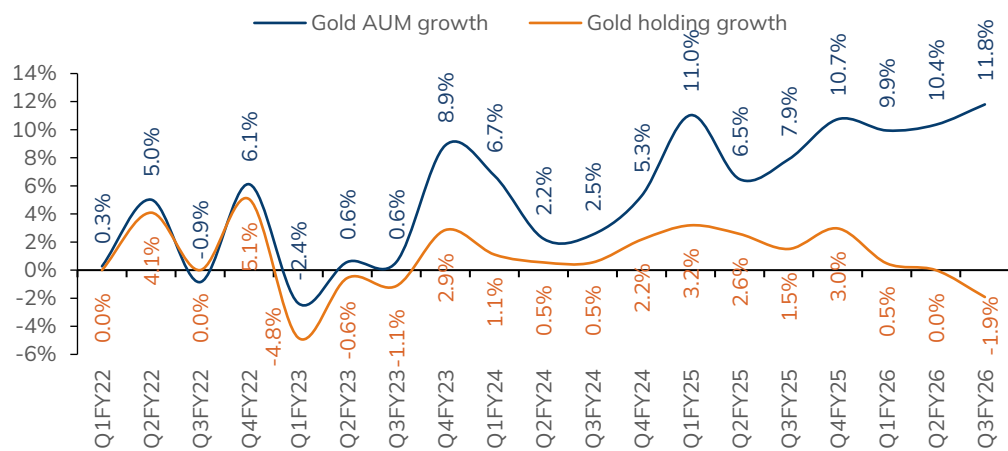
Source: I-Sec research, Company data

Exhibit 6: Average ticket-size of gold loans increased to INR 131k in Q3FY26

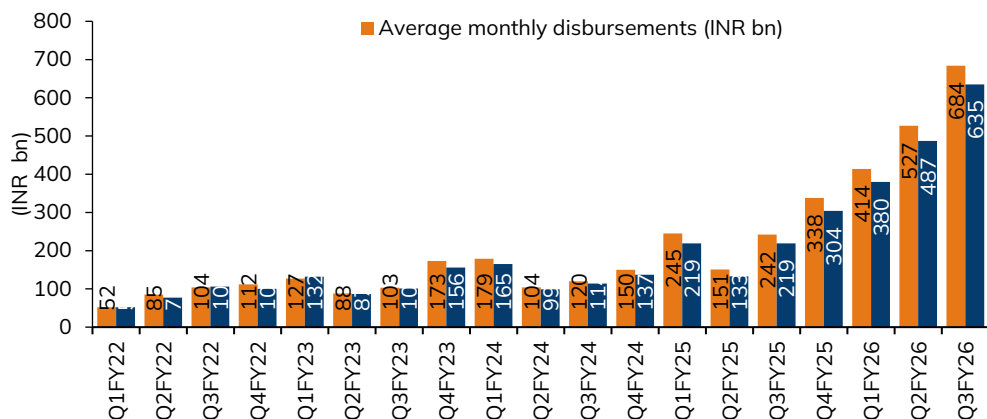


Source: I-Sec research, Company data

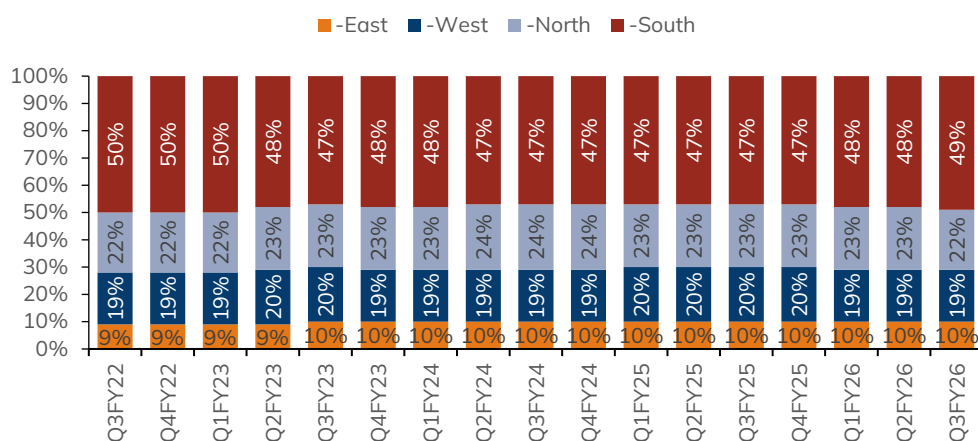
Exhibit 7: AUM growth QoQ remains strong in Q3FY26



Source: I-Sec research, Company data

Exhibit 8: Disbursements and collections picked up QoQ for gold loans

Source: I-Sec research, Company data

Exhibit 9: South continues to dominate gold AUM due to high presence and demand

Source: I-Sec research, Company data

Exhibit 10: LTV movement from buyer and lender's perspective

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Mkt Price of Gold holding (Borrowers' Perspective) with 20% additional making charges (INR bn)	1,532	1,645	1,691	2,038	2,203	2,650	3,001
LTV calculation through Mkt price from Borrower's perspective	52.8%	52.4%	55.0%	50.5%	51.4%	47.1%	46.5%
Equity of Borrower in the Gold Ornaments net of loans availed	47.2%	47.6%	45.0%	49.5%	48.6%	52.9%	53.5%
Mkt Price of Gold holding (lenders' Perspective) (INR bn)	1,277	1,371	1,409	1,699	1,836	2,208	2,501
LTV calculation through Mkt price from Lenders' perspective	63.4%	62.8%	66.0%	60.6%	61.7%	56.6%	55.8%
Margin of safety on loans for lender	36.6%	37.2%	34.0%	39.4%	38.3%	43.4%	44.2%

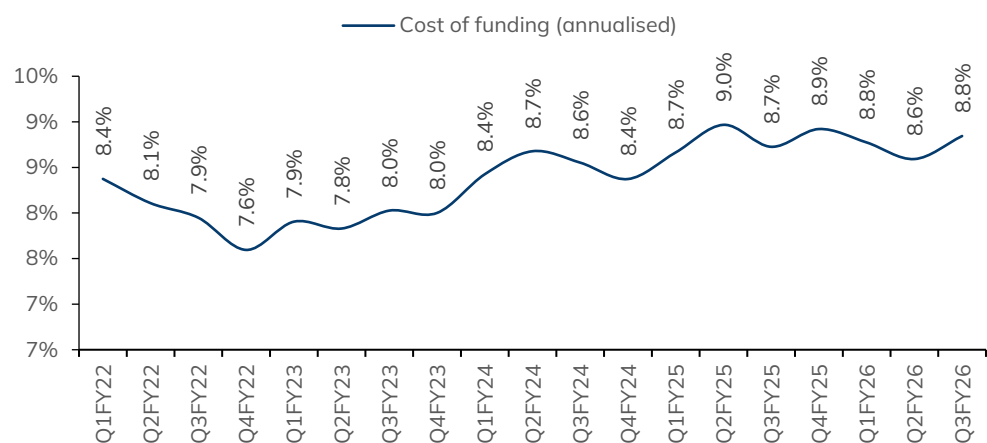
Source: I-Sec research, Company data

Exhibit 11: Quarterly operating details

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Outstanding loan amount (INR mn)							
Fresh loans to inactive customers	46,238	41,456	46,235	57,599	57,559	63,204	69,040
Fresh loans to new customers	51,589	45,517	45,046	52,391	51,218	56,020	61,073
Fresh loans with new collateral to existing customers	67,258	65,013	67,223	66,883	83,115	80,983	1,08,726
Old book	6,44,134	7,09,650	7,71,132	8,52,686	9,40,049	10,48,968	11,57,740
Fresh loans as a %age of total gold AUM							
Fresh loans to inactive customers	5.7%	4.8%	5.0%	5.6%	5.1%	5.1%	4.9%
Fresh loans to new customers	6.4%	5.3%	4.8%	5.1%	4.5%	4.5%	4.4%
Fresh loans with new collateral to existing customers	8.3%	7.5%	7.2%	6.5%	7.3%	6.5%	7.8%
Old book	79.6%	82.4%	82.9%	82.8%	83.0%	84.0%	82.9%
Customers (mn)							
Fresh loans to inactive customers	0.46	0.44	0.37	0.40	0.41	0.41	0.39
Fresh loans to new customers	0.46	0.43	0.42	0.42	0.42	0.42	0.40
Fresh loans with new collateral to existing customers	0.73	0.74	0.69	0.65	0.72	0.65	0.72
Old book	4.26	4.52	4.77	4.90	4.91	5.08	5.02
Fresh loans to Customers as %age of total active customers							
Fresh loans to inactive customers	7.8%	7.2%	6.0%	6.2%	6.3%	6.3%	6.0%
Fresh loans to new customers	7.7%	7.1%	6.7%	6.6%	6.6%	6.4%	6.1%
Fresh loans with new collateral to existing customers	12.3%	12.0%	11.0%	10.2%	11.2%	10.0%	11.0%
Old book	72.1%	73.7%	76.3%	77.0%	75.9%	77.4%	76.9%
Approx. avg. ticket size (INR) (Loans/customers)							
Fresh loans to inactive customers	99,782	93,509	1,24,099	1,45,031	1,40,284	1,53,640	1,76,694
Fresh loans to new customers	1,12,862	1,04,867	1,07,973	1,25,396	1,20,732	1,33,114	1,53,014
Fresh loans with new collateral to existing customers	92,177	88,092	97,485	1,02,572	1,15,059	1,23,655	1,51,746
Old book	1,51,201	1,56,877	1,61,721	1,73,843	1,91,599	2,06,373	2,30,459

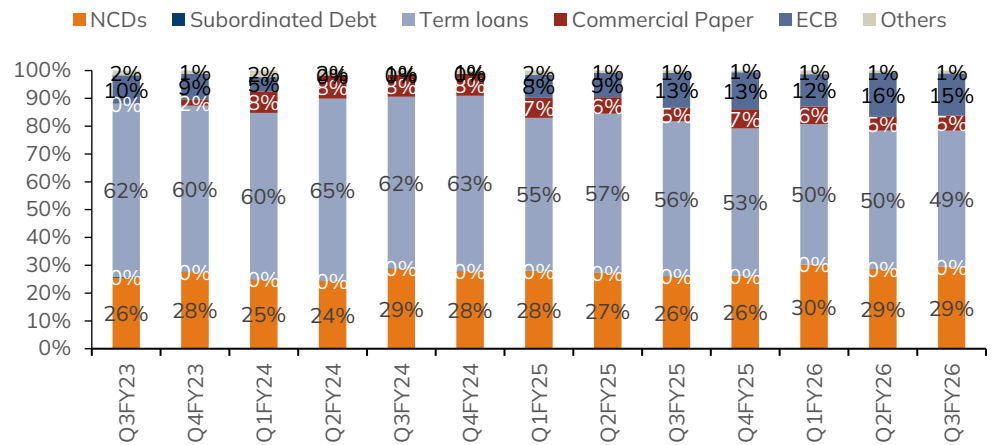
Source: I-Sec research, Company data

Exhibit 12: Funding cost decreased QoQ for standalone business



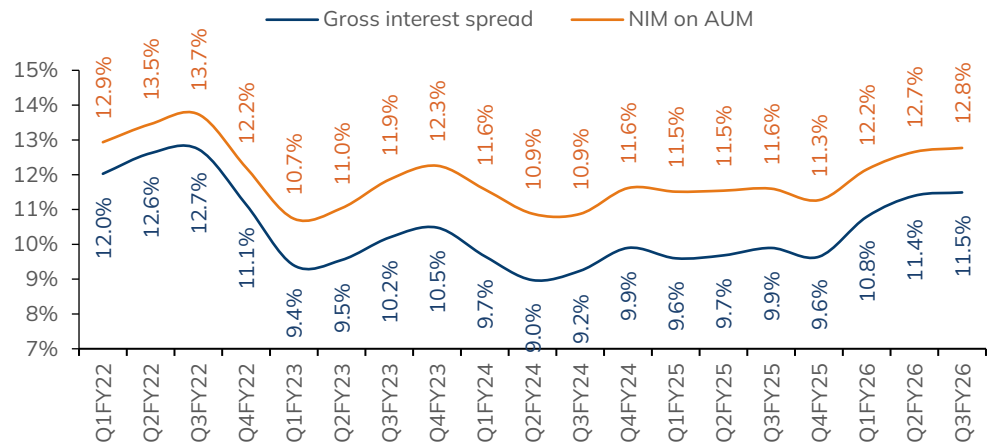
Source: I-Sec research, Company data

Exhibit 13: Borrowing mix on standalone basis



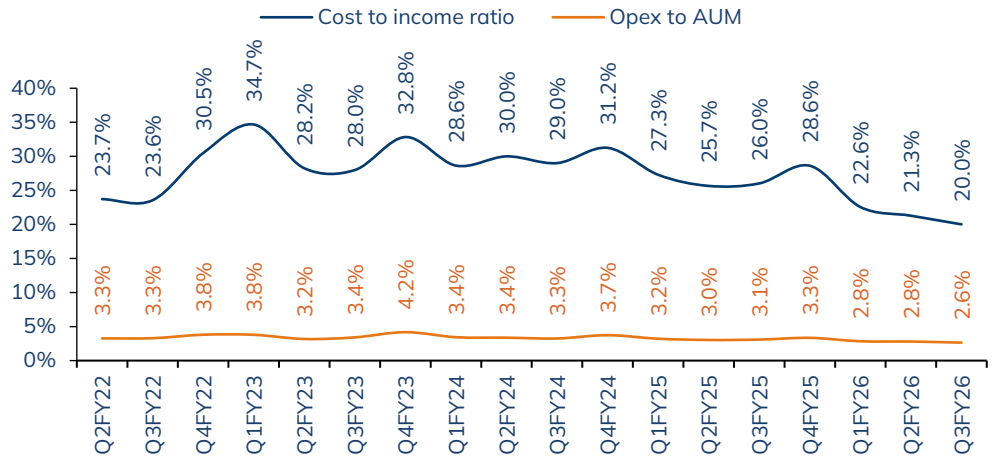
Source: I-Sec research, Company data

Exhibit 14: Gross interest spread and NIMs mirrored trend in yield and cost of funding (calculated based on avg. AUM) for standalone



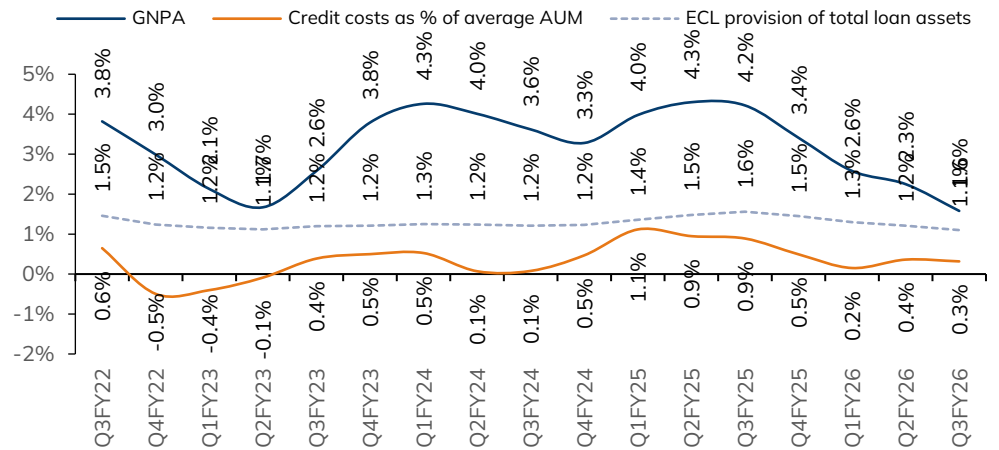
Source: I-Sec research, Company data

Exhibit 15: Opex decreased QoQ



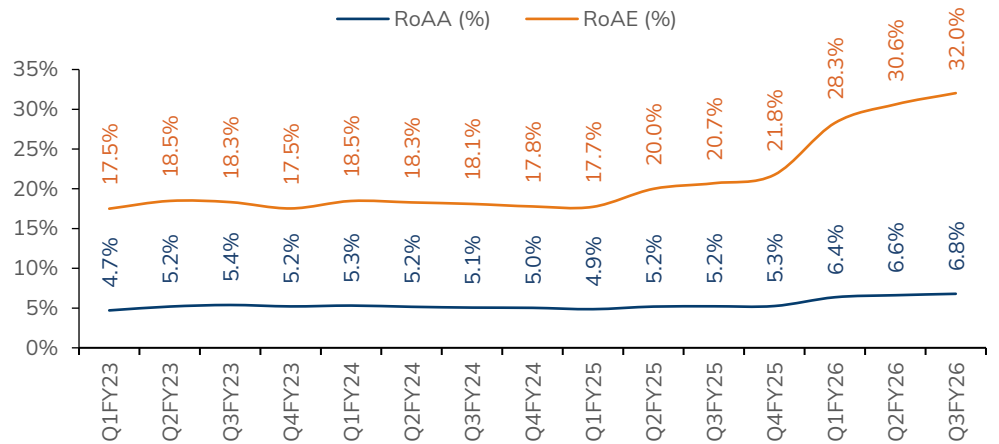
Source: I-Sec research, Company data

Exhibit 16: Credit cost decreased (overall AUM increased) with GNPA



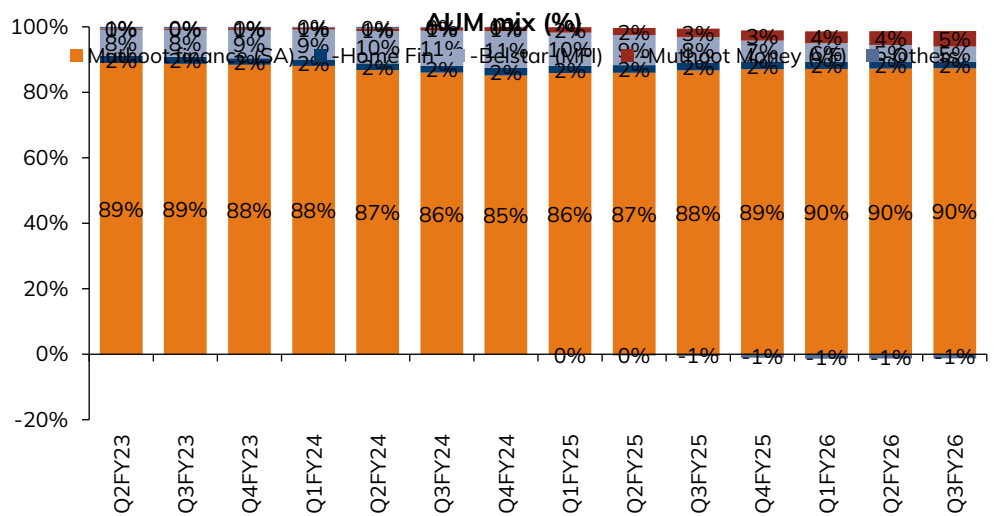
Source: I-Sec research, Company data

Exhibit 17: RoA and RoE increased sequentially

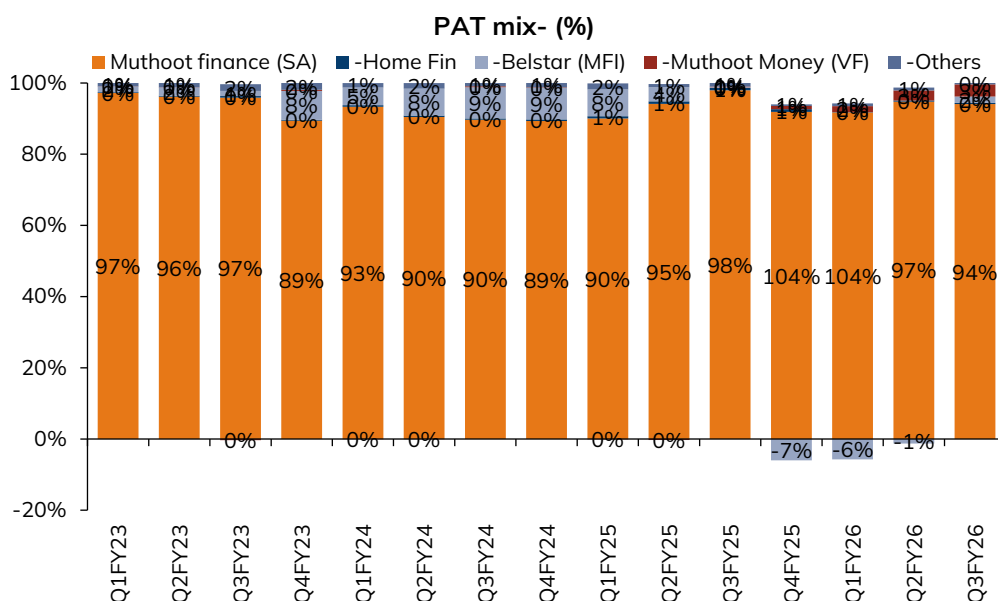


Source: I-Sec research, Company data

Exhibit 18: Belstar AUM's share decreased led by higher growth in gold business



Source: I-Sec research, Company data

Exhibit 19: Belstar's share of PAT also decreased in the mix


Source: I-Sec research, Company data

Exhibit 20: Key highlights for Belstar

Belstar (INR mn)	Q3FY26	Q3FY25	%Change YoY	Q2FY26	%Change QoQ
Branches	1,290	1,224	5.4%	1,287	0.2%
Employees	11,846	13,043	-9.2%	12,169	-2.7%
Revenue	4,713	5,191	-9.2%	4,261	10.6%
Expenses	3,912	5,175	-24.4%	4,689	-16.6%
PBT	801	16	4906.3%	-428	-287.1%
Taxes	292	-8	-3750.0%	-112	-360.7%
PAT	509	24	2020.8%	-316	-261.1%
Balance sheet key items (Rs mn)					
AUM	79,106	87,032	-9.1%	77,145	2.5%
Gross Loan Assets	67,211	76,562	-12.2%	68,529	-1.9%
Networth	16,625	18,694	-11.1%	16,116	3.2%
Outside liabilities	64,259	63,764	0.8%	63,636	1.0%
Assets	80,885	82,458	-1.9%	79,752	1.4%
Total ECL Provision	4,196	3,391	23.7%	4,114	2.0%
Stage III ECL Provision	3,530	1,967	79.5%	3,165	11.5%
GNPA (INR mn)	3,660	2,248	62.8%	3,353	9.2%
GNPA %	4.6%	2.6%	204 bps	4.3%	28 bps
NNPA %	0.2%	0.3%	-16 bps	0.3%	-9 bps
CAR	22.0%	24.0%	-201 bps	22.1%	-7 bps
RoE	0.1%	0.0%	11 bps	-0.1%	20 bps

Source: I-Sec research, Company data

Exhibit 21: Key highlights of Muthoot Money

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Branches	674	893	998	992	997	997	998
Employees	2,840	3,555	4,302	4,437	4,432	4,791	4,780
AUM (INR mn)	16,574	22,652	29,822	39,027	50,001	63,933	80,033
Networth (INR mn)	5,072	5,033	10,061	10,203	10,570	16,261	22,234
Assets (INR mn)	18,917	25,140	32,744	44,400	56,712	68,678	87,141
Revenue (INR mn)	601	854	1,222	1,622	2,134	2,875	3,614
Expenses (INR mn)	620	907	1,183	1,428	1,639	1,953	2,317
PBT (INR mn)	-19	-53	39	194	495	922	1,297
Taxes (INR mn)	-7	-14	10	51	125	229	325
PAT (INR mn)	-12	-39	29	143	370	693	972
Key Ratios:							
GNPA/Gross stage 3	1.7%	2.1%	1.8%	1.4%	1.0%	0.8%	0.6%
NNPA/Net stage 3	1.3%	1.7%	1.5%	1.1%	0.8%	0.6%	0.5%
CAR	29.0%	21.0%	32.0%	25.0%	20.0%	24.7%	27.1%
RoAA	-0.3%	-0.7%	0.4%	1.5%	2.9%	4.4%	5.0%
RoE	-0.9%	-3.1%	1.5%	5.6%	14.2%	20.7%	20.2%

Source: I-Sec research, Company data

Exhibit 22: Key highlights of Muthoot Homefin

Muthoot Homefin (INR mn)	Q3FY26	Q3FY25	%Change YoY	Q2FY26	%Change QoQ
Branches	172	163	5.5%	166	3.6%
Employees	1,013	878	15.4%	1,022	-0.9%
Customers	0	29,227	-100.0%	0	#DIV/0!
Income statement (Rs mn)					
Revenue	1,173	923	27.1%	1,191	-1.5%
Expenses	1,035	795	30.2%	1,057	-2.1%
PBT	128	128	0.0%	134	-4.5%
Taxes	39	34	14.7%	50	-22.0%
PAT	89	94	-5.3%	84	6.0%
Balance sheet key items (Rs mn)					
AUM	33,802	27,196	24.3%	32,465	4.1%
Gross Loan Assets	29,016	23,520	23.4%	27,858	4.2%
Networth	7,346	5,026	46.2%	7,256	1.2%
Borrowings	23,394	19,941	17.3%	22,792	2.6%
Assets	31,672	25,880	22.4%	30,909	2.5%
Ratios (annualised)					
Yield on AUM	13.4%	13.2%	20 bps	13.5%	-9 bps
Cost of funding	8.6%	8.9%	-28 bps	8.8%	-16 bps
NIMs to AUM	6.4%	5.0%	135 bps	6.2%	23 bps
Total ECL Provision					
Stage III ECL Provision	532	332	60.2%	445	19.6%
	263	240	9.6%	214	22.9%
GNPA (INR mn)	672	387	73.6%	470	43.0%
GNPA %	2.0%	1.4%	56 bps	1.4%	54 bps
NNPA %	1.2%	0.5%	67 bps	0.8%	42 bps
CAR	29.9%	28.0%	189 bps	30.0%	-8 bps
RoA	1.3%	1.8%	-53 bps	1.2%	2 bps
RoE	4.9%	7.6%	-265 bps	6.5%	-154 bps

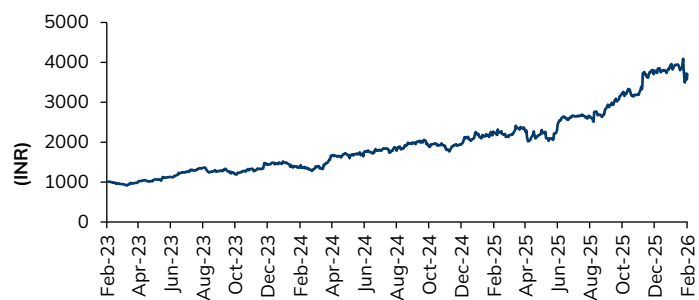
Source: I-Sec research, Company data

Exhibit 23: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	73.4	73.4	73.4
Institutional investors	23.0	23.0	22.8
MFs and others	10.7	9.8	9.4
FIs/Banks	0.0	0.0	0.0
Insurance	0.7	0.7	0.7
FIIIs	11.6	12.5	12.7
Others	3.6	3.6	3.8

Source: Bloomberg, I-Sec research

Exhibit 24: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 25: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Interest Income	1,96,629	2,84,759	3,46,217	4,03,145
Net gain on fair value changes	-	-	-	-
Interest Expenses	(74,123)	(1,05,336)	(1,32,644)	(1,53,932)
Net Interest Income (NII)	1,22,506	1,79,423	2,13,572	2,49,214
Other Income	1,103	1,441	1,763	2,028
Total Income (net of interest expenses)	54,999	84,301	91,387	1,07,228
Employee benefit expenses	(23,250)	(26,905)	(33,308)	(40,059)
Depreciation and amortization	(1,160)	(1,245)	(1,193)	(1,165)
Fee and commission expenses	-	-	-	-
Other operating expenses	(15,703)	(19,717)	(23,373)	(27,051)
Total Operating Expense	(40,112)	(47,867)	(57,874)	(68,275)
Pre Provisioning Profits (PPoP)	89,010	1,41,770	1,66,157	1,92,885
Provisions and write offs	(16,350)	(12,733)	(14,918)	(15,251)
Profit before tax (PBT)	72,660	1,29,037	1,51,239	1,77,634
Total tax expenses	19,136	33,066	38,719	45,507
Profit after tax (PAT)	53,524	95,971	1,12,521	1,32,126

Source Company data, I-Sec research

Exhibit 26: Key Ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Valuations				
EPS	133	234	275	323
BVPS	731	921	1,144	1,406
Yields, Interest income & spreads(%)				
Yield on AUM	19	19	18	18
Cost of funding	9	9	8	8
NIM on AUM	12	12	11	11
Other income on AUM	0.6	0.7	0.6	0.5
Operating efficiency				
Cost to income	31.1	25.2	25.8	26.1
Opex to AUM	3.8	3.2	3.1	3.1
AUM per branch (INR Mn)	223.8	297.6	342.3	386.8
Asset Quality				
GNPA	3.4	1.7	2.2	2.3
NNPA	2.8	1.4	1.9	2.0
Credit cost on AUM (Consolidated)	1.5	0.9	0.8	0.7
Profitability				
ROAA	4.7	6.0	5.5	5.5
ROE	19.7	28.9	27.1	25.8

Source Company data, I-Sec research

Exhibit 27: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Share capital	4,015	4,015	4,015	4,015
Reserves & surplus	2,89,652	3,65,696	4,55,212	5,60,410
Shareholders' funds	2,93,666	3,69,711	4,59,226	5,64,424
Borrowings	9,93,688	14,59,284	17,16,681	19,81,418
Provisions & Other Liabilities	34,851	36,646	38,592	40,690
Deferred tax liabilities (net)	-	-	-	-
Current Liabilities and short-term provisions	-	-	-	-
Total Liabilities and Stakeholder's Equity	13,28,471	18,73,860	22,25,011	25,99,736
Cash and balance with RBI	83,460	1,35,260	1,86,456	2,52,851
Fixed assets	6,644	6,737	7,084	7,848
Loans	12,05,779	16,96,441	19,92,615	22,95,060
Investments	24,007	24,536	26,872	30,100
Deferred tax assets (net)	1,764	2,360	2,633	3,077
Current Assets including cash and bank	-	-	-	-
Other Assets	6,516	8,226	9,052	10,501
Total Assets	13,28,471	18,73,860	22,25,011	25,99,736

Source Company data, I-Sec research

Exhibit 28: Key Metrics

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
DuPont Analysis				
Gross AUM (INR Mn)	12,22,953	17,36,639	20,38,323	23,48,942
Interest Income (%)	17.1	17.8	16.9	16.7
Interest Expense (%)	6.5	6.6	6.5	6.4
Net Interest Income (%)	10.7	11.2	10.4	10.3
Other Income (%)	0.6	0.6	0.5	0.5
Total Net Income (%)	11.3	11.8	10.9	10.8
Operating Expenses (%)	3.5	3.0	2.8	2.8
Pre Provision Operating Profit (%)	7.8	8.9	8.1	8.0
Provisions (%)	1.4	0.8	0.7	0.6
PBT (%)	6.3	8.1	7.4	7.4
Tax (%)	1.7	2.1	1.9	1.9
Reported PAT (%)	4.7	6.0	5.5	5.5
Leverage (average assets/average equity)	4.2	4.8	4.9	4.7
RoE (%)	19.7	28.9	27.1	25.8

Source Company data, I-Sec research

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