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Financials | Gold Loan



The Golden run continues!

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Financials | Gold Loan

The Golden run continues!

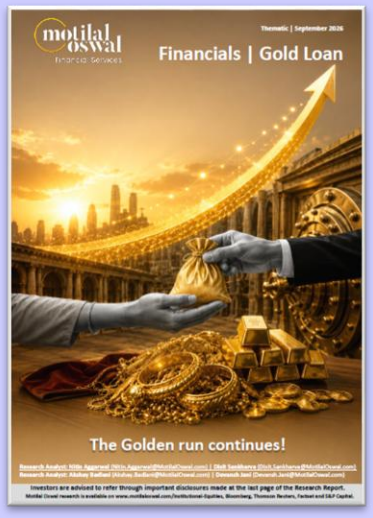


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We acknowledge the contribution of **Vishal Chaudhary** to this report.

Financials | Gold Loan

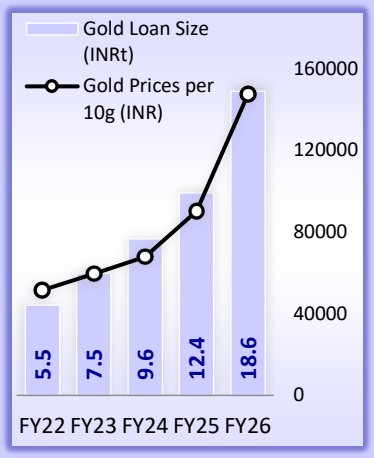


The Golden run continues!

Estimate 28% CAGR over FY26-28E; banks to gain market share

- **The gold loan segment has surged ~4x in the past five years to INR18.6t as of Mar'26, becoming the second-biggest asset class in the retail segment surpassing personal loans. The resurgence in gold lending is driven by a combination of improved processes, aggressive expansion and a strong uptrend in gold price.**
- **Indian household gold stock is estimated at ~28k tons; however, only ~8% has been monetized through the organized gold loan market, implying low penetration even as household physical savings continue to rise.**
- **PSU banks (PSBs) continue to command the highest market share in gold loans (including agri gold loans) at 60% as of Mar'26, while NBFCs, especially gold lending-focused NBFCs, continue to gain incremental market share on the back of improved underwriting, efficiency and TAT. However, divergent growth trends across lenders will drive several changes in industry rankings over the coming years.**
- **While asset quality has remained stable, a higher number of repeat borrowers poses a threat of overleveraging in the industry. Stagnating tonnage and customer growth also pose a challenge to sustainable growth even as current industry LTV of 55-60% provides comfortable headroom for medium-term growth.**
- **The RBI's increased monitoring of gold lending should foster a more resilient, transparent and scalable gold lending segment, though it may create short-term hiccups for lenders. We estimate a 28% CAGR for the gold loan segment during FY26-FY28, crossing INR30t by Mar'28E.**
- **We estimate that gold lending-focused NBFCs will witness moderation in market share and profitability amid increased competition from diversified NBFCs and other lenders. For GL NBFCs like Muthoot Finance (Muthoot) and Manappuram (MGFL) incremental earnings would be dependent on balance-sheet expansion rather than margin resilience. We maintain Neutral rating on both the names. Top picks: ICICIBC, SBIN, KMB, AUBANK, BAF and LTF.**

GL growth closely tracking gold price movement



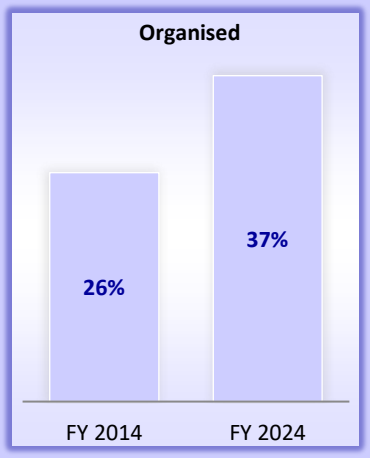
Gold loan penetration at ~8% of household gold stock

Particulars	Penetration
Household gold stock	884moZ
Household value of gold	INR 391t
Gold Loan outstanding	INR 18.6t
Value of gold pledged (LTV:60%)	INR 31t
Penetration of gold loans (I)/(H)	**~7.9%**

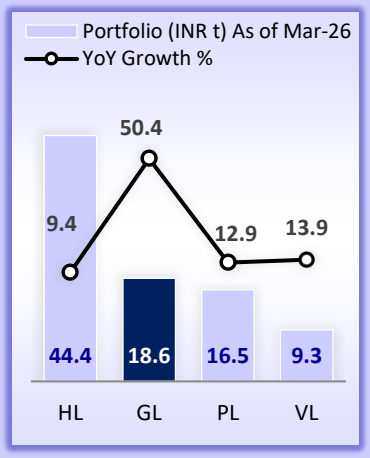
Gold loan book scales up 4x in five years; industry well-poised for steady growth

- Gold lending segment has surged ~4x in the past five years to INR18.6t as of Mar'26. The segment has now become the second-largest asset class in the retail segment, surpassing personal loans. In FY26, gold lending witnessed exponential growth of 50% YoY, supported by a +60% increase in gold price and increasing demand to utilize gold for consumption and business purposes.
- The RBI's recent harmonization of gold lending framework is expected to strengthen underwriting standards and risk management across lenders, ensuring sustainable medium-term growth.
- Despite a more competitive and regulated environment, prudent underwriting and favorable industry fundamentals are likely to support long-term structural growth outlook for organized gold lending. We expect industry gold loan book to expand at a CAGR of 28% during FY26-28E, crossing INR30t by Mar'28E.

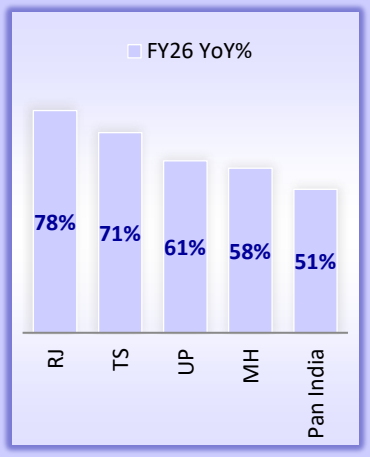
Organized market share has increased to 37% by FY24



Gold loan is the second-largest asset class for Banks+NBFCs consumption loans



Non-southern states' GL book growing rapidly in FY26



Gold loans: Low penetration of household savings to support structural growth

Indian households hold an estimated ~28k tons of gold worth ~ INR380-390t. However, only around ~8% of this stock has been monetized through the organized gold loan market (assuming an average industry LTV of ~60%), highlighting the significant untapped opportunity for formal gold-backed lending. Household savings patterns in India remain distinctly skewed toward physical assets, with real estate and precious metals such as gold and silver continuing to dominate allocation decisions. As of FY25, physical assets accounted for 64% of household savings. Savings in the form of gold and silver ornaments rose by 27% in FY25 to INR2.18t.

Steady retail consumption and central bank buying to keep gold price resilient

Unlike previous cycles when prices were driven largely by jewelry demand, the current uptrend in gold prices is underpinned by strong investment inflows, consistent central bank purchases and heightened geopolitical uncertainty. Central banks are diversifying their FX reserves and looking at gold as a hedge against high sovereign debt, high inflation and uncertain global macros. India has consistently imported INR2-6t worth of gold annually over the past decade despite policy measures to curb gold imports as they distort the overall balance of payments. Despite measures such as sovereign gold bonds and higher custom duties, the demand for gold has remained resilient through years.

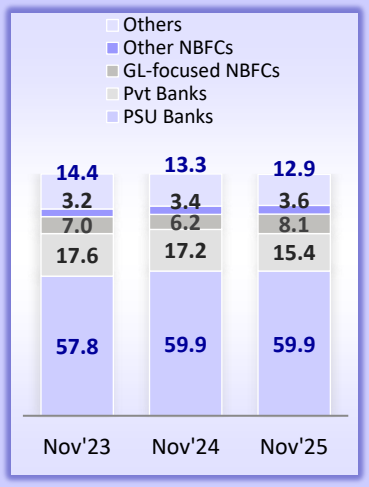
Gold loans gaining higher acceptance among MSME, MFI and PL borrowers

- **MSME borrowers:** Gold loans are increasingly becoming an acceptable source of working capital finance for MSMEs and semi-formal borrowers that lack access to conventional business credit. Their key advantages include rapid disbursement, flexible repayment structures, and limited documentation or credit history. Bureau data also indicates that gold loan is among the preferred financing options for 17% of commercial borrowers apart from MSME loans, highlighting their growing role within the MSME credit ecosystem.
- **MFI borrowers:** Gold loan appears as a natural progression for MFI borrowers. Among the 53% of MFI customers who access other retail credit products, gold loans command the largest share at 18%. Gold loans provide a much higher ticket size at far lower interest rates for these borrowers.
- **PL borrowers:** Additionally, borrowers with both gold and personal loans have witnessed moderation in outstanding personal loan balances, particularly in the sub-prime segment, indicating a gradual shift toward secured borrowing.

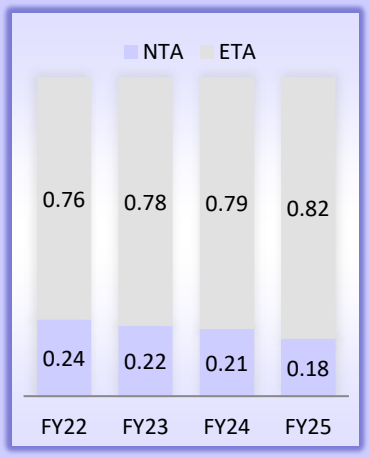
Geographical diversification improving; Rajasthan, UP and Maharashtra growing faster than southern states

While southern states have historically dominated the gold loan market, accounting for ~ 75% of the overall market, states such as Rajasthan, Uttar Pradesh and Maharashtra have gained incremental share in FY26, highlighting the gradual expansion of gold loans beyond the traditional southern markets. Rajasthan, Maharashtra and Uttar Pradesh have grown at 78%, 61% and 58% in FY26, faster than overall growth of 50% in FY26. The increasing penetration in non-southern states presents a significant untapped opportunity for gold loan financiers. This shift reflects the gradual evolution of gold-pledging practices and cultural acceptance of gold loans across non-southern regions, alongside the increasing presence and distribution footprint of gold loan financiers in these markets.

PSBs and NBFCs gaining market share



Higher number of repeat borrowers



Top gold financiers by portfolio outstanding

Gold Loan book (INRb)	1QFY27
SBI	3,100
Canara Bank	2590
Muthoot Finance	1,633
Indian Bank	1308
Bank of Baroda	979
Union Bank	870
IIFL Finance	584
Manappuram Finance	571
Bank of India	570

PSBs and NBFCs gain market share; large private banks scaling up operations

PSBs and GL-NBFCs have gained market share in both portfolio outstanding and originations over the past couple of years, supported by faster turnaround times, stronger branch networks and improved underwriting processes. PSBs command ~60% market share (inclusive of agri-based GL, ~15% in retail gold loans), while GL-NBFCs have increased their market share from 6% in Nov'23 to 8% in Nov'25. South-based regional banks have also grown their gold loan books steadily, while large private banks have ceded market share. Going forward, we expect large private banks and diversified NBFCs to rapidly scale up their gold loan operations and network, while GL-NBFCs will lose some market share. We expect large private banks to start gaining market share in higher-ticket size gold loans on the back of steady investments. We currently factor in a gold loan CAGR of 21%/27% for Muthoot/MGFL and industry CAGR of 28% over FY26-28E, with select diversified NBFCs and banks gaining market share.

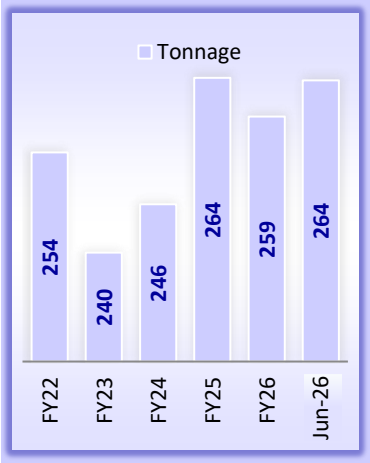
Diversified NBFCs getting aggressive; will rankings change among gold lenders?

GL-NBFCs such as Muthoot, MGFL and IIFL finance have significantly expanded their gold loan portfolios, supported by faster turnaround times and a specialized operating model. Dedicated in-house valuers and secure storage infrastructure at every branch have enabled GL-NBFCs to build stronger customer franchises and consistently gain market share in the organized gold lending segment. However, diversified NBFCs with strong credit ratings are foraying aggressively into gold loans. For example, BAF has grown its gold loan book at 86% CAGR in the past three years (112% YoY growth in FY26) to INR210b as of Jun'26 and has further guided to scale up the book to INR300b by Mar'27. Likewise, select banks like AUBANK and IDFC First are also rapidly expanding their gold loan portfolios and could compete with established gold lenders in the coming years.

Asset quality robust; high share of repeat borrowers poses overleveraging threat

- **Early-stage delinquencies (PAR 31-90)** have improved sharply across lenders, with NBFCs improving from 2.15% in Mar'25 to 0.56% in Mar'26. Private banks, while seeing receding stress, continue to witness higher early-stage stress at 1.08% as of Mar'26. Improvement is particularly pronounced in higher-ticket loans (INR0.25m), reflecting stronger collateral coverage following the sharp rise in gold prices.
- **High number of repeat borrowers does pose overleveraging threat:** The recent growth in organized gold lending has been driven predominantly by existing customers rather than new borrowers. Existing-to-asset (ETA) borrowers accounted for 82% of gold loan originations in 2025, up from 76% in 2022, while existing-to-gold-loan (ETGL) borrowers constituted 90% of originations. The portfolio growth is thus increasingly being driven by repeat borrowing and top-up loans, posing a risk of overleveraging in the sector.

Combined Tonnage of Muthoot and MGFL stagnating



Stagnant tonnage remains a concern; controlled LTVs to aid medium-term growth

- **Gold tonnage and customer base stagnating despite high growth**: Combined gold tonnage of Muthoot and MGFL has stagnated around 260-265 tons in the last couple of years, while their combined customer base remained around 9m, despite a surge in loans outstanding. Recent AUM growth has thus been driven largely by higher gold valuations and repeat borrowings rather than new customer acquisition or incremental collateral mobilization.
- **Improving LTVs are providing better cushion:** Despite rapid portfolio growth, the average loan-to-value (LTV) ratio has declined across banks and NBFCs as rising gold prices have increased the value of underlying collateral. Current LTVs of 55% for banks and 60% for NBFCs provide adequate headroom for growth over the coming years.

Regulatory measures to ensure sustainable growth

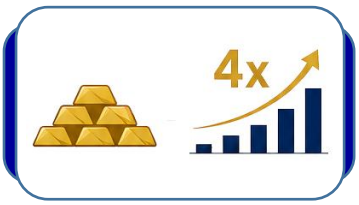
The RBI's increased monitoring of gold lending should foster a more resilient, transparent and scalable gold lending segment, though it may create short-term hiccups for lenders. Tighter norms on LTV computation, bullet loan tenures, borrower assessment and operational controls are likely to moderate near-term loan growth, particularly for GL-NBFCs, but will also strengthen the quality and sustainability of growth. The harmonized regulations reduce regulatory arbitrage between banks and NBFCs, improve governance standards, and lower operational risks. At the same time, higher LTV limits for small-ticket loans and greater clarity on PSL eligibility should accelerate the migration of borrowers from the unorganized to the organized lending ecosystem.

View: Estimate 28% CAGR in gold lending; banks, diversified NBFCs to gain share

- The gold loan segment is set to record a healthy CAGR of 28% over FY26-28E. Competition is intensifying as private banks and diversified NBFCs rapidly scale up operations. Harmonized gold loan guidelines, lower penetration among households and higher acceptance of gold loan products are all likely to aid sustainable growth in the gold loan segment.
- Asset quality has remained robust across lenders; however, a higher number of repeat borrowers does pose a threat of overleveraging in the sector. Stagnation in tonnage and new customer additions are key monitorable items going ahead.
- GL-focus NBFCs will cede some market share and we currently factor in gold loan CAGR of 21%/27% for Muthoot/MGFL and 28% for the industry over FY26-28E. We believe select diversified NBFCs and banks will gain market share. We further estimate product margins to moderate amid increased competition, though they will remain healthy enough to retain strong product profitability. For GL-focused NBFCs like **Muthoot** and **MGFL,** incremental earnings could thus be dependent on balance-sheet expansion rather than margin resilience. We maintain **Neutral** rating on both the names.
- **Top picks: ICICIBC, SBI, KMB, AUBANK, BAF and LTF.**

STORY IN CHARTS

Investment Arguments



Gold loan book scales up 4x in five years; industry well-poised for steady growth



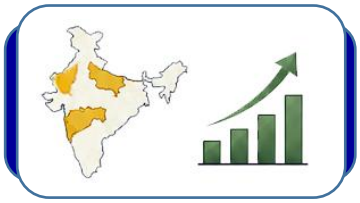
Gold loans: Low penetration of household savings to support structural growth



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Diversified NBFCs getting aggressive; will rankings change among gold lenders?



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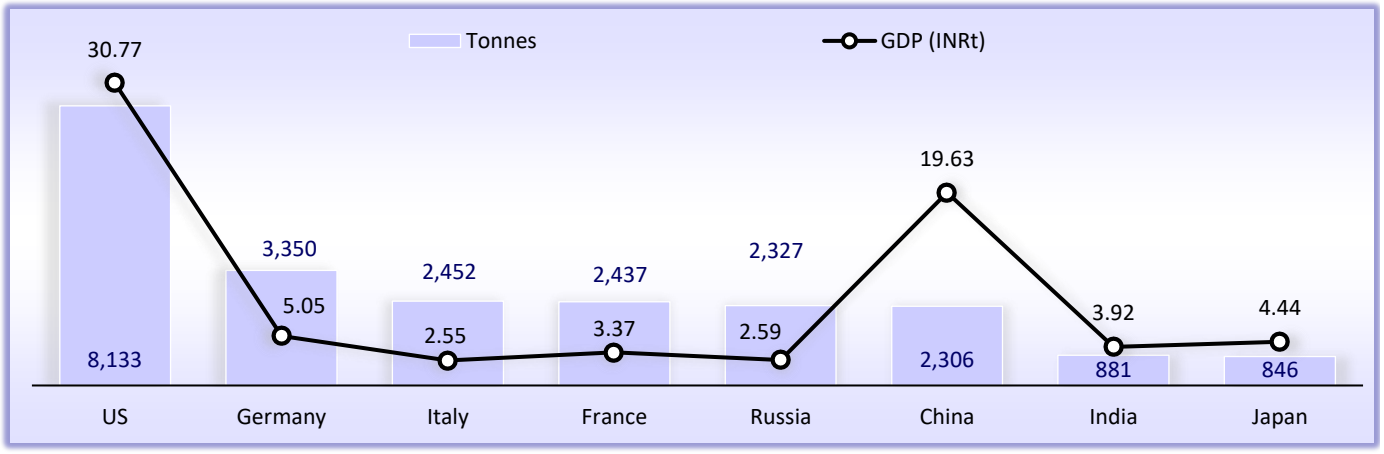
Estimate 28% CAGR in gold lending; banks, diversified NBFCs to gain share

Gold loan penetration at ~8% of household gold stock

Particulars	Units	Penetration
Estimated household gold stock (A)	mn Oz	884
Conversion rate of USD/oz (B)	USD oz	4643
USD/INR exchange rate (C)	USD/INR	95
Conversion to INR gold price per oz (D) = (B) x (C)	INR gold price per oz	4,42,512
Household value of gold (E) = (D) x (A)	INR t	391.24
Gold Loan outstanding	INR t	18.6
LTV at industry level assumed at 60% (I)	INR t	31.0
Penetration of gold loans (I)/(H)		**~7.9%**

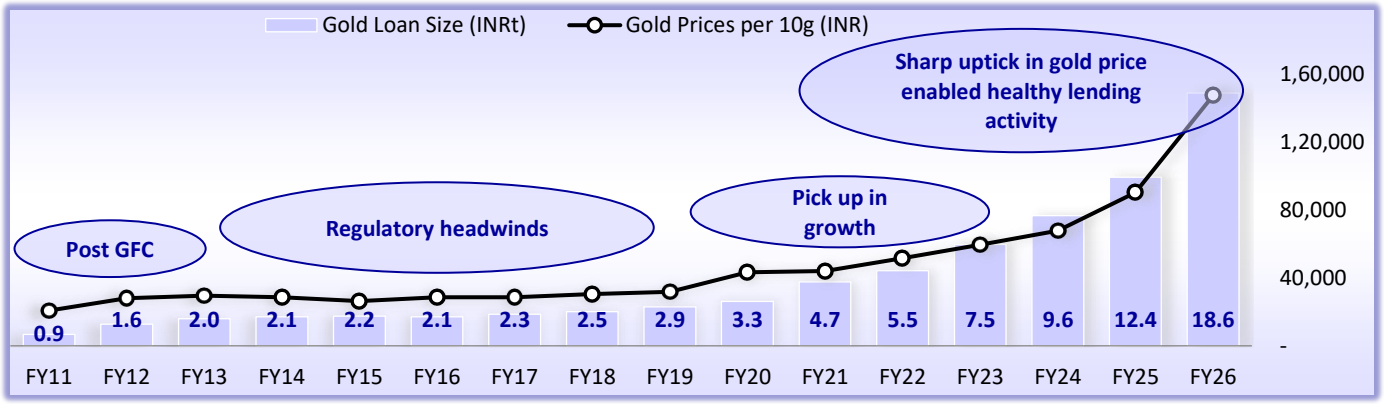
Source: WGC, MOFSL

Central bank gold reserves and GDP: India has low gold reserves as compared to its GDP



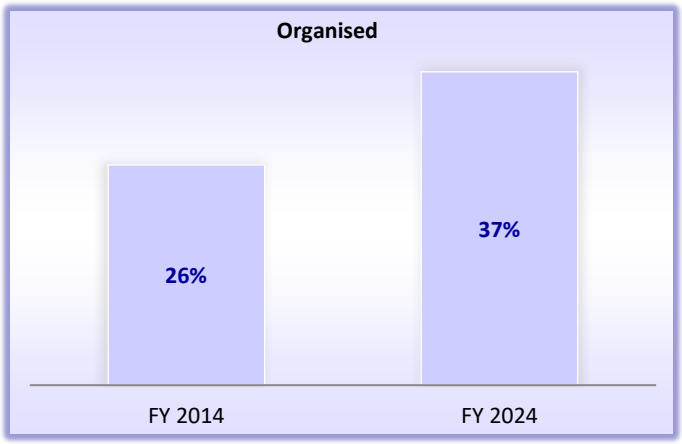
Source: WGC, IMF, MOFSL

Gold loan: Growth cycles continue to closely track gold price movement



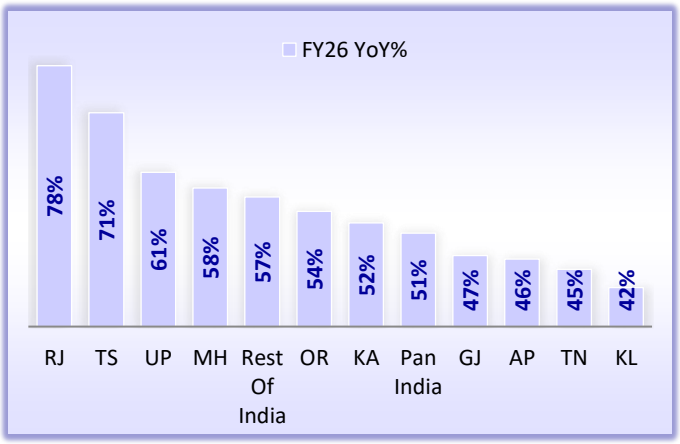
Source: CRIF, CRIF, RBI, MOFSL, Note: Gold loan price taken as on financial year end

Organized market share has increased to 37% in FY24 from 26% a decade back



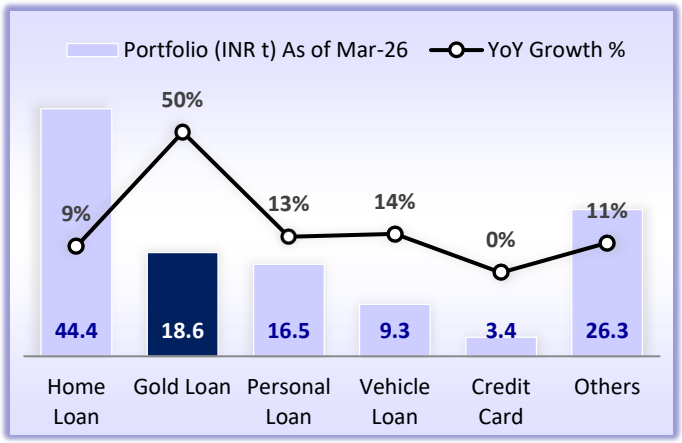
Source: CRIF, MOFSL

Non-southern states' GL book growing rapidly in FY26; RJ, UP and MH growing faster than overall system



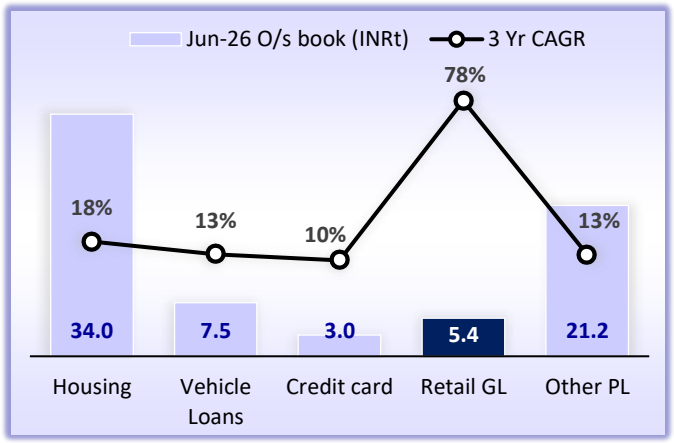
Source: RBI, MOFSL

Banks + NBFC consumption loans; gold loan is the second-largest asset class



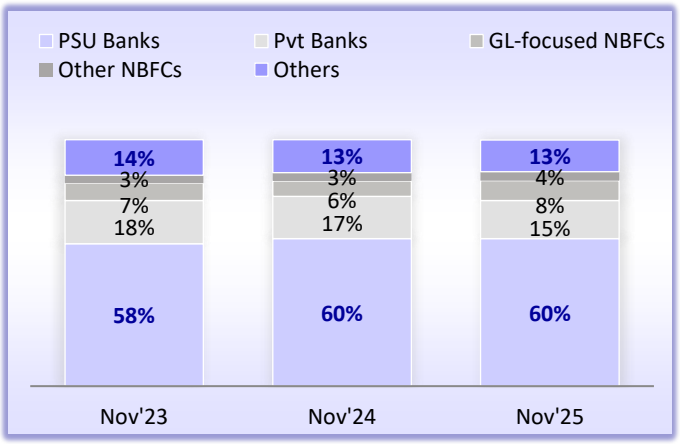
Source: CRIF, MOFSL

Retail gold loans for banks growing at 78% CAGR in last three years



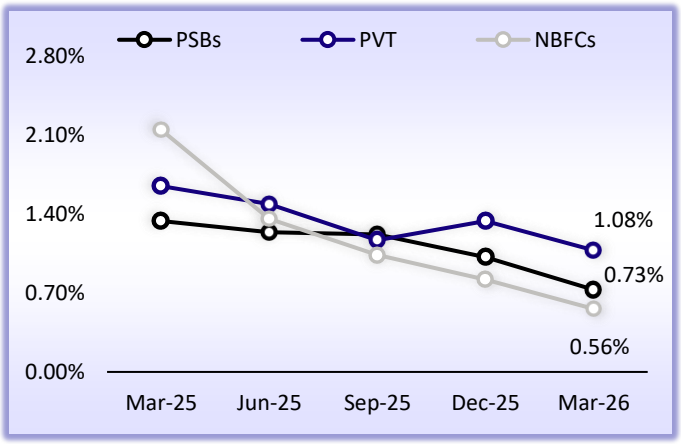
Source: RBI, MOFSL

PSU banks dominate gold loans; NBFCs have gained market share



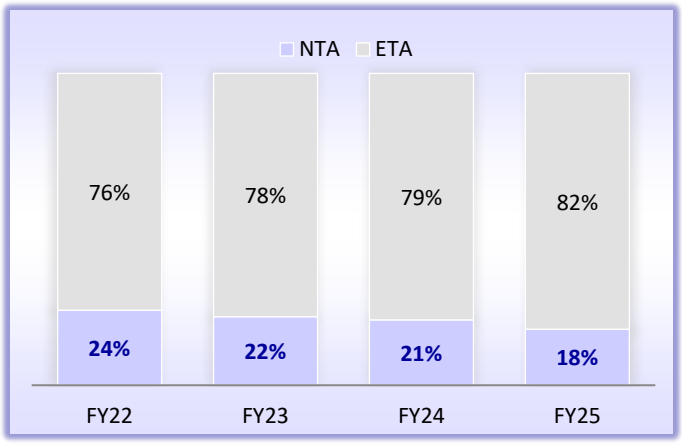
Source: CRIF, MOFSL

31-90 PAR ratios indicate asset quality improving across lenders



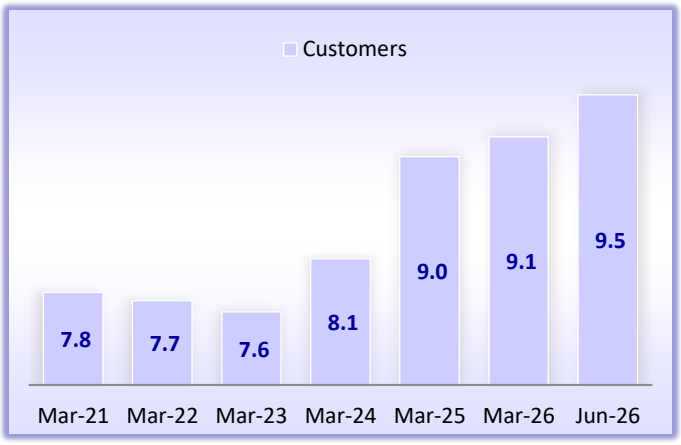
Source: CRIF, MOFSL

Repeat borrowers dominate gold loan sourcing; mix rising steadily from 76% to 82%



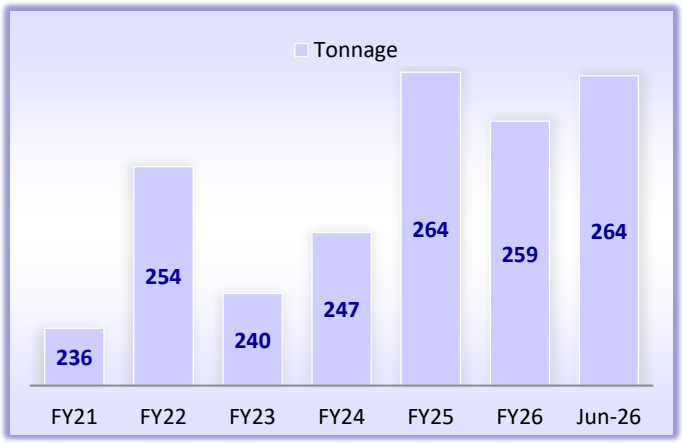
NTA – New to asset, ETA – Existing to asset; Source: CRISIL, MOFSL

Total GL customers of Muthoot and MGFL stagnated in FY25 and FY26; have increased ~5% in 1QFY27



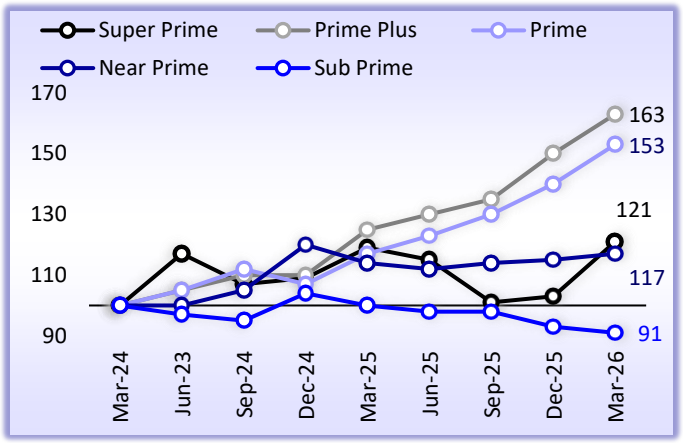
Source: Company, MOFSL

Combined gold tonnage for Muthoot and MGFL range-bound at ~259-264 tons in last two years



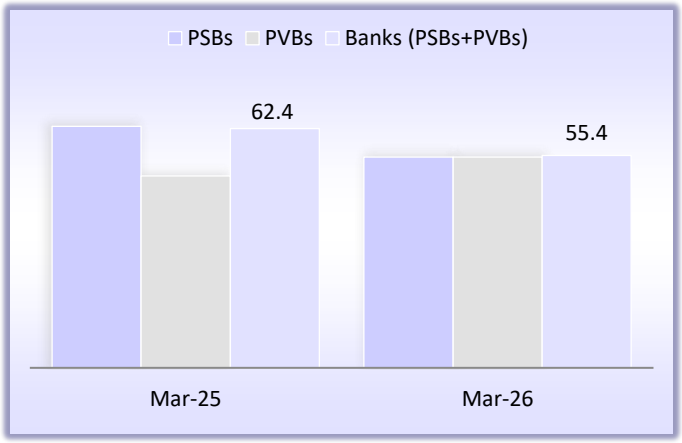
Source: Company, MOFSL

PL borrowers with GL: Indexed chart showcases decline in sub-prime borrowers, reflecting improved borrower quality



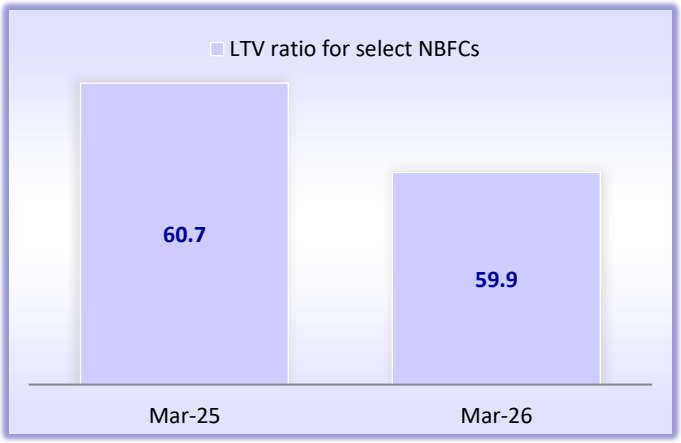
Source: RBI FSR, MOFSL

Banks LTV ratios reduced to 55.4% from 62.4% in FY25



Source: RBI FSR, MOFSL

LTV ratios for select NBFCs as per RBI at 59.9% in Mar'26



Source: RBI FSR, MOFSL

Gold loan outstanding across lenders (INR b)

Gold Lenders	FY25	FY26	YoY (%)	1QFY27	QoQ (%)
SBI	1,700	2,558	50	3,100	21.2
Canara Bank	1,844	2,450	33	2,590	5.7
Muthoot Finance	1,030	1,541	50	1,633	6.0
Indian Bank	897	1,270	42	1,308	3.0
Bank of Baroda	639	972	52	979	0.7
Union Bank	820	900	10	870	-3.3
IIFL Finance	210	526	150	584	11.1
Bank of India	353	500	99	570	14.0
Manappuram Finance	256	510	41	571	12.0
Muthoot Fincorp	256	487	90	-	-
Federal Bank	305	384	26	414	7.9
Karur Vysya Bank	233	295	27	314	6.4
Central Bank of India	258	280	9	360	28.6
TMB	153	248	62	270	9.1
South Indian Bank	170	247	46	249	0.8
HDFC Bank	177	237	34	255	7.6
CSB	141	216	53	219	1.6
PNB	138	203	47	318	56.7
City union Bank	143	195	36	207	6.2
UCO	105	180	71	-	-
Bajaj Finance	83	178	115	212	18.6
Capri Global	80	170	111	192	13.1
Axis Bank	108	133	23		
DCB Bank	86	117	35	123	5.6
FedFina	59	104	76	112	8.1
Bank of Maharashtra	45	102	125	130	27.2
Muthoot Money	38	97	159	109	12.0
Kosamattam Finance	57	73	28	-	-
Punjab & Sind Bank	19	67	253	99	46.6
Shriram Finance	48	66	37	75	13.5
RBL Bank	4	43	859	44	3.6
AU SFB	19	39	113	45	15.4
Rupeek	26	39	53	42	6.5
IDFC First Bank	22	39	79	49	25.0
Bandhan Bank	19	30	57	28	-4.7
L&T Finance	-	28	-	19	-32.2
SBFC	15	24	57	26	9.4
Asirvad	9	21	130	23	9.6
Cholamandalam	-	18	-	21	18.8
HDB Financial	10	16	55	19	17.2
Poonawalla	-	13	-	18	40.5
Indusind Bank	-	10	-	12	20.0
Ujjivan SFB	2	8	292	10	32.6
Total Industry	**12,400**	**18,600**	**50**		

Source: Company MOFSL

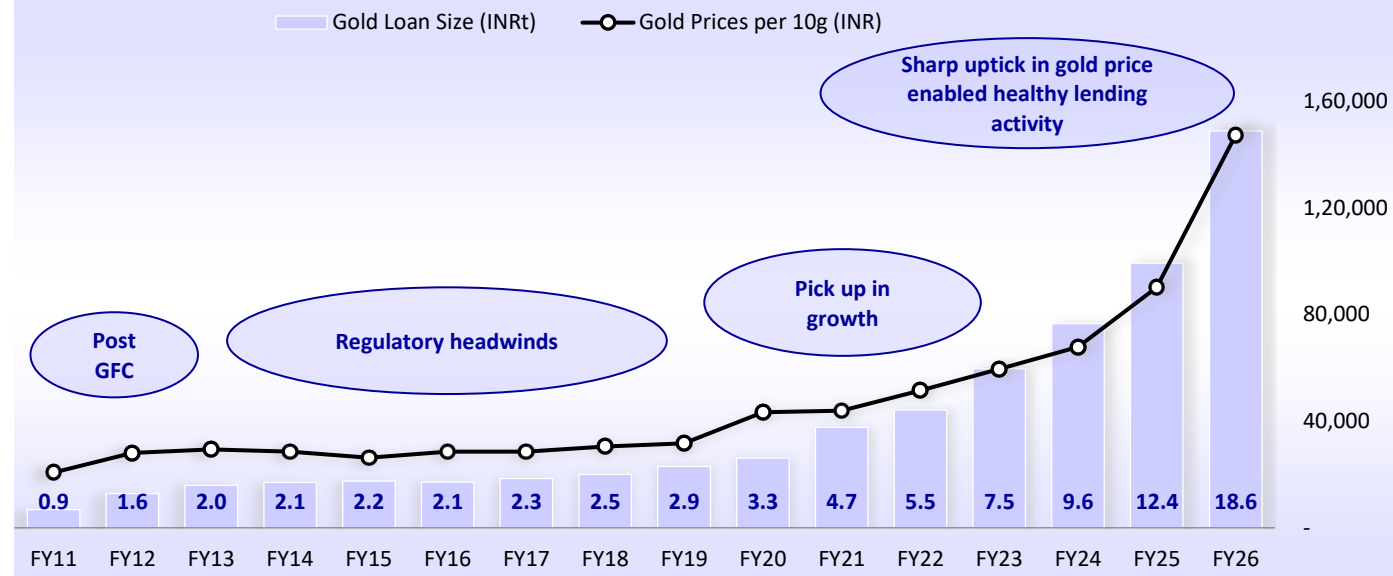
The rapid resurgence of the gold loan industry

Structural shift and rapid branch expansion to enable healthy growth

Gold loan growth has been steady across cycle despite regulatory headwinds and gold price movements

The organized gold loan market has evolved through multiple phases over the past fifteen years, with each phase shaped by a unique combination of regulatory developments, gold price movements and competitive intensity. Understanding this evolution is essential to appreciate why the current growth cycle differs structurally from previous upcycles.

Exhibit 1: Gold loan growth cycles continues to closely track gold price movement



Source: CRISIL, CRIF, WGC, MOFSL

- **Phase 1 (FY09-12) – Post-GFC resurgence:** Following the global financial crisis, gold finance witnessed a sharp acceleration as lenders became increasingly cautious about unsecured lending. FY09-12 marked a period of exceptional growth for the industry, with the aggregate gold loan portfolio expanding **nearly 6.4x from INR250b in FY09 to INR1.6t in FY12**. During this phase, gold financiers also attracted significant private equity capital, enabling rapid branch expansion and market penetration.
- **Phase 2 (FY12-14) – Regulatory tightening and gold price correction:** The rapid growth witnessed in the preceding years prompted regulatory intervention, particularly for monoline gold financiers. At the same time, India was grappling with a widening current account deficit, partly driven by elevated gold imports. Consequently, the RBI introduced several restrictive measures, including:
  - **A 60% LTV cap for NBFCs (vs. no cap earlier)**
  - **Withdrawal of PSL status for lending to gold loan NBFCs**, resulting in a sharp increase in funding costs
  - Reduction in single-bank exposure limits to gold loan NBFCs from 10% to 7.5% of net worth, along with restrictions on lending against bullion and gold coins.
  - Additionally, global gold prices declined 20-25% during CY12-13. While this was partially offset by INR depreciation and an increase in import duties from 2% to 10%, the correction nevertheless led to a rise in customer defaults and industry stress.

- **Phase 3 (FY14-18) – Return of regulatory parity: In 2014, the RBI increased the permissible LTV to 75%, bringing NBFCs on par with banks.** Simultaneously, gold loan NBFCs recalibrated their operating models and product structures, allowing growth to gradually recover. However, unlike the sharp expansion seen in Phase 1, growth remained relatively moderate, partly due to a prolonged period of stable gold prices.
- **Phase 4 (FY18-21) – Pick-up in growth:** After the IL&FS crisis in 2018, gold financiers stood out vs. peers given the quality of collateral, healthy ALM and low leverage. Branch expansion picked up while gold prices started rising in FY20-21. During this period, gold financiers stepped up their diversification plans, largely in segments such as MFI, vehicle finance and affordable housing finance.
- **Phase 5 (FY22-YTD) – Banks gain share amid retail expansion:** Gold loans have continued to grow strongly, emerging as one of the fastest-growing retail credit segments amid rising demand for quick liquidity. However, banks have significantly increased their presence through expansive branch networks and digital sourcing capabilities, gaining share in a market traditionally dominated by NBFCs. At the same time, MFIs have faced pressure from high NPAs and funding challenges. A sharp increase in gold prices during FY24-26 owing to uncertain global macros has boosted collateral values and borrowing capacity, supporting industry growth.
- **RBI harmonized framework – Tighter scrutiny and risk management:** Effective 1st Apr'26, the RBI has harmonized the treatment of loans secured by gold across all types of regulated entities wherein LTV was increased for lower ticket-size of loans (≤INR0.25m: 85%; INR0.25-0.5m: 80 %; >INR 0.5m:75 %) while tightening norms on classification of gold loans and valuation procedures. Tighter norms on LTV computation, bullet loan structures, borrower assessment and operational controls may moderate loan growth, particularly for gold-focused NBFCs while increasing compliance requirements. However, the harmonized framework reduces regulatory arbitrage between banks and NBFCs, improves underwriting and governance standards, and strengthens risk management practices. Overall, the new framework should support a more transparent, resilient and sustainable gold loan industry over the long term.

Gold lending industry has scaled up ~4x in five years

Estimate industry to witness ~28% CAGR over FY26-28E

Structural formalization and higher pricing driving gold loan acceleration

Gold loan penetration of at ~8% of household stock implies significant untapped opportunity

A significant opportunity in India's lending landscape stems from the under-utilization of household gold holdings within the formal credit system. Despite Indian households holding an estimated ~28k tons of gold worth ~ INR380-390t, only around 8% of this stock has been monetized through the organized gold loan market (assuming an average industry LTV of ~60%), highlighting the significant untapped opportunity for formal gold-backed lending. This limited formal penetration, when viewed against the scale and liquidity of the underlying asset, suggests that the market remains significantly untapped.

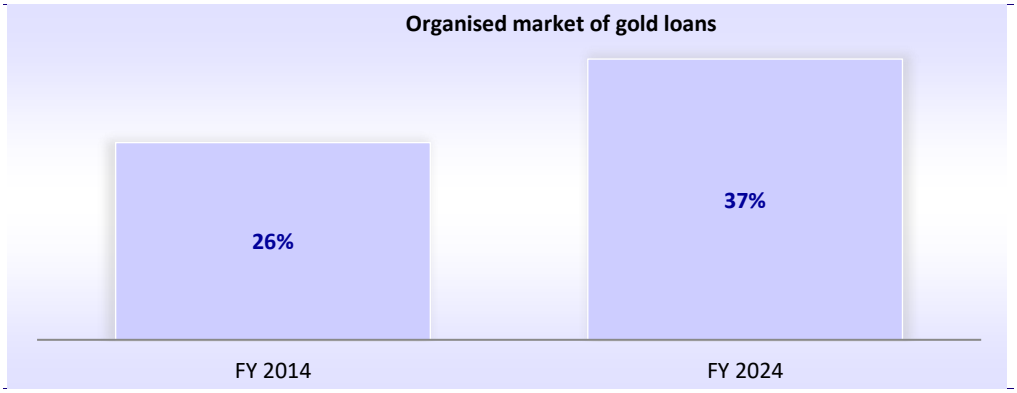
Exhibit 2: Gold loan penetration at ~8% of household gold stock

Particulars	Units	Penetration
Estimated household gold stocks (A)	mn Oz	884
Conversion rate of USD/oz (B)	USD oz	4,643
USD/INR exchange rate (C)	USD/INR	95.3
Conversion to INR gold price per oz (D) = (B) x (C)	INR gold price per oz	4,42,512
Household value of gold (E) = (D) x (A)	INRt	391.24
Gold Loan outstanding	INRt	18.6
LTV at industry level assumed at 60% (I)	INRt	31.0
Penetration of gold loans (I)/(H)	**INRt**	**~7.9%**

Source: WGC, MOFSL

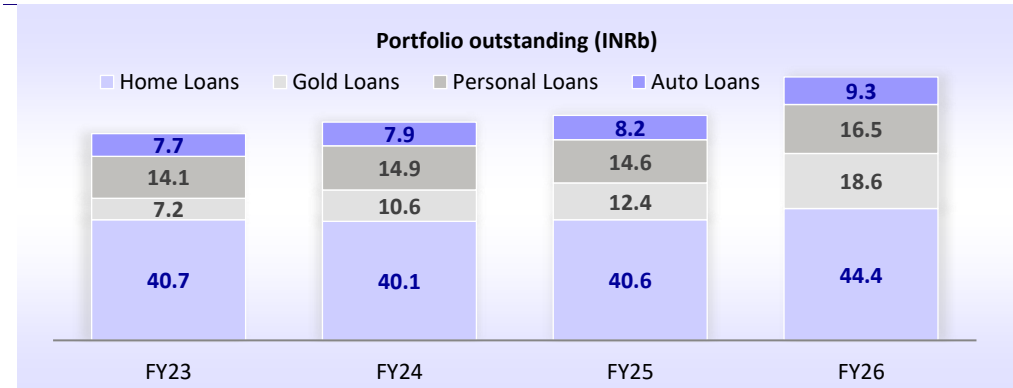
- **Shift from unorganized to organized market:** The most consequential long-term shift in the gold loan market is the formalization of what was historically a moneylender-dominated, opaque credit category. Organized players commanded just 26% of the market in FY14; by FY24, that share had risen to 37%. With regulatory harmonization, digital KYC, and accelerating branch expansion by both banks and NBFCs, the pace of organized market share gain is likely to accelerate further from hereon.
- **Gold lending has become second-largest consumer asset class:** Gold loan has displaced personal loan to become the second-largest retail lending category for banks and NBFCs after home loans, with its portfolio share now at 15.7% of consumption loans, as per CRIF dataset. In case of banks, retail gold loans have surged at a CAGR of 78% in the last three years and have been the fastest-growing retail asset class.

Exhibit 3: Organized market share of gold loans has increased to 37% by FY24



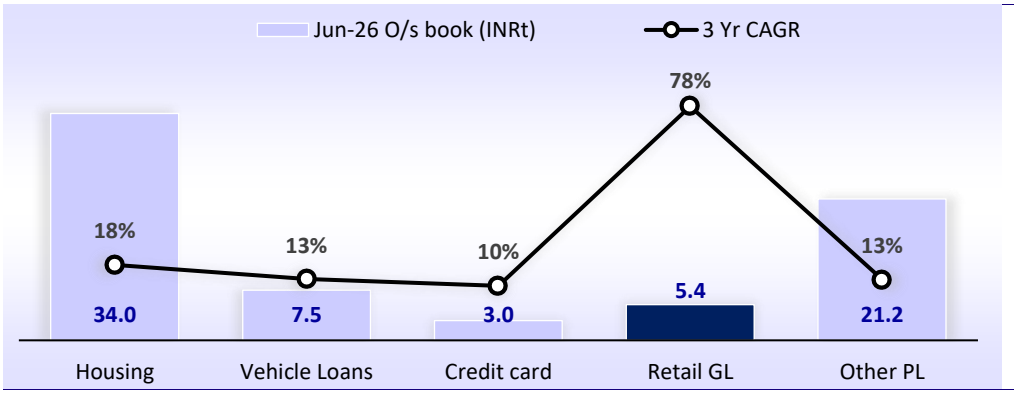
Source: PwC analysis, MOFSL

Exhibit 4: Gold loans emerge as the second-largest retail lending segment after housing for banks and NBFCs



Source: CRIF, MOFSL

Exhibit 5: Retail gold loans in banks increased by 78% CAGR in last three years, outpacing all other retail asset classes



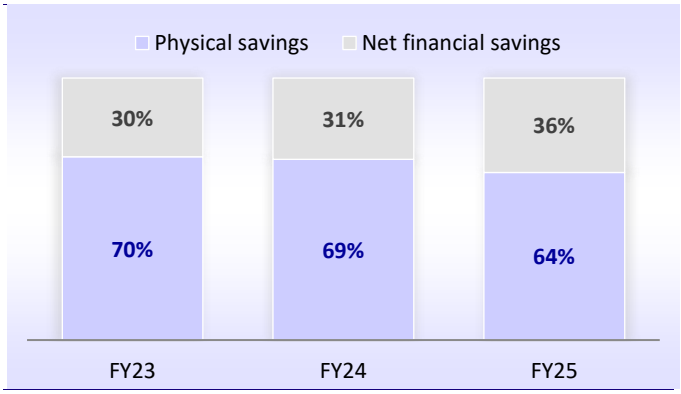
Source: RBI, MOFSL

Household physical savings remain elevated

Higher allocation toward physical assets has augmented gold reserves

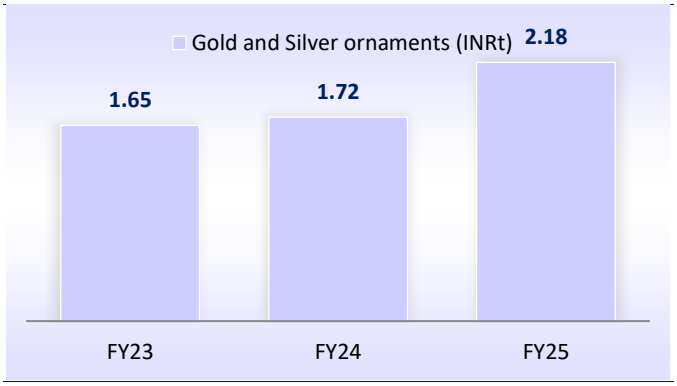
Household savings patterns in India remain distinctly skewed toward physical assets, with real estate and precious metals such as gold and silver continuing to dominate allocation decisions. As of FY25, physical assets accounted for 64% of household savings. Savings in the form of gold and silver ornaments, as per RBI database, continue to rise, growing 27% in FY25 to INR2.18t.

Exhibit 6: Physical savings form major part of total household savings



Source: RBI, MOFSL

Exhibit 7: Savings in the form of gold and silver ornaments on the rise and now at 2.1 trn

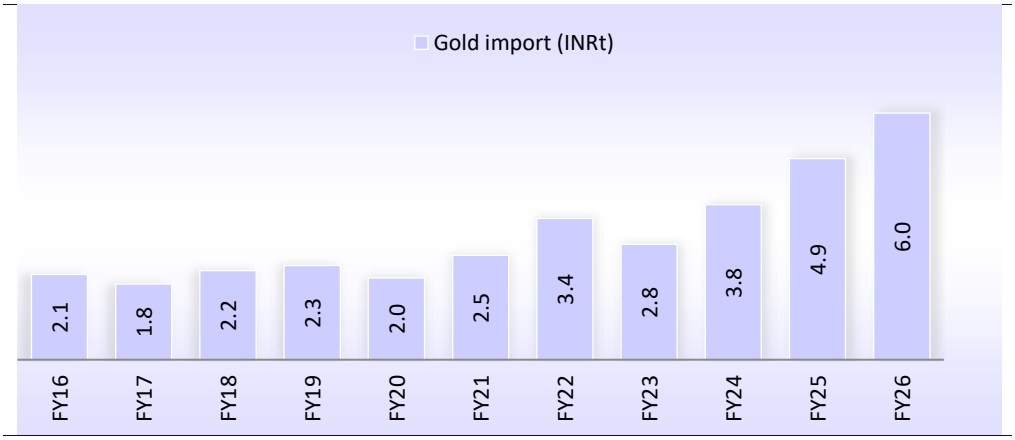


Source: RBI, MOFSL

- **Gold demand has remained inelastic despite policy curbs:** India has consistently imported gold worth INR2-6t annually over the past decade despite policy measures to curb gold imports as they distort the overall balance of payment. Despite measures such as sovereign gold bonds and higher custom duties, demand for gold has remained resilient through the years. Recently the import duty on gold and silver was increased to 15% (from 6%), which led to further increase in domestic gold prices and provided higher LTV buffer to gold financers.

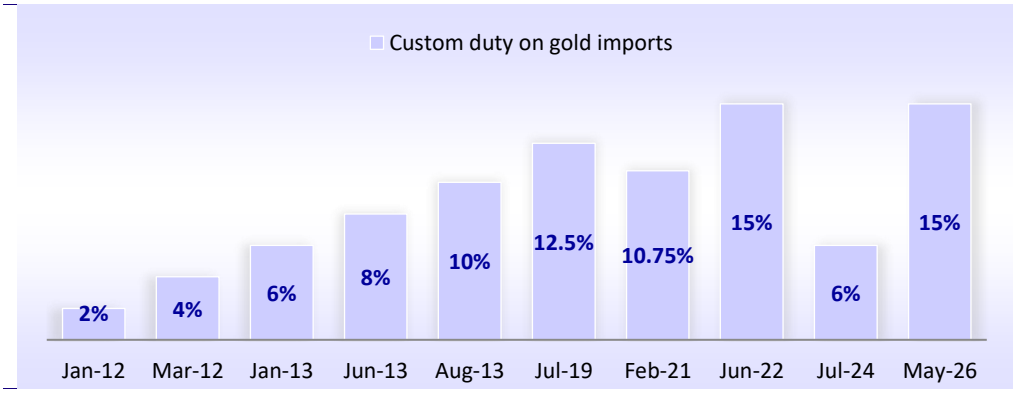
Gold imports have surged rapidly over the past few years to ~INR6t in FY26

Exhibit 8: Gold import has almost doubled in last 5 years and tripled in last 10 years



Source: RBI, MOFSL

Exhibit 9: Customs duty rates on gold imports recently increased to 15%

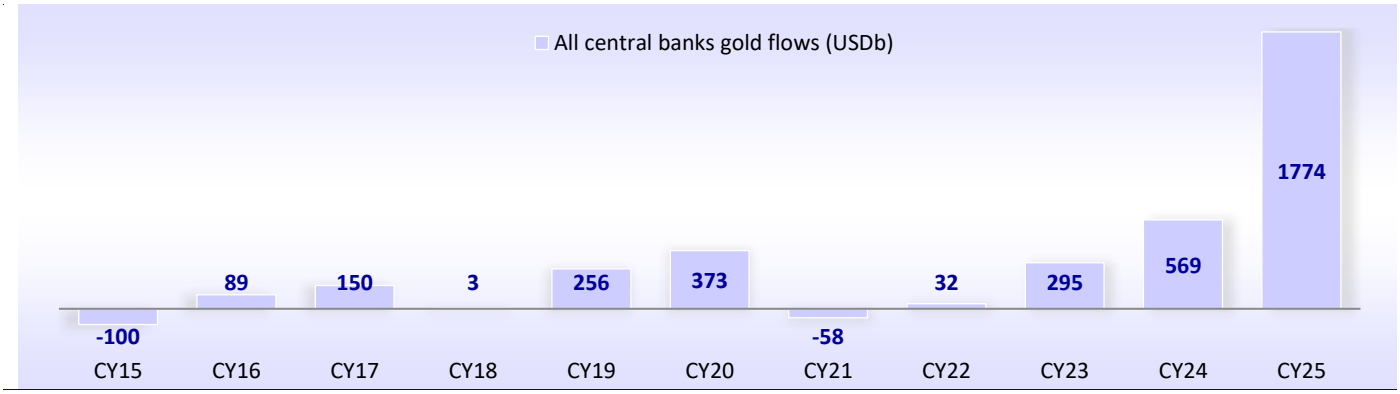


Source: PIB, MOFSL

- **Structural shift in gold demand:** Gold prices have witnessed a rally over the last few years, driven by a combination of structural and cyclical factors. Unlike previous gold cycles that were largely driven by jewelry demand, the current rally is being supported by strong investment demand, central bank buying, inflation worries and rising geopolitical uncertainty, suggesting that the momentum could sustain over the medium term.

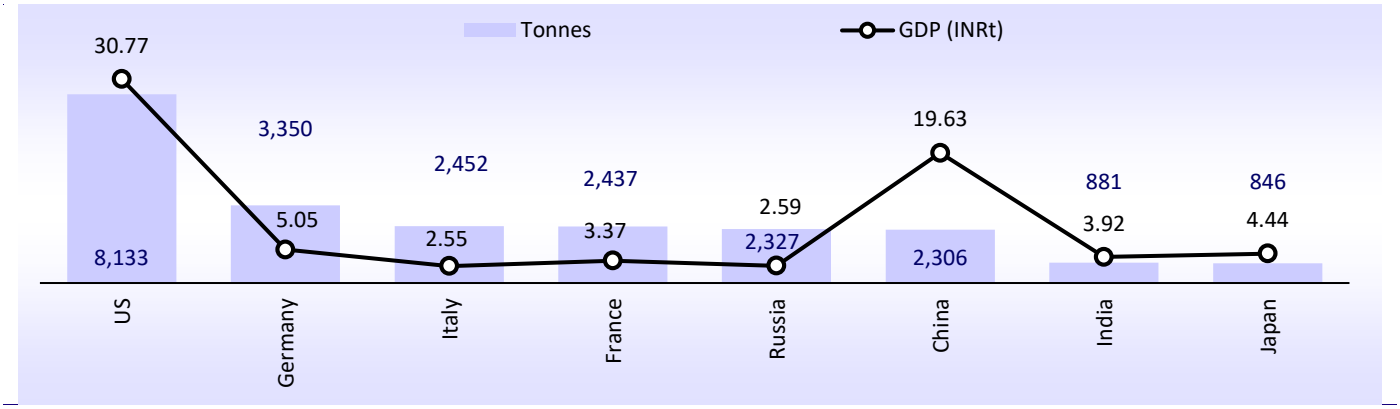
- **Central banks diversifying their reserves:** Central banks have emerged as the largest incremental buyers of gold globally. Amid rising geopolitical tensions, central banks have consistently increased their gold holdings as they focused to diversify foreign exchange reserves. This trend has provided a strong and stable source of demand, creating a structural support for gold prices. As global reserve managers continue to prioritizes asset diversification and financial stability, central bank purchases are expected to continue over the coming years. RBI's gold reserves of 881tonnes is relatively low as compared to the overall GDP of the country, when comparing with economies like Germany, Italy, France, Russia and China.

Exhibit 10: Central banks have been consistent buyers of gold in last three years



Source: WGC, MOFSL

Exhibit 11: Central bank gold reserves and GDP: India has low gold reserves as compared to its GDP



Source: WGC, IMF, MOFSL

- **Gold viewed as an investment asset; hedge against inflation:** Gold is increasingly being viewed as an investment asset rather than merely a jewelry product. Rising awareness, proliferation of Gold ETFs, digital gold platforms and sovereign gold bonds have broadened investor access to the asset class. Investors are increasingly using gold as a hedge against inflation, currency depreciation and market volatility. Consequently, investment demand is becoming a key driver of gold consumption, thereby reducing the industry's reliance on traditional jewelry demand.
- **Rising macro uncertainties raising gold loan demand:** Ongoing geopolitical uncertainties, elevated sovereign debt levels and expectations of lower global interest rates continue to support investor preference for safe-haven assets. Collectively, these factors indicate that the current gold price rally is underpinned by structural demand drivers and could remain sustainable over the foreseeable future.

Exhibit 12: World Gold Council maintains neutral to positive stance on gold price movement for 2026 under different scenarios

Economic scenario	Current consensus	A shallow slip	The doom loop	Reflation return
Expected Fed funds rate	*Current 3.75% - 4.00%; 75bps lower*	*Current 3.75% - 4.00% 120bps lower*	*Current 3.75% - 4.00% 175bps lower*	*Current 3.75% - 4.00%; 25bps – 50bps higher*
Opportunity cost	10yr yields: stable	10yr yields: fall 30 – 40bps	10yr yields: fall by more than 100bps	10yr yields: rise by at least 20bps
	USD: slightly higher	USD: flat to lower	USD: downside pressure	USD: moves materially higher
Economic expansion	Stable trend global growth	Global growth slightly slows	Global growth materially slows	Strong reflation; global growth up 3%
Risk & uncertainty	Inflation flat	Inflation drops by c.30bps	Inflation falls below 2%	Inflation rises by more than 1%
	Neutral risk positioning	Risk-off positioning	Broad risk-off positioning	Risk-on positioning
	Geopolitical risk elevated but stable	Geopolitical risk spikes then falls	Geopolitical risk spikes	Geopolitical risk falls
Momentum	Commodities flat	Commodities drop	Broad commodities selloff	Commodities rebound
	Slight unwind of gold net positioning	Gold net positioning rises	Gold net positioning materially increases	Gold net positioning falls significantly
Implied gold performance	Rangebound	Moderately higher	Higher	Lower

Source: WGC, MOFSL

Gold loans gaining acceptance among MSMEs

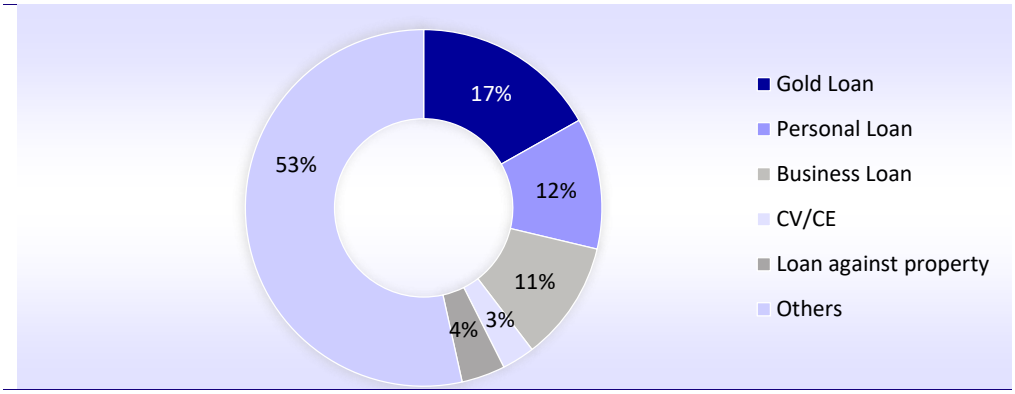
MFI and PL borrowers also availing gold loans at reduced interest rates

Gold loan gradually becoming a more acceptable asset class amongst MSME, MFI and PL borrowers

- Gold loan is emerging as a preferred funding alternative to SMEs/semi-formal borrowers to meet their liquidity, working capital requirements. Gold loans can be availed with a quick turnaround time and offers bullet repayment structures that allow to keep capital deployed through-out the productive cycle. The product also has lower dependence on GST and credit score history and thus can be availed with lesser documentation and paperwork.
- For a large segment of borrowers that remain outside the formal credit ecosystem or possess limited credit history, gold-backed borrowing serves as an efficient bridge between informal funding and formal lending. The product's ability to provide quick access to capital, coupled with rising gold value, has strengthened its relevance as a working-capital solution rather than merely an emergency liquidity product.

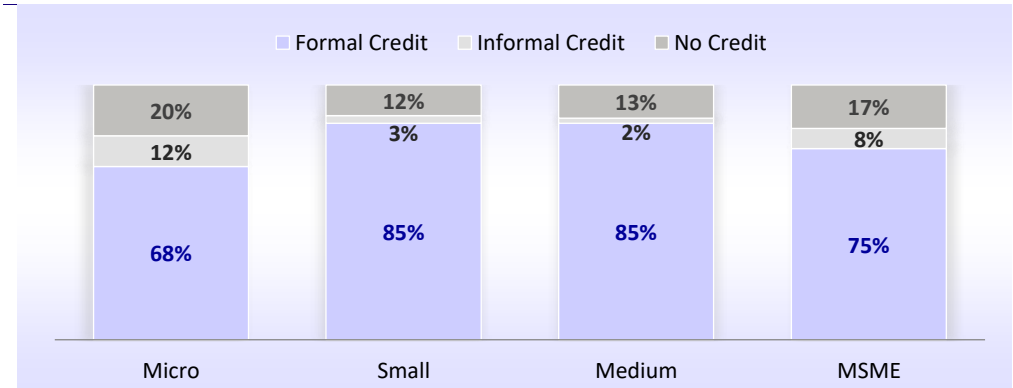
The cross-selling data validates demand. Among commercial borrowers who close a business loan account, 17% take a gold loan as their next credit product, showing the single-largest category, ahead of personal loans (12%) and business loans (11%). Gold loans are not merely capturing incremental MSME demand; they are absorbing customers migrating out of other formal credit categories.

Exhibit 13: New consumer products taken in the next two years by the closed borrower; Among commercial borrowers, gold loan remains the second most-availed credit product



Source: TransUnion CIBIL, MOFSL

Exhibit 14: SIDBI survey shows that large number of MSMEs are still not able to avail credit

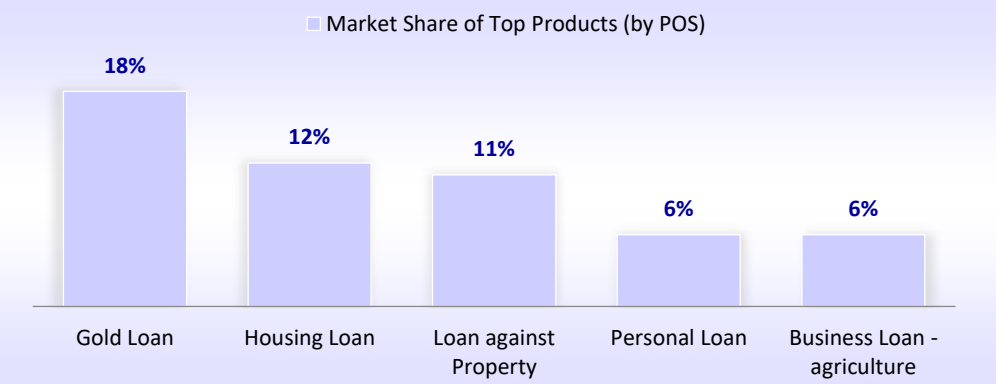


Source: SIDBI, TransUnion CIBIL, MOFSL

MFI borrowers: Gold loan remains the second most-availed credit product

- The microfinance portfolio stands at INR3.3t as of May'26, coming out of a challenging couple of years amid contraction in credit supply due to the impact of borrower over-indebtedness, resulting in rising NPAs. Disbursements have gradually started to pick up with stress levels receding in the last six months.
- Among the 53% of MFI customers who access retail credit products, gold loans command the largest market share at 18%, which is ahead of housing loans (12%), loan against property (11%), personal loans (6%), and business-agri loans (6%).

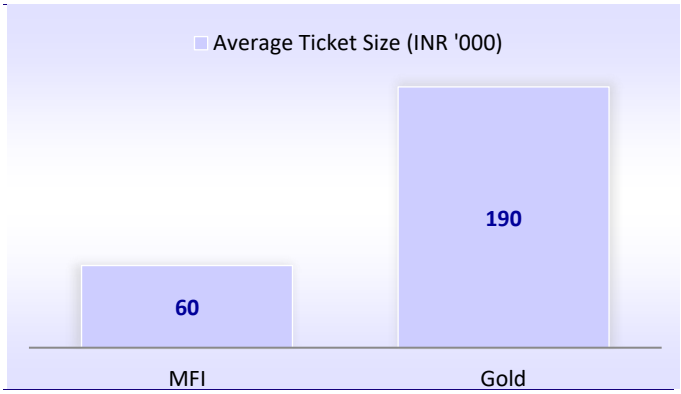
Exhibit 15: Gold loan emerging as preferred choice for MFI customers to meet their borrowing requirement



Source: SIDBI, TransUnion CIBIL, MOFSL

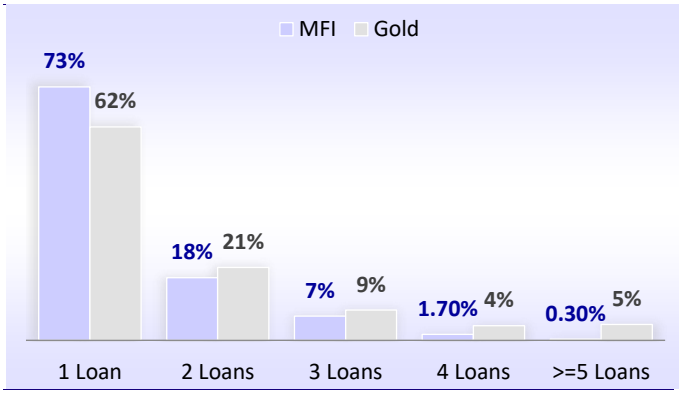
- **Ticket size and age profile difference between GL and MFI borrowers**: Gold loan ATS is ~INR190,000 vs. INR60,000 for MFI loans, a 3x gap that reflects both the collateral value uplift from rising gold prices and the higher working capital requirements of borrowers graduating beyond microfinance. For MFI lenders permitted to allocate up to 40% of their portfolio to non-microfinance products under the recent RBI regulations, gold loans represent the most natural and highest-demand adjacency product to capitalize upon. MFI borrowers are relatively younger in nature, with 44% of borrowers aged below 35 years. In case of gold loans, 72% of the borrowers are aged above 35 years.

Exhibit 16: Gold loans has on an average ~3x ticket-size vs. MFI



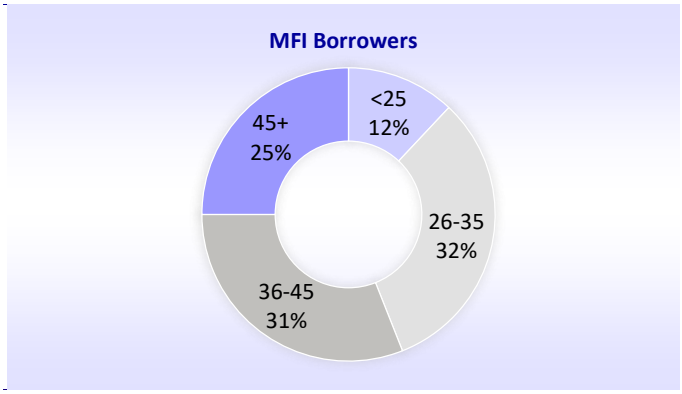
Source: MFIN, CIBIL, MOFSL

Exhibit 17: Both MFI and gold loan borrowers have taken loans from multiple lenders



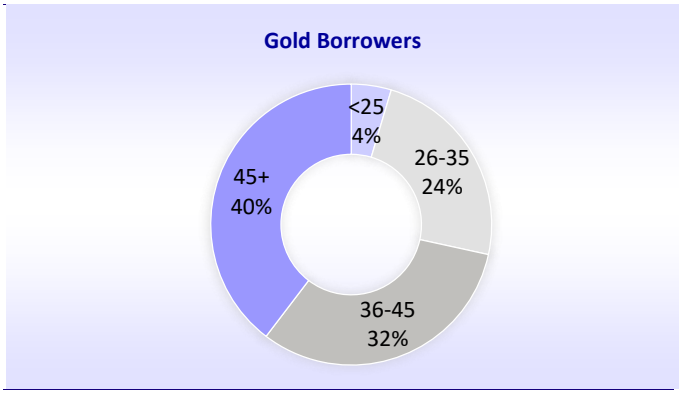
Source: MFIN, CIBIL, MOFSL

Exhibit 18: MFI has high younger generation borrowers, with 44% of borrowers <35 years of age



Source: CIBIL, MOFSL

Exhibit 19: Gold borrowers have a higher share of older borrowers with 75% of borrowers aged above 35 years



Source: CIBIL, MOFSL

- **Common geographic presence amongst MFI and Gold loans:** MFI concentration is heaviest in Bihar and UP with relatively higher informal economy. Even as gold loan concentration is the highest in Tamil Nadu, Andhra Pradesh, and Karnataka reflecting relatively higher income, higher gold-ownership states, the penetration northward, shall lead to higher overlap in MFI geographies, thus making gold loans an increasingly viable credit upgrade path for graduating microfinance borrowers. Currently 6 out of top 10 states of MFI and gold borrowers overlap with each other.

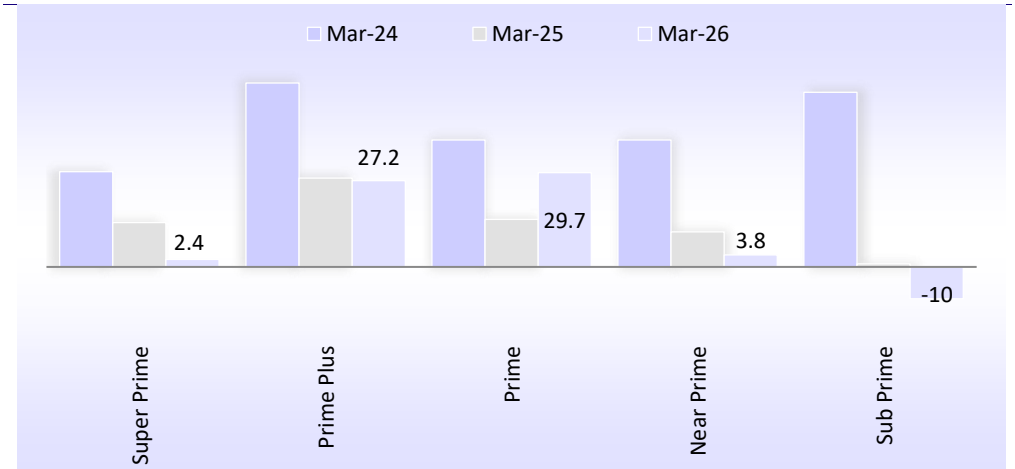
Exhibit 20: 6 of the top-10 states of gold and MFI borrowers overlap with each other

Rank	MFI	Gold
1	Bihar	Tamil Nadu
2	Uttar Pradesh	Andhra Pradesh
3	Tamil Nadu	Karnataka
4	Karnataka	Telangana
5	West Bengal	Kerala
6	Maharashtra	Maharashtra
7	Madhya Pradesh	Gujarat
8	Odisha	Rajasthan
9	Rajasthan	Uttar Pradesh
10	Jharkhand	Odisha

Source: SIDBI, TransUnion CIBIL, MOFSL

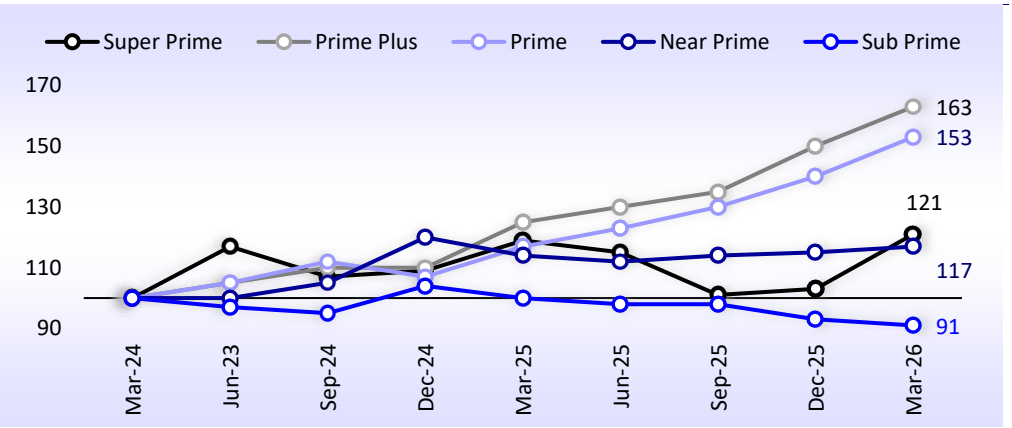
- **Personal loan borrowers migrating to gold loan**: Over the past couple of years, the rapid growth in gold loans has coincided with moderation of growth in outstanding personal loans for borrowers who have exposure in both gold and personal loans. This trend is particularly high among sub-prime borrowers, whose outstanding personal loans have declined. These trends showcase a shift in personal loan borrowers' segment, especially toward gold loans, improving asset quality of personal loan and giving sub-prime borrowers an alternative to highly priced personal loans.

Exhibit 21: Growth in PL outstanding of borrowers with atleast one GL: Growth of sub-prime borrowers in PL segment is lowest for customers with at least one GL



Source: RBI FSR, MOFSL

Exhibit 22: PL outstanding of borrowers with atleast one GL: Indexed chart showcases decline in sub-prime borrowers, reflecting improved borrower quality



Source: RBI FSR, MOFSL

Geographical diversification improving; Rajasthan, UP and Maharashtra grew at 78%, 61%, 58% YoY

Key states like MH, RJ and UP reporting strong GL growth

Non-southern geographies gaining traction with higher acceptability amongst borrowers and rising presence of GL lenders

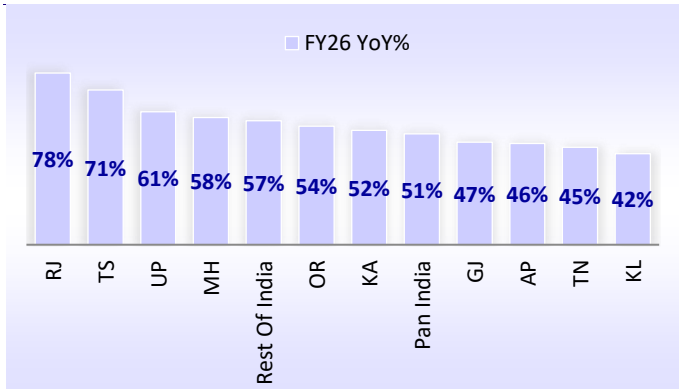
While the southern states have historically held dominant market share (+75% in gold loan segment), the states likes Rajasthan, Maharashtra and Uttar Pradesh have gained incremental market share in FY26 in gold loans, showing the diversification of gold loans in northern and western parts of India. Rajasthan, Maharashtra and Uttar Pradesh have grown at 78%, 61% and 58% in FY26, faster than overall growth of 50%. The growth in non-southern states provides a tremendous untapped potential for gold loan financiers. This gradual dilution in geographical concentration reflects shifts in cultural belief and traditions within in the non-southern states in gold pledging and rise in gold loan financiers in these states.

Exhibit 23: GL has the highest geographic concentration compared to other asset classes

State	Gold loan book size (INR t)	State share in total outstanding (%)
TN	6.0	32.0
AP	3.1	16.6
KA	1.8	9.8
TS	1.6	8.6
KL	1.5	7.8
MH	1.1	6.0
GJ	0.6	3.1
RJ	0.4	2.3
UP	0.4	2.2
OR	0.4	1.9
RoI	1.8	9.8

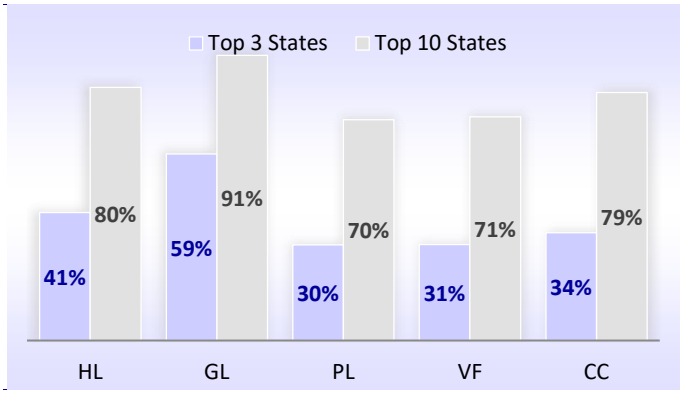
Source: CRIF, MOFSL

Exhibit 24: Rajasthan, UP and Maharashtra growing faster than overall industry



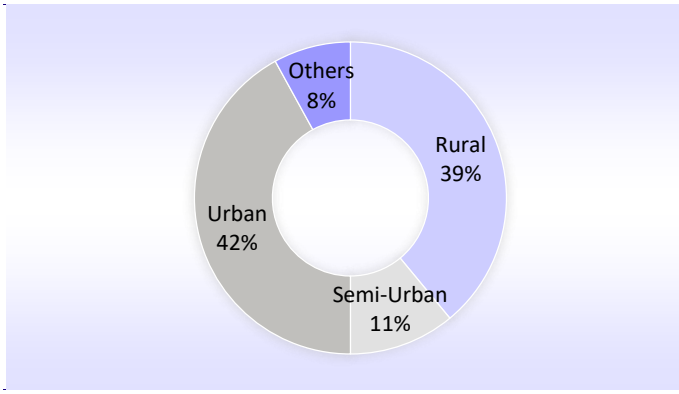
Source: CRIF, MOFSL

Exhibit 25: GL has the highest geographic concentration compared to other asset classes



Source: CIBIL, MOFSL

Exhibit 26: GL regional breakup: High urban and rural presence



Source: CIBIL, MOFSL

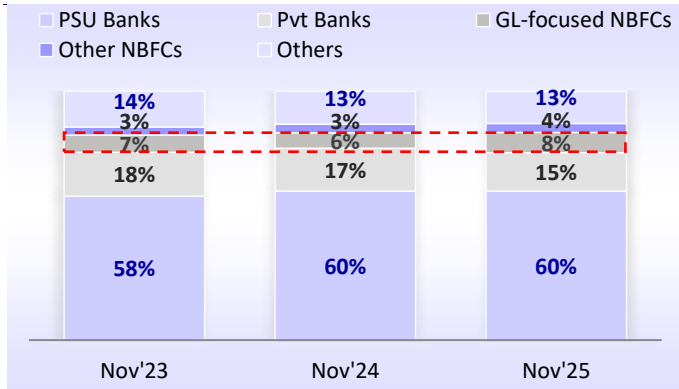
GL-NBFCs and PSBs gaining market share

Diversified NBFCs and Private Banks scaling up

NBFC (GL) and PSBs have gained market share in last couple of years, while diversified NBFCs and private banks are likely to gain incremental market share going forward

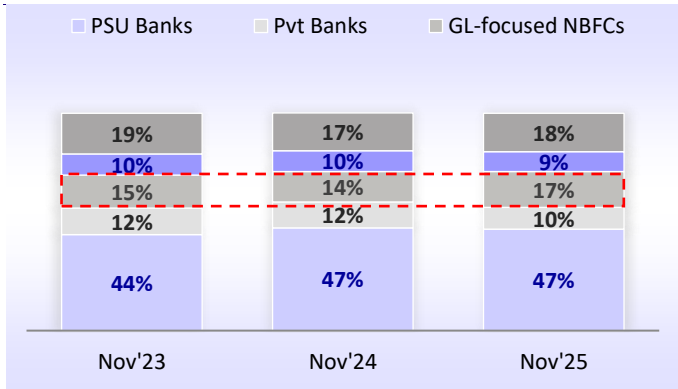
- PSBs and GL-NBFCs have gained market share in both portfolio outstanding and originations in last couple of years with improved TAT and efficiencies.
- PSBs command a market share of 60% as on Nov-25, while GL-focused NBFCs have gained market share from 6.2% in Nov-24 to 8.1% in Nov-25.
- In terms of new origination volumes, GL-NBFCs command a significantly higher share at 31% as on Nov-25, as against 26% a year back with private banks and PSBs both losing share.

Exhibit 27: Lender wise GL portfolio outstanding – GL focused NBFCs gaining market share…Nov'25 updated



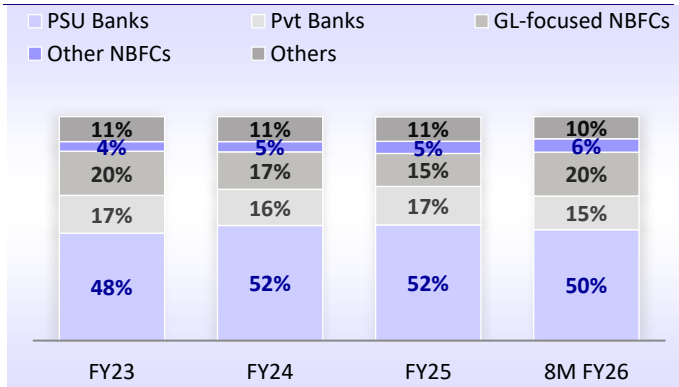
Source: CRIF, MOFSL

Exhibit 28: Lender wise GL active loans – PSBs have higher number of active GL borrowers



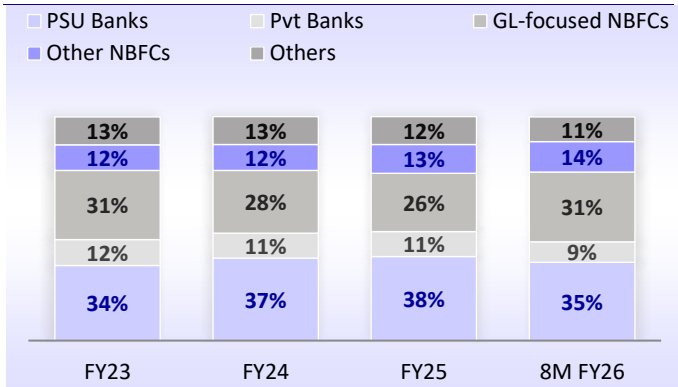
Source: CRIF, MOFSL

Exhibit 29: Lender-wise originations value – Dominated by PSBs and GL-focused NBFCs



Source: CRIF, MOFSL

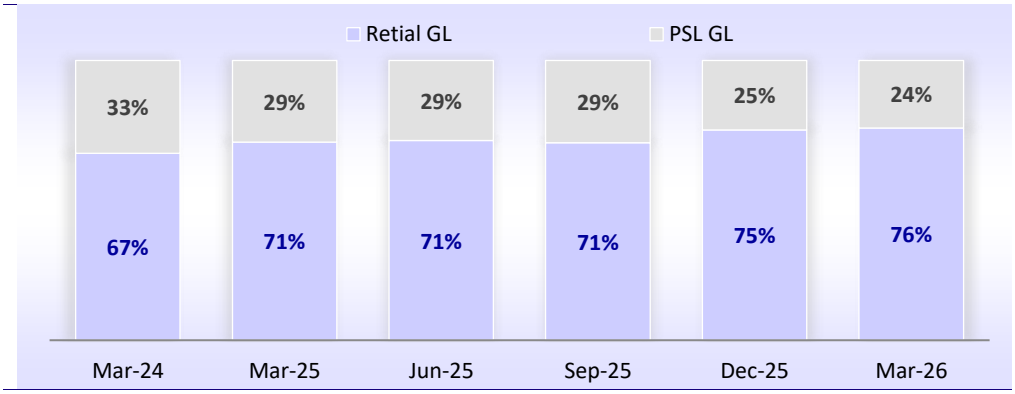
Exhibit 30: Lender-wise originations volume – GL-focused NBFCs driving higher volumes



Source: CRIF, MOFSL

- **Retail GL growing faster than priority-sector GL:** Within the gold loan segment, a yield-accretive mix shift is underway. Retail gold loans are growing at a much faster pace compared to priority-sector gold loans. Retail GLs now form 76% of total GLs as compared to 67% as of Mar'24. Retail gold loans carry relatively higher yields, thereby directly supporting margins.

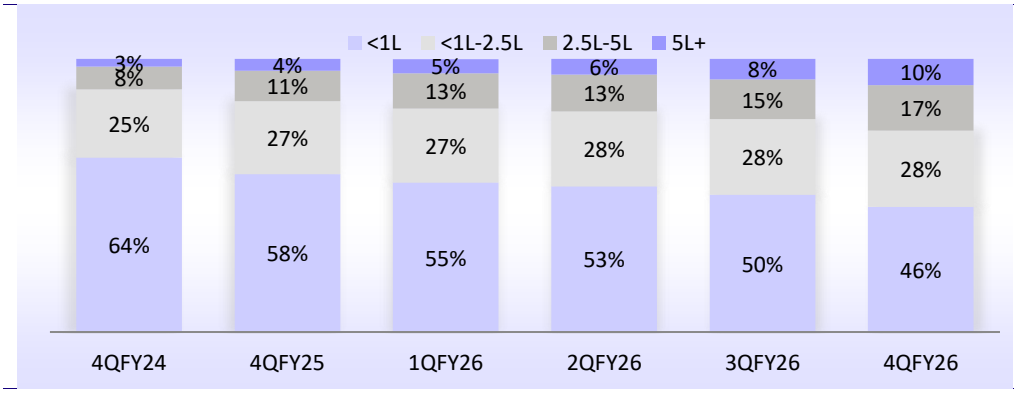
Exhibit 31: Retail GL share in origination at 76% from 67% in Mar-24



Source: CRIF, MOFSL

- **Incremental growth coming from higher ticket-size:** With a high number of repeat borrowers, a rise in gold prices and banks scaling their gold loan portfolios, the incremental growth in gold loans is coming from higher ticket size loans. The share of <2.5L loans came down from 89% in 4QFY24 to 74% in 4QFY26, demonstrating meaningful shift toward higher ticket-size loans.

Exhibit 32: INR2.5L and above driving incremental growth in last couple of quarters



Source: CRIF, MOFSL

Exhibit 33: Gold Loan outstanding across lenders (INRb)

Gold Lenders	FY25	FY26	YoY (%)	1QFY27	QoQ (%)
SBI	1,700	2,558	50	3,100	21.2
Canara Bank	1,844	2,450	33	2,590	5.7
Muthoot Finance	1,030	1,541	50	1,633	6.0
Indian Bank	897	1,270	42	1,308	3.0
Bank of Baroda	639	972	52	979	0.7
Union Bank	820	900	10	870	-3.3
IIFL Finance	210	526	150	584	11.1
Bank of India	353	500	99	570	14.0
Manappuram Finance	256	510	41	571	12.0
Muthoot Fincorp	256	487	90	-	-
Federal Bank	305	384	26	414	7.9
Karur Vysya Bank	233	295	27	314	6.4
Central Bank of India	258	280	9	360	28.6
TMB	153	248	62	270	9.1
South Indian Bank	170	247	46	249	0.8
HDFC Bank	177	237	34	255	7.6
CSB	141	216	53	219	1.6
PNB	138	203	47	318	56.7
City union Bank	143	195	36	207	6.2
UCO	105	180	71	-	-
Bajaj Finance	83	178	115	212	18.6
Capri Global	80	170	111	192	13.1
Axis Bank	108	133	23	212	58.6
DCB Bank	86	117	35	123	5.6
FedFina	59	104	76	112	8.1
Bank of Maharashtra	45	102	125	130	27.2
Muthoot Money	38	97	159	109	12.0
Kosamattam Finance	57	73	28	-	-
Punjab & Sind Bank	19	67	253	99	46.6
Shriram Finance	48	66	37	75	13.5
RBL Bank	4	43	859	44	3.6
AU SFB	19	39	113	45	15.4
Rupeek	26	39	53	42	6.5
IDFC First Bank	22	39	79	49	25.0
Bandhan Bank	19	30	57	28	-4.7
L&T Finance	-	28	-	19	-32.2
SBFC	15	24	57	26	9.4
Asirvad	9	21	130	23	9.6
Cholamandalam	-	18		21	18.8
HDB Financial	10	16	55	19	17.2
Poonawalla	-	13	-	18	40.5
Indusind Bank	-	10	-	12	20.0
Ujjivan SFB	2	8	292	10	32.6
Total Industry	**12,400**	**18,600**	**50**		

Source: Company MOFSL

Large private banks scaling up gold loan operations

- **Multiple challenges in setting up gold loan business:** Large private banks have a relatively limited presence in the organized gold loan segment despite their strong retail lending franchises.
  - Scaling a profitable gold loan business requires significant upfront investments in specialized branch infrastructure, trained gold valuers, secure vaulting facilities and strong operating processes, resulting in a longer payback period than most other retail lending products.
  - In addition, GL-NBFCs and PSU Banks have built strong competitive moats through extensive branch networks, particularly in rural and semi-urban markets, faster turnaround times, simplified documentation and deep customer relationships.
  - These lenders, especially NBFCs, also cater to semi-formal borrowers who may not qualify under conventional bank underwriting frameworks. As a result, private banks have historically struggled to compete on speed, convenience and customer reach despite enjoying a lower cost of funds.

- **Rapidly scaling up gold loan operations now:** The strong growth in the gold loan segment, attractive risk-adjusted returns, low credit costs and rising customer acceptance have led several large private banks to increasingly invest in expanding their gold lending franchises through dedicated branches, specialized teams, digital sourcing capabilities and process automation. Over the medium term, this is expected to intensify competition, particularly in urban and higher-ticket segments, although specialized gold loan NBFCs are likely to retain their competitive advantage in rural markets and among customers valuing speed, flexibility and service.

Exhibit 34: Banks rapidly scaling their GL portfolio (INRb)

Banks	FY25	FY26	YoY	Jun-26	QoQ
HDFC Bank	177	237	34	255	8
Axis Bank	108	133	23		
IDFC First Bank	22	39	79	49	25
AU Bank	19	39	113	45	15
RBL Bank	4	43	859	44	4
Bandhan Bank	19	30	57	28	-5

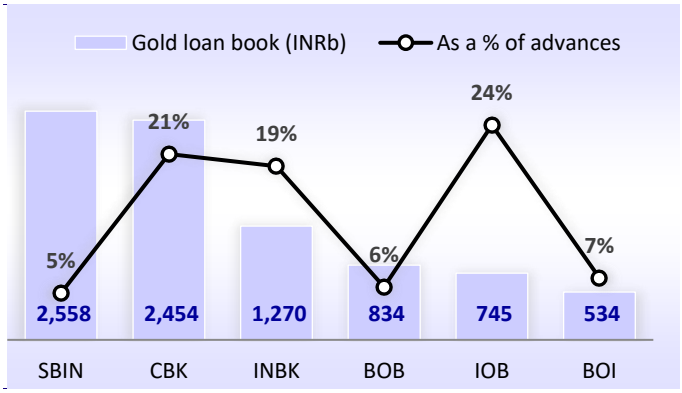
Source: Company MOFSL

PSU banks continue to dominate market share

- **Higher retail GL growth for PSU banks:** PSBs continue to dominate the organized gold loan market, accounting for nearly 60% of outstanding gold loans and have gradually strengthened their market positioning over the past few years. Unlike the earlier growth cycle, recent expansion has been driven primarily by retail gold loans rather than priority-sector (agricultural) gold loans, reflecting lenders' increasing focus on higher-yielding products and stricter norms by the RBI on PSL tagging. Retail gold loans typically offer better pricing and profitability than agri gold loans and are particularly attractive for banks that have already achieved their priority sector lending (PSL) obligations.

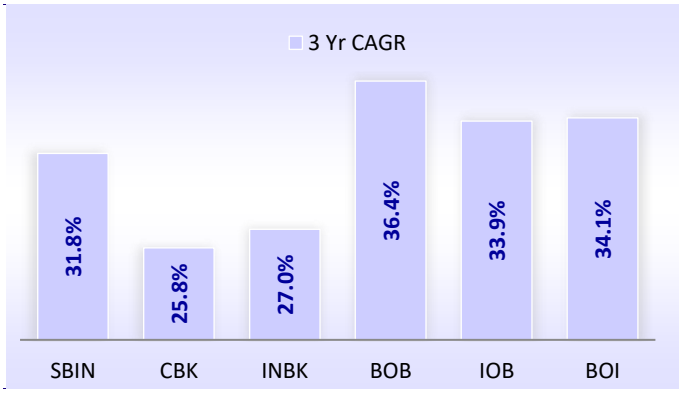
- **Extensive reach and legacy aiding PSBs**: PSBs continue to benefit from their extensive branch network, particularly across rural and semi-urban markets where household gold ownership is high, as well as long-standing customer relationships and strong deposit franchises that support competitive pricing. Their improving turnaround times, enhanced operational processes and growing focus on retail gold lending have further strengthened their competitive positioning allowing them to maintain market leadership.

Exhibit 35: SBIN has the largest loan book by size, while INBK, CBK and IOB have higher mix of gold loans



Source: Company, MOFSL

Exhibit 36: Most PSBs have scaled up their gold loan book by 25-36% CAGR over past three years



Source: Company, MOFSL

- **SBI, INBK and CBK large players:** Among PSBs, SBI has the largest gold loan portfolio in absolute terms, while Indian Bank, Canara Bank and Indian Overseas Bank have among the highest portfolio concentrations, with gold loans (retail and agricultural combined) accounting for roughly one-fifth of their overall loan books. We expect PSBs to retain their leadership in the gold loan market over the medium term, supported by their deep distribution network, customer reach and increasing emphasis on profitable retail gold loan growth.

Exhibit 37: SBIN, INBK and CBK large players in gold loan amongst PSBs

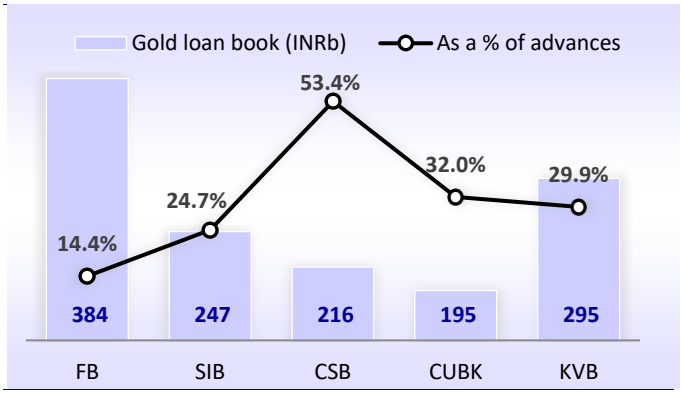
Banks	FY23	FY26	3 Year CAGR	Jun-26	QoQ
SBIN	1,117	2,558	32	3,100	21
CBK	1,232	2,454	26	2,590	6
INBK	620	1,270	27	1,308	3
BOB	385	977	36	979	0
IOB	368	833	34	-	-
BOI	222	534	34	570	7

Source: Company MOFSL

Regional banks growing steadily but slower than industry

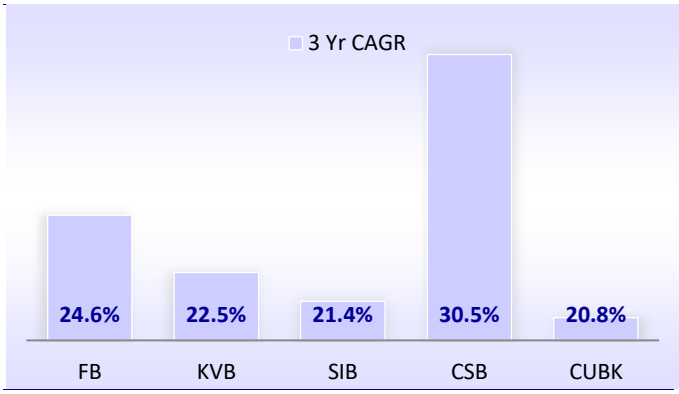
- **GL primary growth driver for south-based regional banks in FY26**: Regional banks, particularly those with a strong franchise in South India, have emerged as some of the largest beneficiaries of the recent expansion in the organized gold loan market. Their deep-rooted presence across rural and semi-urban markets, long-standing customer relationships and strong understanding of local borrower behavior have enabled them to build sizeable and profitable gold loan portfolios over several decades. The sharp appreciation in gold prices over the past two years has further accelerated portfolio growth by enabling higher loan disbursements to existing customers.
- **FB largest player; CSB, KVB and CUBK have higher GL mix**: Federal Bank has the largest gold loan portfolio in absolute terms, while CSB Bank (50% of advances), Karur Vysya Bank (~29%) and City Union Bank (~30%) have among the highest portfolio concentration of gold loans. Their established branch networks and specialized operating capabilities have enabled them to compete effectively with GL-focused NBFCs while maintaining healthy profitability and asset quality.

Exhibit 38: FB has the largest GL book, while CSB, CUBK and KVB have higher GL mix



Source: Company, MOFSL

Exhibit 39: Most regional banks have scaled up their gold loan book by 25-30% in last three years



Source: Company. MOFSL

- **Regional banks to maintain steady growth trajectory:** Although industry growth is likely to moderate from high levels witnessed over the past two years, we estimate growth to nevertheless sustain at healthy levels of ~28% CAGR over FY26-28E. Despite pressure on lending yields amid rising competitive intensity, gold loan will remain a high-return product for lenders. The strong regional presence, customer loyalty, operational expertise and established gold loan ecosystems should enable regional banks to sustain healthy market share and continue generating superior risk-adjusted returns from this segment.

Exhibit 40: SBIN, INBK and CBK large players in gold loan amongst PSBs

Banks	FY23	FY26	3 Year CAGR (%)	Jun-26	QoQ (%)
FB	198	384	25	414	8
KVB	160	295	23	314	6
SIB	138	247	21	249	1
CSB	97	216	31	219	2
CUBK	110	195	21	207	6

Source: Company MOFSL

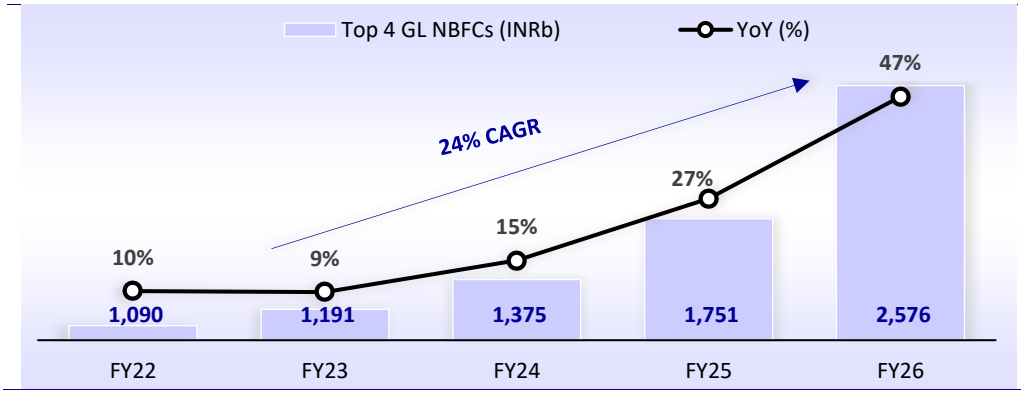
GL-NBFCs: Steady growth to continue; profitability to moderate

GL-based NBFC like Muthoot, MGFL and IIFL finance have rapidly scaled up their gold loan book on the back of quicker TAT, better efficiency and surge in gold prices. Some structural advantages of GL-NBFCs overs banks in gold segment are as mentioned below:

GL-NBFCs traditionally have gained market share on the bank of quicker TAT, deeper reach and improved infrastructure for gold lending

- **Quicker TAT:** Specialized NBFCs disburse loans within an hour, while banks take relatively longer to disburse loans. Certain NBFCs have also started digital disbursements for existing customers.
- **Availability of valuers and specialized infrastructure at each branch:** Each gold loan NBFC branch has an independent valuer placed in the branch and adequate security infrastructure to store the gold. On the other hand, banks consider loans against gold only from a few branches. In addition, these branches may not have independent valuers and may rely on third parties like jewelers for gold quality verification and valuation.
- **Documentation:** NBFCs require fewer documentation, while banks require complete KYC compliance.
- **Repayment flexibility:** NBFCs typically grant bullet loans with pre-payment facility. Banks typically grant EMI-based loans and charge penalties on pre-payments.
- **Working hours:** NBFC branches are open beyond banking hours, unlike bank branches.
- **Depth of reach:** NBFCs typically have a large branch network, with deep penetration in semi-urban and rural areas too. Branches in such areas are typically smaller with average employee strength of 5-6 per branch.

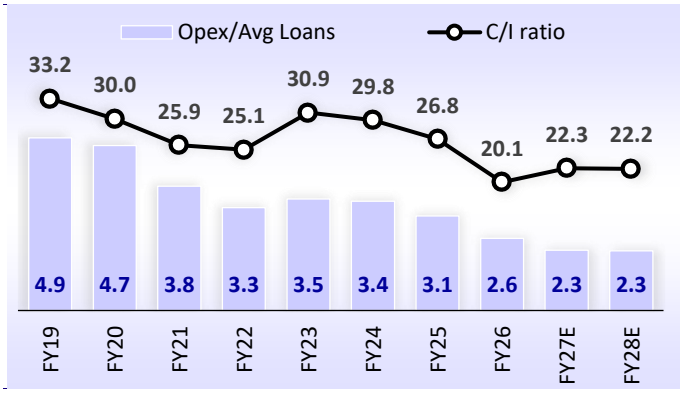
Exhibit 41: Evolution of Gold-NBFCs Loan portfolio post covid



Source: Company. MOFSL

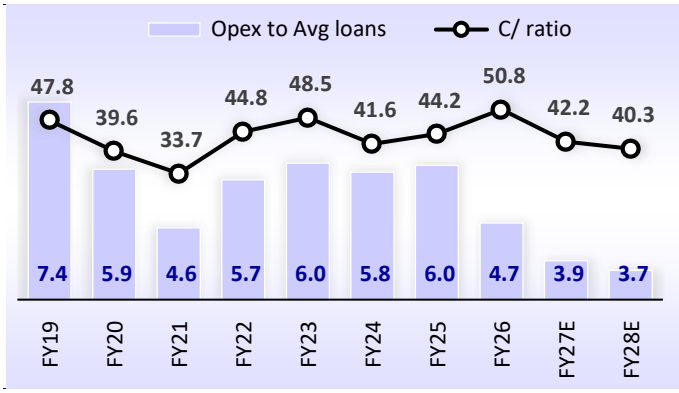
- **High opex intensity for scaling gold loan business:** Employees and branches are the biggest cost center for a typical gold loan NBFC (employee expenses: 55%-60% of total opex), followed by rent/lease expense (~20%) and ad spends (7%). In a typical gold loan transaction, one of the most critical part is assessment of purity and overall value of the gold. For this purpose, gold loan NBFCs keep gold valuation in-house by employing a valuer at each branch, which also helps them maintain a faster TAT. A typical gold loan NBFC branch employee earns INR18-30k per month. Monthly rent can vary from INR30-60k. Hence for legacy GL-NBFCs it is relatively easier to achieve operating leverage compared to newer lenders in the space like diversified NBFCs and large private banks.

Exhibit 42: Muthoot opex ratios expected to improve further



Source: Company, MOFSL

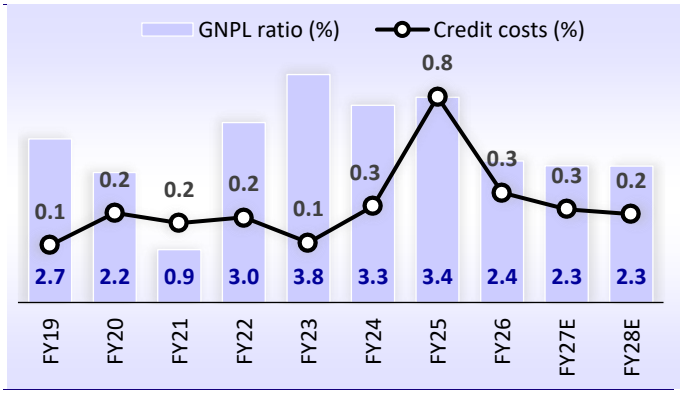
Exhibit 43: MGFL opex ratios are expected to improve meaningfully



Source: Company. MOFSL

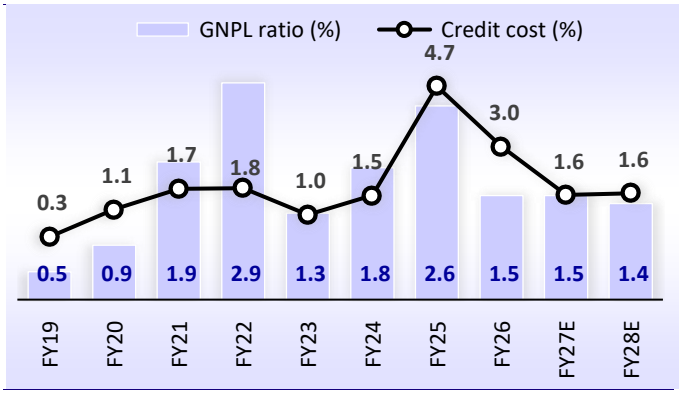
- **Underwriting practices have evolved over the years**: With better credit history and stable gold prices in the past decade GL financers have maintained robust asset quality and improved their underwriting ability over the years. Better customer connect, alongside higher levels of employee retention, has led to better collection outcomes over the years. With investments in AI around continuous monitoring and analytics of customer cohorts has led to improved asset quality outcomes over the years. Credit costs and GNPL ratios for Muthoot has improved significantly in FY26 and remains in a comfortable range of 20-30bp. MGFL, however, has witnessed high credit cost and GNPL ratios with implementation of new guidelines by the RBI.

Exhibit 44: Muthoot asset quality expected to improve in FY27/FY28



Source: Company, MOFSL

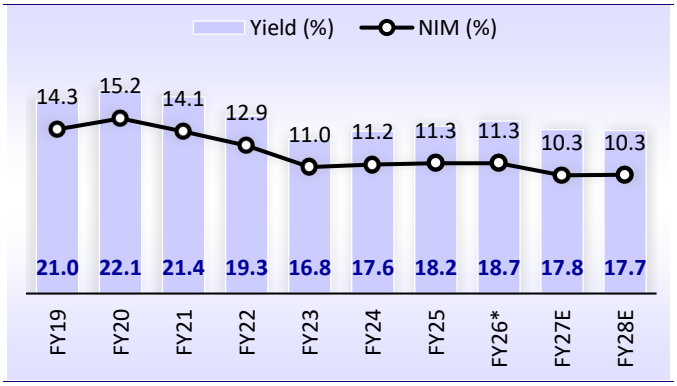
Exhibit 45: MGFL asset quality improving, led by recovery in MFI business



Source: Company. MOFSL

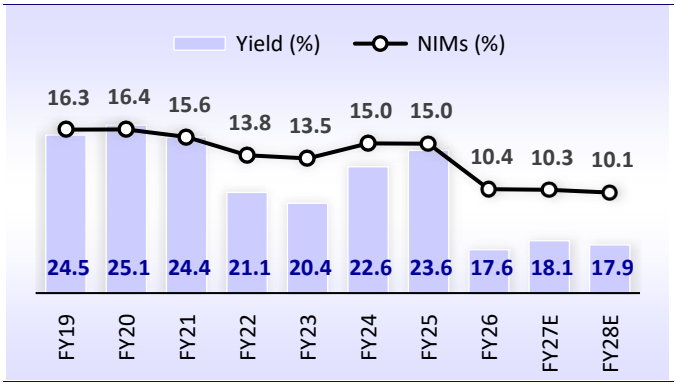
- **NIMs under pressure going forward as competition intensifies:** GL-NBFCs have enjoyed higher NIMs than other lenders for a long period of time given exclusivity and legacy in gold loan business. However, as diversified NBFCs enter into the gold loan segment, margins are taking a hit and are expected to be adversely impacted further as these NBFCs scale up their GL portfolio. NIMs of Muthoot are expected to drop by over 200bp by FY27 and FY28E.
- MGFL made a major change in its strategy in FY26, wherein it started reducing its lending rates and shifted focus towards higher ticket size gold loans, aligning its strategy with peers. There was also a major reduction in the MFI mix owing to elevated stress, from 17% in FY25 to 7% in FY26. A combination of both these factors led to a ~600bp decline in yields translating to ~460bp decline in margins. Going forward NIMs are expected to be range bound for MGFL.

Exhibit 46: Muthoot: NIMs expected to lower over 200bp in FY27/FY28E



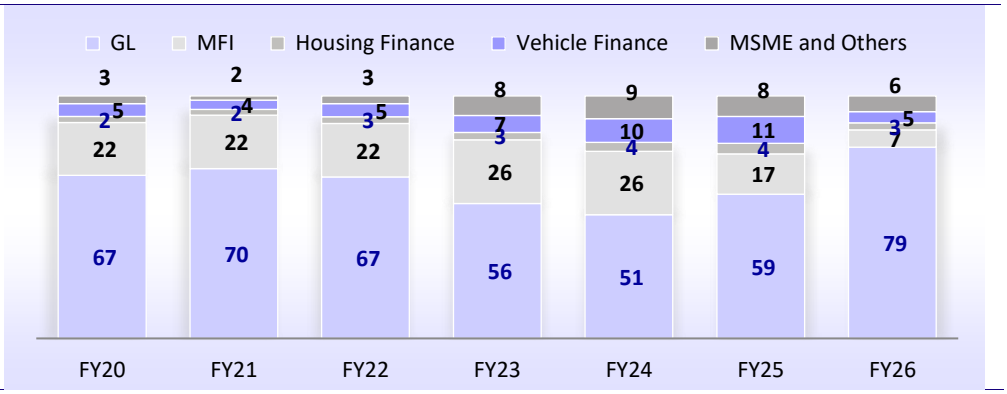
Source: Company, MOFSL; Note: FY26 Yields and NIMs are adjusted for one-off interest income

Exhibit 47: MGFL: NIMs already corrected in FY26 with major shift in GL strategy and lower MFI share



Source: Company. MOFSL

Exhibit 48: MGFL – MFI mix dropping sharply from 26% in FY24 to 7% in FY26 impacting NIM adversely



Source: Company. MOFSL

- **Diversified NBFCs scaling up rapidly to change market dynamics:** Diversified NBFCs, especially with high credit ratings, are scaling up their presence and operations in gold loan by leveraging lower funding costs and broader customer relationships. While the initial investment phase shall keep the returns muted for these NBFCs, the rapid surge in gold loan portfolio shall ensure much quicker break-even. GL-focused NBFCs thus face a greater challenge from better-rated corporates, foraying into their core business.

- Among diversified NBFCs, **Bajaj Finance has rapidly scaled up its GL business, growing at 112% YoY and 18.6% QoQ to INR212b**. GL expansion is primarily driven by branch expansion. Gold Loan AUM is expected to increase to INR290b-310b by Mar'27. The ETB mix stands at 70% for BAF, reflective of higher repeat borrowers.

Bajaj Finance has rapidly scaled its gold loan business to INR212b as on 1QFY27 and guides to cross INR300b by 4QFY27

Exhibit 49: New NBFCs entering the market and rapidly scaling up their GL book (INRb)

NBFCs	FY24	FY25	FY26	2 Year CAGR	1QFY27
Bajaj Finance	46	83	178	97	212
Capri global	11	35	80	120	192
Fedfina	40	59	104	61	112
Shriram Finance			66		75
Cholamandalam			13		18
SBFC			24		26
Poonawaala			13		18
L&T Finance			28		19
Kosamattam		57	73		
Rupeek		26	39		42

Source: RBI, MOFSL

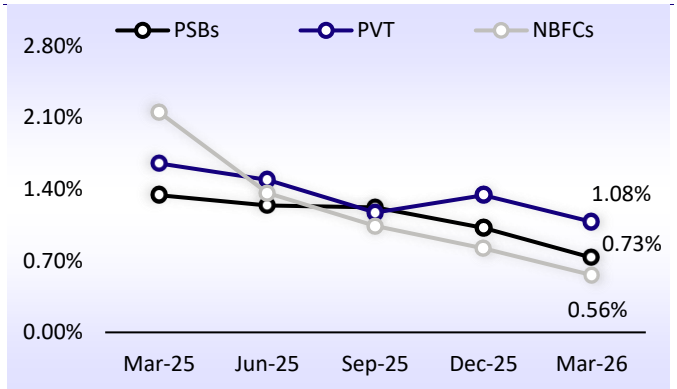
Asset quality holding up but remains key monitorable

High repeat borrowers, stagnating customer base and tonnage pose a concern

While asset quality has remained healthy with early bucket delinquencies contained

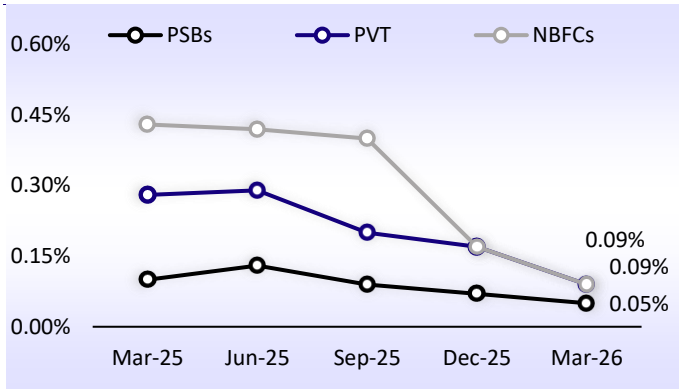
PAR delinquency trends across lenders have improved in FY26, with both early stage and later stage stress declining steadily. The early bucket delinquency trends (PAR 31-90) have improved significantly for NBFCs from 2.15% in Mar'25 to 0.56% in Mar'26. Private Banks, while seeing receding stress, continue to witness higher early-stage stress at 1.08% as of Mar'26. PAR 91-180 remained low across lender types, indicating stress is being contained at the early delinquency stage rather than rolling into overdue buckets.

Exhibit 50: PAR 31-90 trends improved significantly for NBFCs



Source: CRIF, MOFSL

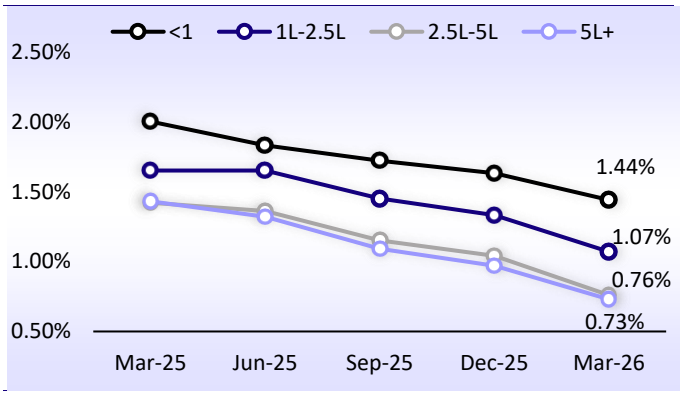
Exhibit 51: PAR 90-180 trend also moderated across lenders showcasing reduced later-stage stress



Source: CRIF, MOFSL

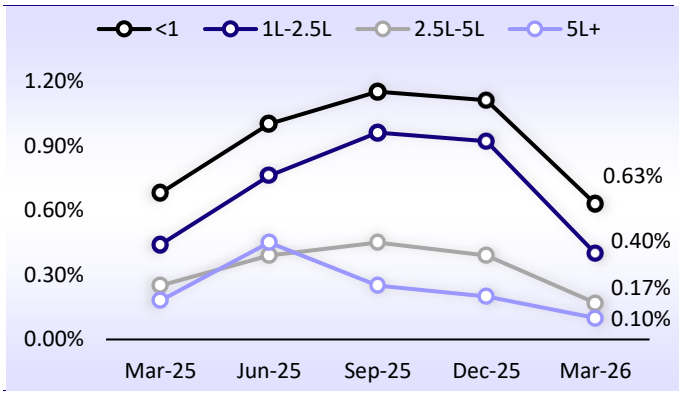
- Delinquency trend across ticket-size has also improved with major improvement in early bucket delinquencies, with larger ticket loans improving the most. PAR 31-90dpd fell from 1.42% to 0.76% for loans with ticket-size varying between INR2.5L-5L. For loans of >INR5L, PAR31-90dpd has declined from 1.43% to 0.73%, reflecting stronger collateral coverage in higher-ticket segments. Later-stage stress (PAR 90-180) also declined meaningfully in 2HFY26 across ticket sizes.
- <INR1L loans continue to carry the highest delinquency, though the gap is narrowing as smaller-ticket segments are also showing consistent improvement

Exhibit 52: PAR 31-90 trends improving across ticket size but elevated for lower tickets



Source: CRIF, MOFSL

Exhibit 53: PAR 90-180 trends improved significantly in H2FY26 across ticket sizes

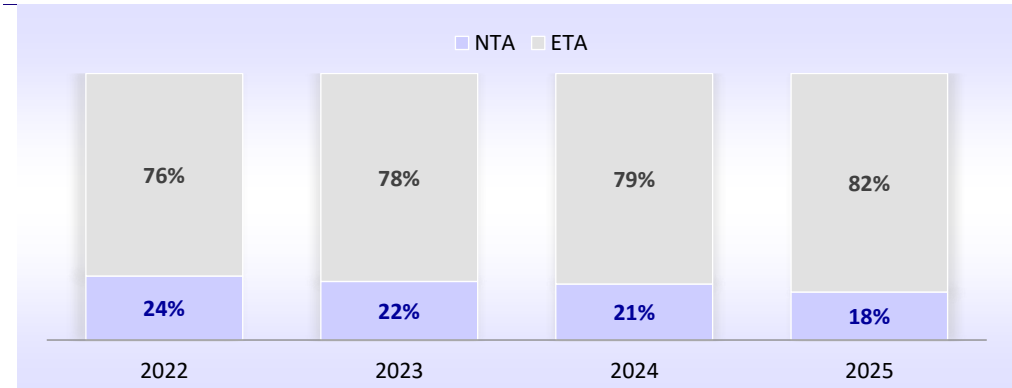


Source: CRIF, MOFSL

Increasing trend of ETA borrowers

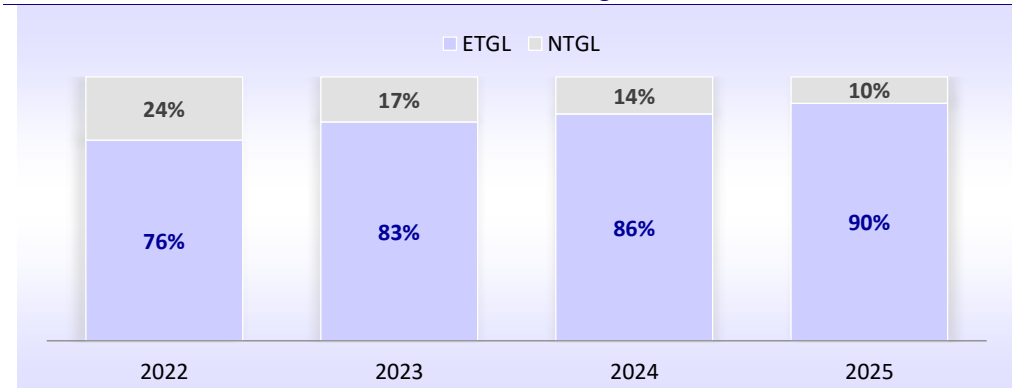
- Existing-to-Asset (ETA) borrowers now account for 82% of gold loan originations in 2025, up from 76% in 2022. More strikingly, Existing-to-Gold-Loan (ETGL) borrowers constitute 90% of 2025 originations, meaning a complete dominance of these customers in the overall industry demand. First-time borrowers have grown in absolute terms (65 lakhs in 2022 to 78 lakhs in 2025) but their share of originations has collapsed from 24% to 10%. These trends showcase growth in gold loan is primarily led by existing borrowers who are rolling over debt, somewhat indicative of early signs of overleveraging.
- However, on the flip side, high repeat rates compress customer acquisition costs, improve lifetime value, and create proprietary behavioral data that new entrants cannot replicate. Hence, scaling GL business for new entrants from the diversified NBFC space shall not be an easy journey.

Exhibit 54: ETA borrowers accounts for 82% of gold loan originations



NTA – New to asset in the last 24 months; ETA – Existing to asset in the last 24 months, Source: TransUnion CIBIL India

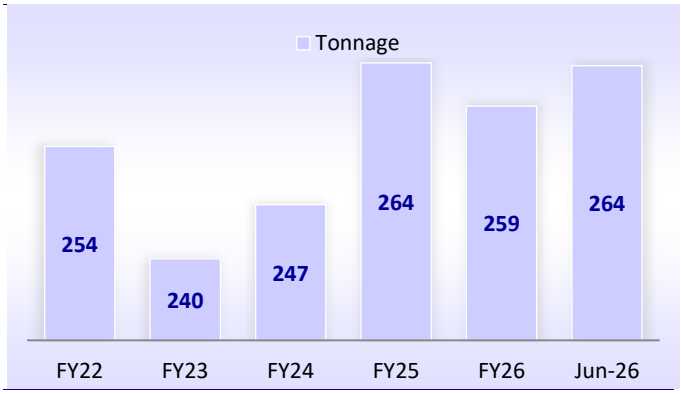
Exhibit 55: ETGL borrowers constitute 90% of 2025 originations



ETGL – Existing to Gold Loan; NTGL – New to Gold Loan; Source: TransUnion CIBIL India

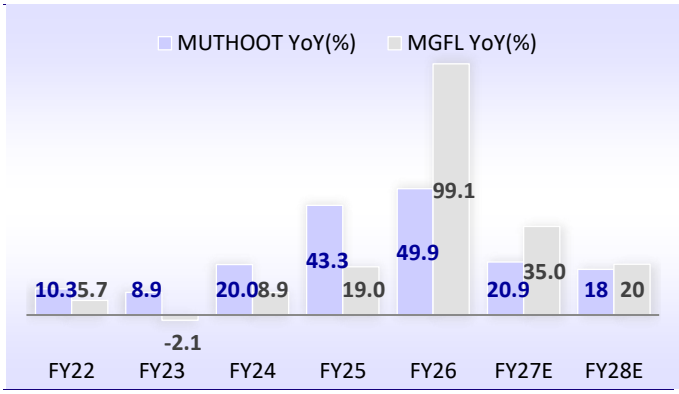
- **Tonnage growth lagging AUM growth:** Near stagnation in gold tonnage despite superior AUM growth poses a challenge to the long-term industry growth. The sharp appreciation in gold prices has enabled borrowers to avail higher loan amounts by pledging their gold, leading to a divergent trend in tonnage vs. industry loan growth. While this trend has improved capital efficiency for both lenders and borrowers and reduced storage, handling and operational requirements, it does indicate that growth is more led by prices than volume. Gold tonnage and gold prices exhibit a structural inverse relationship historically and the same has played out in recent times with a rapid price surge.

Exhibit 56: Combined gold tonnage for Muthoot and MGFL range-bound in recent times even as…



Source: Company, MOFSL

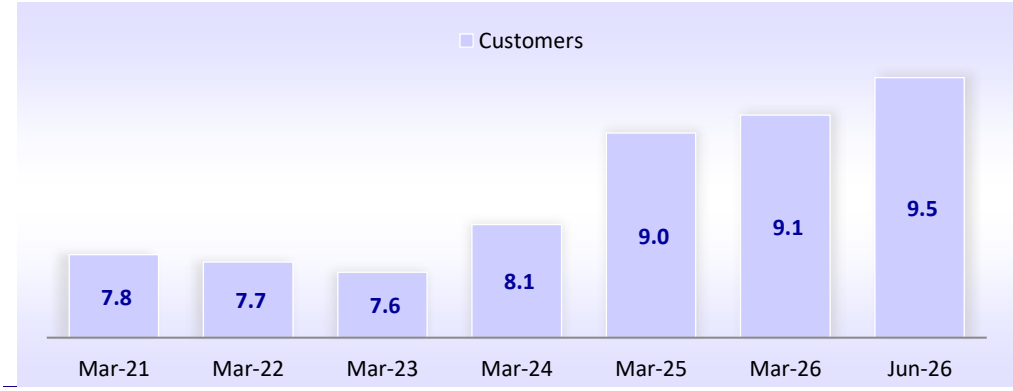
Exhibit 57: …GL AUM growth has been strong for both the GL NBFCs



Source: Company, MOFSL

- **Stagnating number of customers leading to higher exposure per borrower:** Gold loan customer base had started to stagnate in the last couple of years for major industry players before picking up in 1QFY27, indicative of higher number of repeat borrowers and higher exposure per borrower. Lenders too have increasingly focused on existing, higher-quality customers with larger borrowing requirements, particularly MSMEs, traders, and self-employed individuals. These trends are alarming as it shall lead to higher concentration risk and overleveraging risk. Going forward, steady gold prices and higher credit demand are likely to keep average borrower exposure high, while customer additions remain moderate.

Total GL customers of Muthoot and MGFL stagnated in FY25 and FY26; have increased ~5% in 1QFY2Y

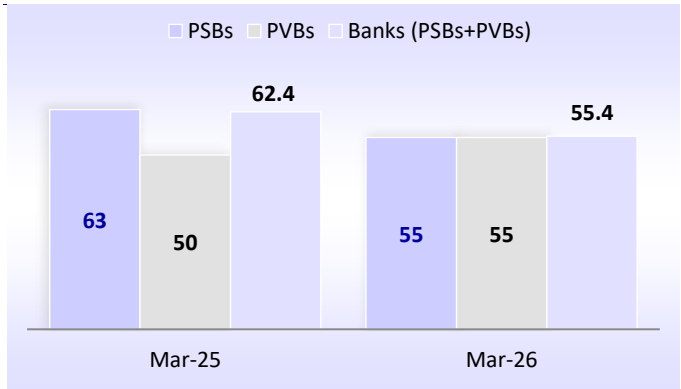


Source: Company, MOFSL

Controlled LTVs to aid medium-term growth

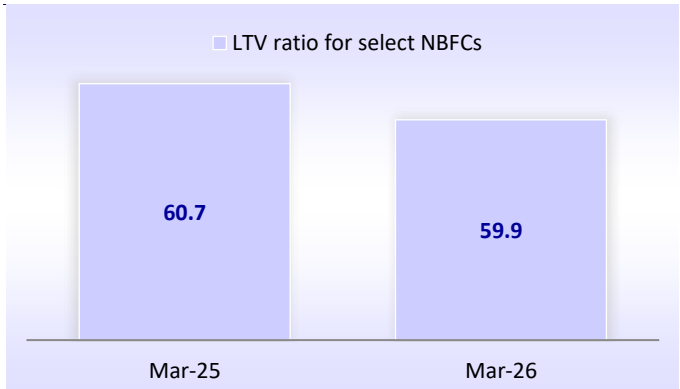
- The RBI in its recent guidelines switched from 75% uniform LTV to a tired LTV structure – 85% (≤INR0.25m), 80% (INR0.25-0.5m) and 75% (>INR0.5m). This has been positive for lenders with smaller ticket size portfolio (<INR0.25m) like GL-NBFCs and regional banks, providing them sufficient headroom to lend up to 85% LTV vs. 75% earlier.
- LTV ratio of banks has fallen significantly from 62.4% in Mar'25 to 55.4% in Mar'26, giving them sufficient headroom to pursue growth. NBFCs are broadly maintaining their LTVs at ~60%. Muthoot in 1QFY27 earnings call mentioned that around ~4-5% of incremental gold loan disbursements are currently originated at the maximum permissible 85% LTV, while overall portfolio LTV stood at ~66%. Current LTV buffers of banks and NBFCs still provide comfortable margin of safety to support medium-term growth.

Exhibit 58: LTV ratios for banks fell to 55.4% in Mar'26



Source: RBI FSR, MOFSL

Exhibit 59: LTV ratios for select NBFCs at 59.9% in Mar'26



Source: RBI FSR, MOFSL

Regulatory measures to ensure sustainable growth

New gold loan guidelines ensuring policy harmonization across lenders

The RBI's revised gold loan framework, effective 1st Apr'26, marks a significant step toward creating a more robust and sustainable lending ecosystem. While the tighter regulations on LTV computation, bullet repayment structures, borrower due diligence and operational processes may temporarily weigh on loan growth (particularly for GL-NBFCs), they are expected to improve portfolio quality and strengthen risk management over the medium term. The harmonization of regulations across banks and NBFCs eliminates regulatory arbitrage, enhances governance standards and promotes greater operational discipline. Additionally, the higher permissible LTV for small-ticket loans and clearer PSL classification are likely to improve credit accessibility and encourage a gradual shift of borrowers from the unorganized to the organized gold lending market.

Exhibit 60: RBI harmonization guidelines

Regulation	Earlier Framework	Revised Guidelines (Effective 1 Apr'26)	Impact on Lenders
Policy Harmonisation	❖ Different sets of guidelines across lenders	❖ Single harmonised framework applicable across all REs.	❖ Narrows regulatory arbitrage and creates a more level playing field across banks and NBFCs.
LTV framework	❖ Uniform maximum LTV of 75% across all gold loans	❖ Tiered LTV introduced – 85% (≤INR0.25m), 80% (INR0.25-0.5m) and 75% (>INR0.5m).	❖ Positive for lenders with a large small-ticket portfolio (GL focused NBFC and regional lenders).
LTV computation	❖ LTV was largely assessed against the principal disbursed.	❖ LTV must now be computed on the total repayment obligation (principal + accrued interest + charges capitalised), particularly for bullet loans.	❖ Principal disbursement could decline for bullet loans unless lenders shorten tenure/reduce interest accrual. Negative for GL focused NBFCs.
Bullet repayment loans	❖ No harmonised framework; repeated renewals/rollovers were common.	❖ Bullet repayment loans for consumption purposes capped at 12 months; fresh credit assessment required for renewals.	❖ Curtails perpetual rollovers and reduces flexibility of traditional NBFC business models
Re-pledge of pledged gold	❖ No explicit harmonised prohibition	❖ REs are prohibited from extending loans against re-pledged gold or silver collateral	❖ **Impacted CSB in 1QFY27 having to scale down its INR21b LAS book**
Purpose-wise underwriting	❖ Limited distinction between consumption and income-generating loans.	❖ Repayment structure must be aligned with end-use; lenders required to assess repayment capacity rather than relying solely on collateral.	❖ Increases underwriting standards and documentation across lenders
PSL tagging	❖ Classification practices for gold-backed loans varied.	❖ PSL eligibility is determined by the end-use and borrower category, not by the presence of gold/silver collateral. Consumption gold loan shall remain non-PSL	❖ Limits any aggressive PSL tagging of conventional consumption-oriented gold loans
Collateral valuation	❖ Valuation methodologies varied across institutions.	❖ Uniform valuation methodology prescribed using transparent benchmark prices with standard deductions for purity and handling.	❖ Improves consistency across lenders and reduces valuation arbitrage.
Ownership & Due Diligence	❖ KYC norms existed but ownership verification practices differed.	❖ Enhanced due diligence to establish ownership of pledged jewellery, stronger documentation and audit trail requirements.	❖ Higher compliance burden but lowers operational and reputational risks.
Collateral Monitoring	❖ Broad internal policies with limited regulatory prescription.	❖ Mandatory periodic verification, safe custody standards, branch-level controls and board-approved operating procedures.	❖ Higher operating costs, especially for lenders with large branch networks, but strengthens governance.
Auction & Recovery	❖ Auction procedures largely governed by lender policies.	❖ Standardised notice period, reserve price methodology, auction process and mandatory refund of surplus proceeds to borrowers.	❖ Greater transparency and lower litigation risk; may marginally lengthen recovery timelines.
Release of Gold	❖ No uniform regulatory timelines.	❖ To release pledged ornaments after loan closure within 7 days, with borrower compensation for delays.	❖ Requires stronger operational controls and technology integration at branch level.

Source: RBI, MOFSL

Gold Loans: Healthy growth to continue; profitability to slightly moderate

The gold loan segment is set to record a healthy CAGR of 28% over FY26-28E. Harmonized gold loan guidelines, lower penetration among households, higher acceptance of GL product among different set of borrowers, stable retail consumption and central bank purchases, and rising acceptability outside southern India are all likely to aid sustainable growth in the gold loan segment. Asset quality has remained robust across lenders; however, a higher number of repeat borrowers does pose a threat of overleveraging in the industry. Stagnating tonnage and customer additions are also key monitorable going ahead, which could dent growth.

Gold-NBFCs have enjoyed a dream run; Steady growth to continue while profitability to moderate

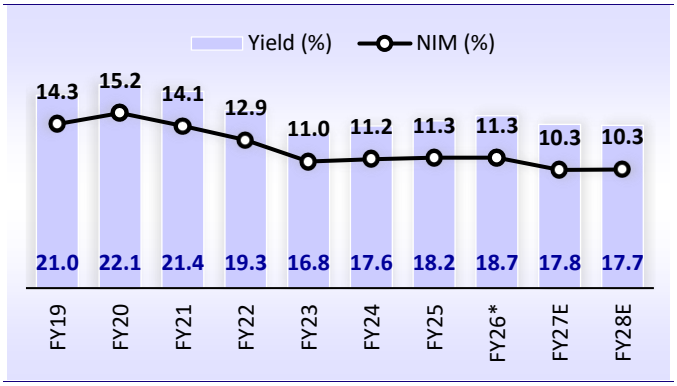
- Specialized gold loan NBFCs have been the biggest beneficiaries of the recent gold price rally, significantly outperforming other lender categories in terms of portfolio growth and market share gains. Their specialized operating model—characterized by rapid loan disbursement, deep rural and semi-urban penetration, dedicated in-house valuers, simplified documentation and a high proportion of repeat customers—has enabled them to build a strong competitive moat. **Muthoot** remains the market leader, accounting for **nearly one-fifth of the organized retail gold loan market**, while MGFL and IIFL Finance have also expanded their franchises rapidly over the past few years.
- **Super normal returns of GL-based entities to be challenged:** Return metrics of GL-NBFCs are superior compared to other asset classes on the back of higher risk-adjusted returns and the operating leverage built by the GL-NBFCs over the years. However, going forward, the profitability of GL-NBFCs is expected to remain robust, though it is likely to moderate owing to intensive competition from other lenders.
- GL-NBFCs will cede some market share and we currently factor in gold loan CAGR of 21%/27% for Muthoot/MGFL and 28% for the industry over FY26-28E. We believe select diversified NBFCs and banks will gain market share. We further estimate product margins to moderate amid increased competition, though they will remain healthy enough to retain strong product profitability. For GL-NBFCs like Muthoot and MGFL, incremental earnings could thus be dependent on balance-sheet expansion rather than margin resilience. We maintain Neutral rating on both the names.
- **Top picks: ICICIBC, SBIN, KMB, AUBANK, BAF and LTF.**

Exhibit 61: ROA Tree for NBFCs across asset classes (%)

Financial Metric	MSME	VF	HL	MFI	GL
Interest income	16.0	12.6	10.0	18.8	16.1
Interest expense	6.3	6.4	6.3	7.4	5.9
Credit Cost	1.7	1.9	0.5	2.4	0.2
ROA (FY24)	**3.5**	**2.5**	**2.3**	**4.6**	**5.2**
Interest income	16.1	12.7	9.8–9.9	18.2–18.4	16.4
Interest expense	6.0	6.6	6.3–6.4	7.4–7.6	6.3
Credit Cost	1.5	1.9	0.1–0.2	8.4–8.6	0.7
ROA (FY25)	**3.4**	**2.5**	**2.2–2.3**	**-1.0**	**5.0**
Interest income	~15–16	~12.5–12.6	~9.6–9.7	~17.8–18.0	~16.1–16.2
Interest expense	~5–6	~6.3–6.4	~6.2–6.3	~7–7.2	~6.2–6.3
Credit Cost	~1.7–2.1	~1.8–1.9	~0.2–0.3	~3.4–3.6	~0.5–0.6
ROA (FY26)	**~3.4–3.6**	**~2.6–2.7**	**~2.0–2.1**	**~1.9**	**~4.8–5.0**

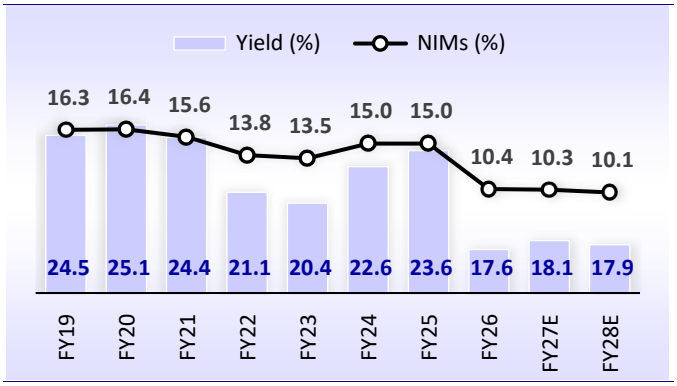
Source: CRISIL, MOFSL

Exhibit 62: Muthoot: NIMs expected to lower over 200bp in FY27/FY28E



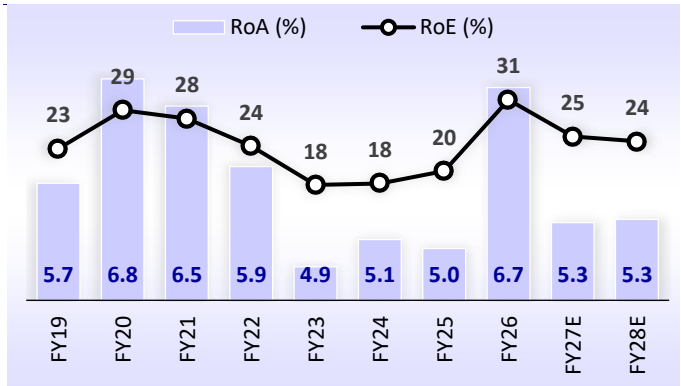
Source: Company, MOFSL; Note: FY26 Yields and NIMs are adjusted for one-off interest income

Exhibit 63: MGFL: NIMs already corrected in FY26 with major shift in GL strategy and lower MFI share



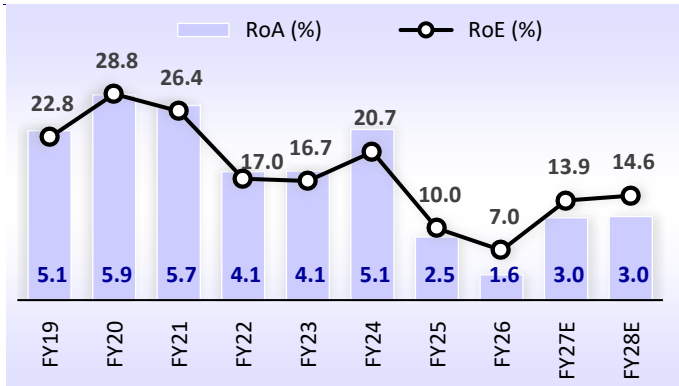
Source: Company. MOFSL

Exhibit 64: Muthoot: Profitability to moderately gradually with increased competition



Source: Company, MOFSL

Exhibit 65: MGFL: Profitability while improving with MFI recovery , shall remain lower compared to previous years



Source: Company. MOFSL

Exhibit 66: Valuation Matrix: Banks + NBFCs

Val summary	Rating	CMP (INR)	Mkt. Cap (INRb)	TP (INR)	Upside (%)	RoA (%)			RoE (%)			P/E (x)			P/ABV (x)		
						FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Private Banks																	
ICICIBC*	Buy	1,450	10,225	1,750	21	2.2	2.3	2.3	16.1	16.8	16.8	16.4	14.0	12.2	2.6	2.3	2.0
HDFCB*	Buy	709	11,089	925	30	1.8	1.8	1.8	14.2	13.9	14.7	12.2	11.2	9.8	1.7	1.5	1.4
AXSB*	Neutral	1,283	3,929	1,500	17	1.4	1.5	1.6	12.7	14.0	15.3	14.2	11.7	9.4	1.8	1.6	1.4
BANDHAN	Neutral	164	271	225	37	0.6	1.0	1.4	4.9	9.0	12.5	22.1	11.3	7.6	1.1	1.0	0.9
KMB*	Buy	418	4,213	470	12	1.9	2.0	2.1	11.1	12.6	14.0	19.1	15.2	12.7	2.0	2.0	1.7
IIB	Neutral	1,000	773	1,125	13	0.2	0.7	1.0	1.4	5.7	9.2	87.0	20.4	12.1	1.2	1.2	1.1
FB	Buy	349	847	400	15	1.1	1.3	1.3	11.4	12.1	12.8	20.5	17.3	14.6	2.3	2.0	1.8
DCBB	Buy	218	69	235	8	0.9	1.0	1.1	12.7	15.2	16.8	9.4	7.1	5.7	1.2	1.1	0.9
IDFCFB	Neutral	85	715	90	6	0.4	1.0	1.1	3.9	8.9	11.3	40.5	16.8	12.2	1.6	1.5	1.4
EQUITASB	Buy	74	85	90	22	0.2	1.2	1.4	1.7	12.2	15.1	82.0	10.9	7.9	1.4	1.3	1.2
AUBANK	Buy	1,085	804	1,275	18	1.5	1.7	1.8	14.4	17.3	18.8	30.4	21.9	16.9	4.2	3.6	3.0
RBK	Buy	378	235	425	12	0.5	1.1	1.5	5.2	7.5	8.0	28.6	26.0	16.5	1.4	1.4	1.3
PSU Banks																	
SBIN*	Buy	1,060	9,656	1,370	29	1.1	1.1	1.1	17.3	15.9	15.8	7.9	7.7	6.8	1.3	1.2	1.0
PNB*	Buy	114	1,326	135	18	0.9	1.1	1.1	13.3	15.4	15.3	7.8	6.0	5.4	0.9	0.8	0.7
BOB	Neutral	238	1,250	275	16	1.1	0.8	1.0	14.7	12.2	14.4	6.2	6.8	5.3	0.9	0.9	0.8
CBK	Buy	126	1,162	160	27	1.1	1.0	1.0	19.1	17.9	19.0	6.1	5.7	5.0	1.0	0.9	0.8
UNBK	Neutral	185	1,416	190	3	1.2	1.3	1.3	16.3	16.2	15.3	7.6	6.7	6.2	1.2	1.0	0.9
INBK	Buy	898	1,183	1,025	14	1.3	1.3	1.3	18.1	18.2	18.0	9.7	8.7	7.7	1.6	1.5	1.3
Payments & Fintech																	
SBI Cards	Neutral	650	619	700	8	3.3	4.2	4.4	14.7	17.4	18.0	28.1	20.8	17.1	4.0	3.4	2.9
						PAT (INRb)			RoA (%)			RoE (%)			P/Sales (x)		
One 97 Comm.	Neutral	1,678	1,074	1,475	-12	5.1	10.2	19.2	3.1	4.2	7.4	4.5	6.3	11.3	27.8	10.3	8.2

*Adjusted for subsidiaries, Source: Company, MOFSL

NBFC (lending)

	Rating	CMP (INR)	Mkt. Cap (INRb)	TP (INR)	Upside (%)	RoA (%)			RoE (%)			P/E(x)			P/BV (x)		
						FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Housing Finance																	
LIC Housing Fin	Neutral	538	296	580	8	1.8	1.7	1.7	14.4	13.0	12.4	5.3	5.2	4.9	0.7	0.6	0.6
PNB Housing	Buy	1,138	296	1,390	22	2.6	2.4	2.3	12.7	12.2	12.7	13.3	11.9	10.2	1.6	1.4	1.2
Bajaj Housing	Neutral	84	699	95	13	2.2	2.1	2.1	12.1	12.5	13.5	27.6	23.2	18.9	3.1	2.7	2.4
AAVAS Financiers	Neutral	1,262	100	1,650	31	3.3	3.3	3.3	13.9	14.0	14.2	15.5	13.1	11.3	2.0	1.7	1.5
Home First Fin.	Buy	1,169	122	1,425	22	3.9	4.1	3.8	15.7	14.8	14.8	23.1	17.6	15.4	2.9	2.4	2.1
Can Fin Homes	Neutral	800	106	940	18	2.5	2.3	2.3	19.7	17.2	16.8	10.0	9.6	8.5	1.8	1.5	1.3
Repco Home Fin	Neutral	363	23	415	14	2.9	2.7	2.6	12.2	11.2	10.8	5.1	4.9	4.6	0.6	0.5	0.5
Vehicle Finance																	
Chola. Inv & Fin.	Buy	1,870	1,594	2,140	14	2.3	2.7	2.7	19.3	21.0	20.0	30.2	22.3	19.1	5.2	4.2	3.5
M & M Financial	Buy	374	519	405	8	2.0	2.3	2.4	12.5	13.9	14.5	18.8	14.3	12.4	2.1	1.9	1.7
Shriram Finance	Buy	1,094	2,057	1,235	13	3.3	4.0	4.0	16.4	15.5	13.5	20.4	18.2	15.4	3.1	2.2	2.0
IndoStar Capital	Buy	249	40	310	24	1.3	1.9	2.7	3.6	5.2	8.1	32.0	20.1	12.1	1.1	1.0	0.9
Gold Finance																	
Muthoot Finance	Neutral	2,990	1,200	2,850	-5	6.7	5.3	5.3	30.6	25.0	24.3	12.3	11.3	9.5	3.3	2.6	2.1
Manappuram Finance	Neutral	341	320	390	14	1.6	3.0	3.0	7.0	13.9	14.6	33.1	14.2	11.6	2.0	1.8	1.6
Microfinance																	
CreditAccess	Buy	1,377	221	1,880	37	2.6	5.6	5.1	10.5	22.6	20.1	28.6	11.1	10.0	2.8	2.2	1.8
Fusion Finance	Buy	201	32	260	29	0.2	3.5	4.3	0.7	12.1	15.3	232.1	10.3	7.1	1.3	1.2	1.0
Spandana Sphoorty	Neutral	241	21	290	20	-9.5	1.8	3.2	-29.4	5.7	11.4	-2.8	16.3	7.2	1.0	0.9	0.8

Source: Company, MOFSL

NBFC-lending

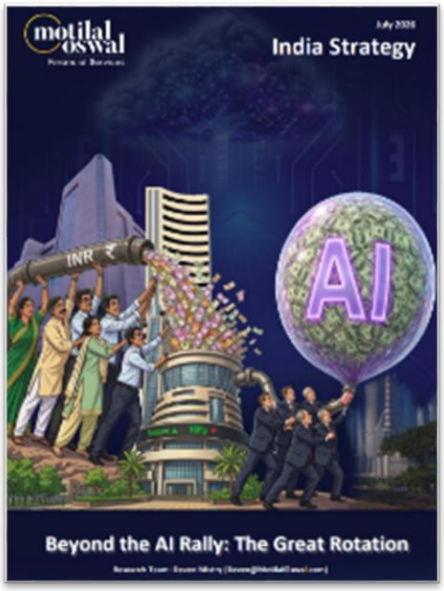
	Rating	CMP	Mkt. Cap	TP	Upside	RoA (%)			RoE (%)			P/E (x)			P/BV (x)		
		(INR)	(INRb)	(INR)	(%)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Diversified																	
Bajaj Finance	Buy	1,065	6,620	1,300	22	3.8	4.2	4.2	18.1	20.7	21.4	34.6	25.0	20.2	5.7	4.8	4.0
Poonawalla Fincorp	Buy	463	406	570	23	1.1	2.1	2.4	5.9	12.6	16.5	71.4	26.2	15.8	3.6	2.8	2.4
Aditya Birla Cap	Buy	404	1,105	480	19	1.7	1.9	2.0	13.3	13.2	14.1	28.0	21.8	17.1	3.1	2.6	2.3
L&T Finance	Buy	312	781	380	22	2.3	2.5	2.6	11.1	13.5	15.1	26.5	19.6	15.6	2.8	2.5	2.2
Piramal Finance	Buy	2,293	517	2,620	14	1.5	2.0	2.5	5.4	8.2	11.5	34.2	21.5	14.1	1.8	1.7	1.5
MAS Financial	Buy	309	56	385	24	2.9	3.2	3.1	13.4	14.8	14.8	14.7	12.2	10.6	1.9	1.7	1.5
IIFL Finance	Buy	647	275	700	8	2.3	3.0	3.1	12.6	18.2	19.0	16.9	9.9	8.0	2.0	1.7	1.4
HDB Financial	Neutral	683	567	760	11	2.2	2.5	2.6	13.9	14.8	15.2	22.2	17.2	14.4	2.7	2.4	2.0
Jio Financial	BUY	239	1,518	315	32	1.9	1.6	2.0	6.7	4.5	7.5	98.7	74.6	50.1	1.1	1.0	0.9
Northern Arc	Buy	311	50	395	27	2.7	3.0	3.2	11.0	13.5	15.0	11.4	8.9	7.0	1.3	1.1	1.0
Tata Capital	Neutral	368	1,551	390	6	1.8	2.1	2.3	12.4	13.7	15.6	32.4	23.0	17.3	3.4	2.9	2.5
Power Financiers																	
PFC	Buy	346	1,142	500	45	3.4	3.2	3.1	20.7	18.4	16.9	5.8	5.7	5.5	1.1	1.0	0.9
REC	Buy	315	829	435	38	2.6	2.5	2.4	20.1	18.5	17.0	5.1	5.0	4.8	1.0	0.9	0.8
MSME																	
Five-Star Business	Buy	537	158	670	25	7.3	6.8	6.7	16.1	14.9	15.5	14.4	13.4	11.1	2.1	1.9	1.6

Source: Company, MOFSL

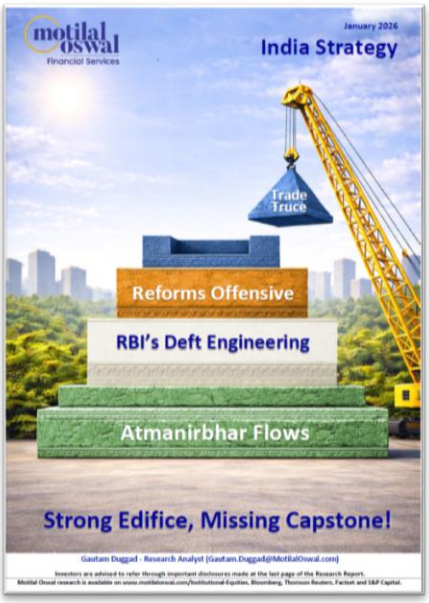
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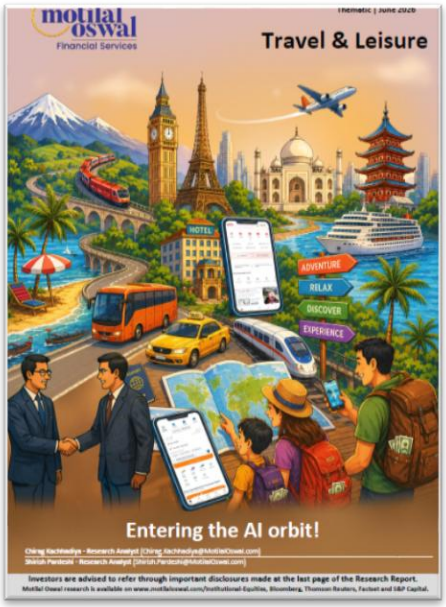
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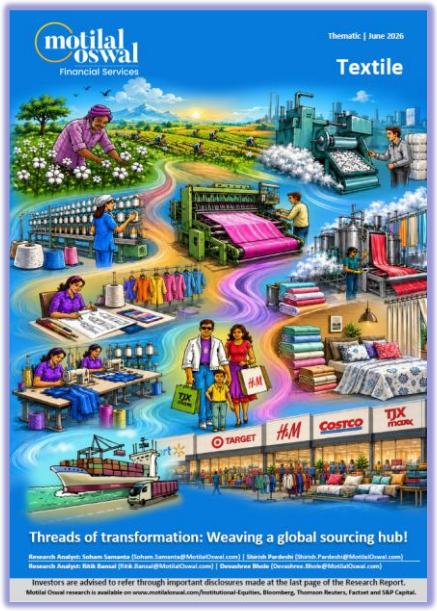
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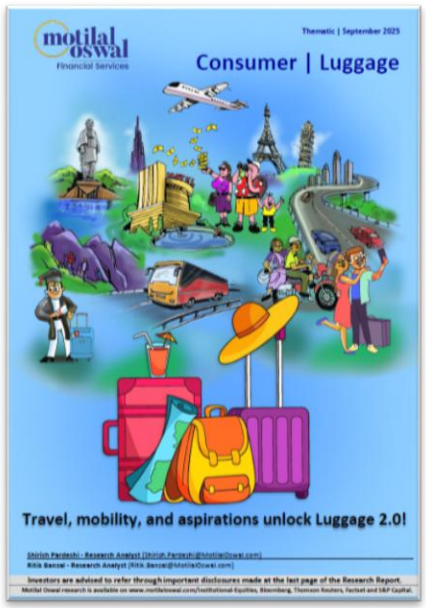


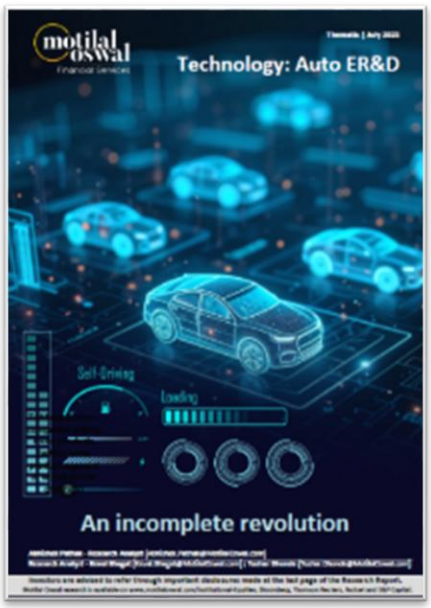












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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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