Sector Update | 20 June 2025

Financials: Banks

MOFSL BFSI picks 2.0: Earnings to gain traction from 2H

Prefer private banks over PSBs; NBFCs and non-lending financials well positioned

Segment	MOFSL BFSI picks
Private banks	ICICI Bank
	HDFCB
	Federal bank
PSU Bank	SBIN
SFBs	AU SFB
Vehicle Financiers	Shriram Finance
Housing Finance	PNBHF
	Home First
Diversified	L&T Finance
	AB Capital
Life insurance	HDFC Life
General insurance	Niva Bupa
AMCs	HDFC AMC
	UTI AMC
Broking and exchanges	Angelone
Wealth management	Nuvama

FY25 was a challenging year for the BFSI sector. Over the past 12 months (Jun'24-25), Bank Nifty and the Nifty Financial Index posted returns of 8.1% and 14.6%, respectively, compared with 5.4% for the Nifty-50. Several BFSI stocks delivered healthy double-digit returns over the past 12 months, such as HDFCB (17%), ICICI (23%), KMB (23%), FB (17%), PNB HF (24%), HomeFirst (20%), BAF (25%), HDFC Life (28%), BSE (187%) and Nuvama (33%). With a cumulative 100bp reduction in the repo rate by the RBI, FY26 earnings will start on a softer note for banks; however, with a gradual repricing of deposits and benefits from the CRR cut effective Sep'25, we estimate the earnings trajectory to recover from 2HFY26 onward. NBFCs, especially vehicle financers, will benefit from rate cuts, as lower funding costs will result in NIM expansion of 10-25bp across lenders and help the sector pivot back to growth. Non-lending financials will continue to provide attractive investment opportunities over the year. After the recent outperformance by the sector, we have further narrowed down our top ideas and selected 16 stocks in our MOFSL BFSI top picks 2.0 from our coverage of ~70 names.

Banks: Earnings growth to bottom out in 1HFY26 and recover thereafter

- Banking system has witnessed a sharp deceleration in credit growth in May'25. Credit growth plunged to ~8.9% YoY from avg. 16% seen over the prior three years. This moderation is largely driven by a slowdown in unsecured retail lending as banks have recalibrated their risk appetite amid rising delinquencies in the unsecured retail and MFI segments and high funding costs. An increased focus on asset quality has led to tighter underwriting standards across lenders. Against this backdrop and a modest economic growth outlook, we expect credit growth to remain subdued at 11.5% YoY in FY26E, before gradually recovering to 13% in FY27E.
- The sharp 100bp reduction in repo rates will pose near-term challenges for the sector, as it will drag down lending yields and compress NIMs. However, this pressure will likely be transitory, as a gradual moderation in funding costs and the benefits from the CRR cut will begin to support the NIM trajectory from 2HFY26 onward. Early-stage delinquencies are already showing signs of improvement, and we expect credit costs in the unsecured retail and MFI segments to ease in 2HFY26, especially for mid-sized and MFI-focused banks.
- We, thus, estimate the earnings growth trajectory to stabilize in 2H and gradually start accelerating thereafter. We project earnings growth to recover to ~16.1% in FY27E.

Banks' performance remains divergent; Nifty Financial Index and Bank Nifty outperform Nifty-50

- In the last 12 months, the **Nifty Financial Index** outperformed the Nifty-50 by 9%, while Bank Nifty outperformed by 3%. The divergence in banking stocks' performance continued, with private banks (PVBs) delivering mixed returns and PSU banks significantly underperforming (the PSU Bank Index down 10% during 12-month period.

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- **Nifty Private Bank Index** delivered 8.4% returns in the last 12 months, with several large-cap banks such as HDFCB, ICICIBC, and Kotak Bank delivering solid returns of 17%, 23%, and 23%, respectively. Among mid-sized PVBs, Federal Bank, CUB, and KVB led the pack with 17%, 22%, and 14% returns, respectively. AU Bank delivered 20% return over the same period (up ~50% in the past three months). On the other hand, IIB was the biggest underperformer on account of losses related to accounting discrepancies and governance concerns. We upgraded RBL Bank in Apr'25 after a gap of nearly two years and the stock has gained ~20% in recent months.
- **NBFC sector** has seen healthy performance over the recent period, buoyed by rate cuts and an improving earnings outlook. For NBFC-MFIs, while the existing stress on the balance sheet will have to be provided for/written-off, we will start seeing MFI lenders pivoting from moderation to growth in 2HFY26. The interest rate cut cycle, in addition to being margin-accretive for certain products, will also boost demand and loan growth. Shriram Finance, Home First, BAF, Muthoot and Manappuram have delivered returns to the tune of 20% to 51% over the last 12 months.
- **Non-lending financial** sector witnessed a mixed performance in FY25, marked by strong outperformance in 1HFY25 but a slowdown in 2HFY25 due to regulatory impact, weak market sentiment, and uncertain geopolitical and macroeconomic conditions. **Capital market** space has seen strong momentum in recent months after the US tariffs-induced fears waned, with BSE, Angel One and CDSL delivering 42%, 20%, 34% returns, respectively, in the last three months. **Wealth managers** are expected to witness strong inflows and positive MTM impact going forward. Our preferred pick in the space, Nuvama, has delivered 33% returns over the past 12 months. **Life insurance** companies have been able to maintain resilient VNB margins, supported by an improving product mix. Select players are also reporting healthy premium growth. Max Life, HDFC Life and SBI Life have posted steady returns of 60%, 28% and 24%, respectively, over the last 12 months. **Among general insurers**, ICICI Lombard was the only outperformer with 10% return in 12 months.

Private Banks: Select banks leading the pack

- Business momentum has been modest overall, though select banks reported NIM expansion in 4QFY25, breaking away from the trend in earlier quarters. CASA mix improved for large banks amid seasonal CA flows. Growth in corporate was sluggish, and unsecured loan growth moderated sharply amid stress in MFI, PL, and CC, further exerting pressure on portfolio growth and overall lending yields.
- Margins are likely to remain under pressure as loan re-pricing happens in the coming quarters, though the reduction in SA/TD rates and CRR (effective Sep'25) will help to limit the damage.
- Delinquencies were high in unsecured segments, particularly MFI and credit cards, leading to increased provisioning for certain banks. However, early-stage delinquencies are showing signs of improvement, which will help to ease credit cost from 2HFY26. However, larger PVBs with more diversified and secured portfolios continue to fare better.

- We expect PVBs to report an earnings CAGR of ~15% over FY25-27, with growth bottoming out at ~9.7% in FY26E.
- Our preferred BUY-rated ideas include **ICICI, HDFCB, FB, AUBANK, and RBL Bank (upgraded in Apr'25)**. We maintain a Neutral stance on AXSB (downgraded in Jan'24), IIB, IDFC First Bank, and Bandhan Bank.

PSU Banks: Earnings outlook modest amid margin pressure and slow growth

- For PSU banks, RoA has largely matured, and we expect earnings growth to lag loan growth over FY25-27. We, thus, estimate PSU banks' earnings growth to moderate to 7% CAGR over FY25-27 vs. 38% CAGR over FY22-25.
- Notwithstanding the high MCLR-linked book, we expect downward pressure on margins for PSU banks due to muted loan growth and their inability to pass on higher MCLR rates to customers and maneuver the asset mix toward high-yielding products.
- Slippages have remained under control for most banks, reflecting no imminent signs of stress. However, the normalization of credit cost toward FY26 end, along with ECL provisioning requirements, will be closely monitored.
- Profitability outlook for PSU banks has thus weakened compared to prior years due to margin pressure and modest business growth. We, thus, remain selective on PSU banks, though treasury lift may support near-term earnings. SBIN remains our preferred pick**.**

SFBs: Operating performance to improve from 2H

- **Small finance banks (SFBs)** faced significant challenges, mainly due to elevated stress in MFI and unsecured loans. However, collection efficiencies are seeing some improvement. With the new MFIN guardrails implemented from Apr'25, growth and asset quality could see a near-term hiccup, though the trends are likely to improve materially from 2H onward.
- Margins have witnessed some moderation as funding costs remain high and the mix of high-yielding MFI segment has declined. We estimate near-term NIMs to remain under pressure; however, high composition of fixed-rate loans and bigger room to maneuver SA rates will help a faster decline in funding costs over the medium term. We continue to maintain our preference for AUBANK.

Payments and Cards: Maintain Neutral on both SBICARD and PAYTM

- **SBICARD:** Its gross credit cost declined in 4QFY25, as asset quality stress started easing. Spending growth is expected to pick up, supported by a recovery in corporate spending and steady traction in retail spending. Margins are expected to improve in a calibrated manner as the company benefits from a lower cost of funds. The stock trades at 22x FY27E EPS, closer to our target multiple.
- **PAYTM:** The company reported a recovery in business metrics during FY25 after bearing the brunt of regulatory restrictions. PAYTM remains focused on expanding its merchant base, alongside a recovery in its disbursement run rate. Contribution margin is expected to remain healthy, led by cost control, which will help PAYTM turn EBITDA positive by FY27E. However, we remain watchful of the challenging macro environment, near-term pressure on the UPI market share and weaker profitability in payments business as MDR on UPI transactions now looks unlikely.

NBFCs: Declining rate cycle to aid margin expansion and demand momentum

- NBFCs posted a mixed performance in FY25 amid a challenging macro environment, with an overall 16% YoY growth in AUM. Vehicle financiers led with 20% YoY growth. Large HFCs grew at a modest pace of 8% YoY, while affordable and small-ticket HFCs saw a 14% YoY increase.
- Macro-economic weakness and weak government capex led to weak demand for CVs. This also led to tightness in collections and higher credit costs across both secured and unsecured product segments. We remain cautiously optimistic about the vehicle finance segment, with NBFCs expected to pivot back to growth (across both secured and unsecured segments) from 2HFY26 onward.
- Fixed-rate lenders like vehicle financiers will continue to see margin expansion in FY26. Large HFCs will have their task cut out to deliver a fine balancing act between loan growth and margins. Affordable HFCs will be relatively better placed on NIM compared to their larger peers.
- Toward the later part of FY25, NBFC-MFIs showed improvement in PAR levels across most states, except for Karnataka and Andhra Pradesh. Collection efficiency in Karnataka is expected to normalize by 1QFY26. MFIs continued to accelerate write-offs to clean up stressed assets and guided for credit costs to remain elevated in 1HFY26, with loan growth expected to rebound in 2HFY26.
- Regulatory headwinds for the NBFC sector now look comfortably behind, with multiple positive and supportive steps taken by the RBI over the last six months. We are positive on the NBFC sector as it will benefit from improved demand momentum and margin expansion in the declining interest rate cycle.

Capital Market: Hit by speed bumps; structural story intact

- Capital market stocks delivered stellar returns in 1H, backed by robust trends across key parameters such as demat account additions, SIP inflows, F&O ADTO surge, and strong markets leading to MTM gains.
- However, 2H saw a complete reversal in trends due to: 1) new regulations implemented in the F&O segment, 2) weak market sentiment bringing down MTM gains, and 3) investor additions. Nevertheless, we remain optimistic about the sector's long-term prospects, given the stark under-penetration and the improving trend of financialization of savings.
- Despite a sharp correction (22%-46%) in our coverage stocks from their respective 52-week highs, ABSL AMC/BSE/MCX/360 One/Prudent are still up 28%/46%/39%/23%/57%, indicating a strong re-rating in these names.
- For AMCs, despite the market correction, SIP inflows (INR267b in May'25) remained strong. Additionally, there has been no sharp pickup in redemptions, indicating resilience in customer behavior for long-term savings through the MF route.
- Going forward, we will be watchful about the impact of changes in expiry day, the outcome of SEBI investigation on HFT (as highlighted by media reports) and the impact of regulations such as single contract note, among others.

Insurance: Uncertainty on regulations impacting outlook

- Life insurance industry saw modest APE growth of ~1% YoY, driven by a 12% rise in private insurers' sales, while LIC's APE declined by 16%. For FY25, the industry grew 9%, led by IPRULIFE's 39% YoY growth among listed private peers. During 4QFY25, VNB margins expanded across the board, supported by higher sales of ULIPs with greater sum assured and non-linked product recovery. HDFCLIFE and SBI LIFE reported the strongest margin gains.

- Despite weak equity markets dampening ULIP traction and APE growth, traditional product sales and digital channels gained momentum, while bancassurance and agency channels remained stable but grew slowly due to commission changes.
- In a declining interest rate environment, the non-par segment picks up momentum, which enhances the product profile and VNB margins. Further, as the industry needs granular growth, reinforcing agency channels will be the key to future growth.
- General insurance industry continues to experience a low-growth trajectory, due to: 1) weak infrastructure investments, 2) slow credit growth, 3) weak trends in motor sales growth, and 4) 1/n regulation.
- Motor sales are expected to remain weak in FY26. The 1/n regulation will continue to impact reported growth in 1H, but it should unwind, leading to stronger growth in 2H. Recovery in auto sales and capex would be key monitorables for growth prospects among general insurance players.
- On the other hand, health insurance will continue to be a fast-growing space with multiple triggers in place, such as 1) increasing lives covered, 2) price hikes implemented by companies, and 3) increase in sum assured by existing customers. Price hikes should help to maintain or improve loss ratios, while scale benefits should aid in lowering expense ratios, leading to improvement in combined ratios.

MOFSL BFSI picks 2.0: Selective approach

- **Banks:** We continue to prefer large-cap banks, as their valuations appear reasonable given the earnings outlook. These banks have demonstrated a better ability to navigate the rate cut cycle and possess stronger balance sheets. Over FY26/27, we estimate earnings growth of ~9.7%/19.9% for PVBs and 3%/11.6% for PSU banks. We, thus, prefer PVBs over PSU banks, given reasonable valuations and a healthy growth outlook. **ICICIBC, HDFCB and SBIN** are our top large-cap picks. In mid-size banks, we prefer **FB and AUBANK.**
- **NBFCs:** Vehicle financiers are expected to benefit from rate cuts, though asset quality will remain under watch. SHFL remains our preferred pick here. **Housing Finance**: We maintain our preference for PNBHF as we estimate the company to deliver steady profitability and growth. Among affordable players, we like Home First, as we believe that an improving product mix (rising mix of LAP) will help to offset any NIM compression due to rate cuts, while overall loan growth remains robust. **Power Financiers:** While valuations are attractive, we are UW on PFC and REC due to weak loan growth expectations in the current year and slight headwinds on NIM in a declining rate cycle. **SHFL, HomeFirst, PNBHF, LTFH and AB Capital are our preferred picks among NBFCs.**
- **Life and General Insurance:** We like **HDFC Life** for its ability to deliver steady growth and margins, with non-PAR segment doing well. Among general insurers, we prefer **Niva Bupa** for its strong growth, diversified distribution and product mix, and strong management team.
- **Capital Markets:** We prefer **UTI AMC** for its strong fund performance (75% of AUM in Q1 and Q2) and reasonable valuations, followed by HDFC AMC. We also like **NUVAMA** in the wealth management space, given our expectation of sustained profitability improvement in its wealth management business. **ANGELONE** remains our preferred pick within the broking space.

Bank Nifty and the Nifty Financial Index outperformed the Nifty-50 in the past one quarter.

NBFCs and non-lending financials delivered a bigger outperformance on expected lines.

Among banks, AUBANK delivered a staggering 50%+ returns in the past one quarter.

Exhibit 1: MOFSL BFSI picks 2.0 – We prefer the following 16 stocks from our coverage of ~70 BFSI names

MOFSL BFSI picks	Segment
ICICI Bank	Private Bank
HDFCB	Private Bank
Federal bank	Private Bank
SBIN	PSU Bank
AU SFB	Small Finance banks
Shriram Finance	Vehicle Financiers
Home First	Affordable Housing Finance
LTFH	Diversified
AB Capital	Diversified
PNBHF	Housing Finance
HDFC Life	Life insurance
Niva Bupa	General insurance
UTI AMC	AMCs
HDFC AMC	AMCs
Angel One	Broking and exchanges
Nuvama	Wealth management

Source: MOFSL

Exhibit 2: MOFSL BFSI picks 1.0 published in Mar'25: Performance scorecard

MOFSL BFSI picks 1.0 (released on 18'Mar-25)	Price (18-Mar'25)	Current price (19-Jun'25)	Returns (%)
Nifty 50	**22,834**	**24,793**	**9**
Nifty Financials	**23,970**	**26,300**	**10**
Nifty Bank	**49,315**	**55,577**	**13**
ICICI Bank	1,310	1,411	8
HDFCB	1,732	1,935	12
KMB	2,034	2,146	6
Federal bank	180	204	13
SBIN	737	785	7
AU SFB	504	790	57
Shriram Finance	642	652	2
Home First	993	1,290	30
L&T Finance	143	188	31
PNBHF	818	1,039	27
HDFC Life	641	762	19
ICICI Lombard	1,752	1,928	10
HDFC AMC	3,828	4,878	27
Angelone	2,092	2,782	33
Nuvama	5,482	6,966	27
CAMS	3,602	4,218	17

Source: MOSFL

Exhibit 3: Nifty Financial weight composition: We remain OW on NBFCs and non-lending financials vs. banks

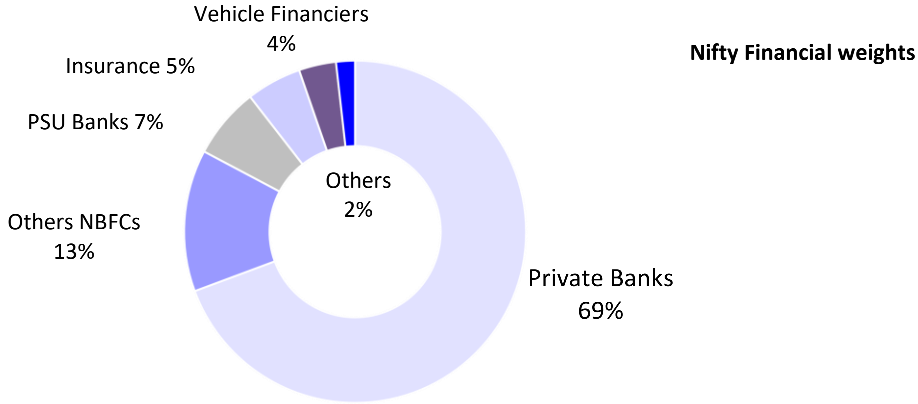

Exhibit 4: Nifty Financials weight – 17th Jun'25

Companies	Segments	Nifty Financials weight (17-Jun-25)
Banks		**76.1%**
HDFC Bank Ltd	Private Banks	32.5%
ICICI Bank Ltd	Private Banks	22.2%
Kotak Mahindra Bank Ltd	Private Banks	6.9%
Axis Bank Ltd	Private Banks	7.7%
State Bank of India	PSU Banks	6.7%
NBFCs		**17.0%**
BAJAJ GROUP		7.9%
Bajaj Finance	Diversified	5.4%
Bajaj Finserv	Diversified	2.4%
Cholamandalam	Vehicle Financiers	1.5%
Shriram Finance	Vehicle Financiers	2.1%
MUTHOOT	Gold Finance	0.6%
Power Finance	Diversified	1.3%
REC	Diversified	1.1%
LIC housing Finance	Housing Finance	0.4%
Jio Financial Services	Diversified	2.1%
INSURANCE		**5.2%**
HDFC Life	Insurance	1.8%
IPRU	Insurance	0.6%
SBI Life	Insurance	1.8%
ICICI LOMBARD	Insurance	1.0%
Capital market & Others		**1.8%**
SBICARD	Others	0.7%
HDFC AMC	Others	1.1%
TOTAL		**100.0%**

Exhibit 5: MOFSL report card

What went right	Remarks	Outlook ahead
Large-cap banks		
ICICIBC	❖ **ICICIBC has been our top pick for the past few years.** Not much credit to be taken here. It has been among the steadiest BFSI performers over the years.	❖ ICICIBC is poised to deliver superior performance despite near-term NIM pressures, supported by strong loan growth, robust asset quality, and industry-leading return ratios. **It remains our preferred BUY.**
AXSB	❖ **We downgraded AXSB** in Jan'24 owing to growth/profitability concerns. The stock has since delivered ~10% returns, whereas ICICI and HDFCB have outperformed significantly.	❖ While valuations now appear reasonable, we remain watchful as the bank is becoming more stringent in classifying loans, which could affect near-term credit cost and thus the earnings trajectory.
KMB	❖ We **upgraded KMB in Jan'25** after being Neutral for almost five years, as we estimated better loan growth vs. peers, while valuations reduced to less than half from when we downgraded the stock.	❖ KMB is well-positioned to deliver steady growth. The lifting of ban and the traction in consumer business will help to limit margin decline. We estimate a healthy 16% loan CAGR over the next two years, with RoA sustaining at ~2.1%.
Federal Bank	❖ **Federal Bank** has been one of our preferred BUY-rated stocks among mid-sized banks. Under new CEO Mr. KVS Manian, FB is addressing gaps and taking steps to pivot to a higher RoA trajectory.	❖ While near-term earnings will remain modest due to NIM compression, we estimate RoA to expand to 1.4% by FY28E (1.5% exit RoA). This, along with steady growth, will drive superior earnings and help re-rate the stock gradually.
RBL Bank	❖ **We upgraded RBK in Apr'25** after being Neutral for two years. The stock has delivered ~20% returns in the past few months.	❖ With asset quality now improving and the bank following 100% provisions on JLG business, we expect credit costs to subside from 2H. We expect loan growth to sustain a CAGR of 16-17%, while RoA will recover to 1.2% by FY27E.
AU Bank	❖ **We have pitched AU Bank as our top pick** and mentioned it in our MOFSL BFSI picks 1.0 note. The stock has rallied ~55% in recent months.	❖ The conversion to a universal bank will help to improve brand positioning and ease funding costs. We estimate RoA to reach >1.7% by FY27E, while loan growth will maintain a 24% CAGR.
IDFCF	❖ We downgraded IDFCFB in 2023 at ~INR90 owing to valuation concerns and elevated cost ratios.	❖ We remain watchful of the MFI cycle and believe that while the downside is limited, clarity on earnings recovery and opex control will be critical for the stock's performance.
SBIN	❖ After being bullish on PSU banks during FY22-24, we have turned more selective on the sector in the past 18 months. We prefer SBIN and BOB among large-caps and Indian Bank among mid-size banks.	❖ SBIN is well-positioned to deliver healthy growth, bolstered by its comfortable CD ratio and robust asset quality. ❖ We recently upgraded PNB, as the twin levers of credit cost and CD ratio should continue to drive earnings. At the same time, we have downgraded BOB after 3QFY25 results.
NBFCs		
Shriram Finance	❖ The company has yet to fully capitalize on its expanded distribution network. ❖ It offers a combination of market leadership, strategic diversification into high-growth non-auto segments, potential for margin and operating efficiency improvements, and attractive valuations with strong earnings visibility.	❖ The current valuation of ~1.6x FY27E BVPS is attractive for a ~19% PAT CAGR over FY25-27E and RoA/RoE of ~3.3%/17% in FY27E. ❖ Despite temporary headwinds in asset quality and NIM compression, SHFL is well-positioned for a recovery, backed by AUM growth and asset quality execution, which is far ahead of its peers over the past two years.

Exhibit 5: MOFSL report card

What went right	Remarks	Outlook ahead
Large-cap banks		
PNB Housing	❖ **PNB Housing** presents a favorable risk-reward profile for long-term investors, poised for transformation over the next three years. The company is well-positioned to navigate near-term NIM challenges and offset them through an improved product mix.	❖ We expect PNBHF to deliver a healthy ~19% CAGR in its total loan book and ~18% CAGR in PAT over FY25-27, with RoA/RoE of 2.5%/13.3% in FY27. ❖ The supply overhang from the exit of PE investors is now behind, and PNBHF will continue to function independently, run by a professional management team under the parentage of Punjab National Bank.
Capital Market and Insurance		
HDFCLIFE	❖ In May'24, **we upgraded HDFC Life** to BUY as the company aims to sustain a well-balanced product portfolio while expanding its market presence through geographical growth and customer acquisition. ❖ Persistency rates have consistently improved across segments, supporting steady renewal premium growth.	❖ It aims to enhance sum assured of ULIPs, along with higher rider attachment to achieve improvement in underlying margins. While product innovation, improved agent productivity and enhanced customer experience through tech transformation will have a short-term impact on profitability, they will boost market share with respect to the number of policies in the long term.
BSE	❖ We **upgraded BSE to BUY in Dec'24** and followed up in Jan'25 as our top idea. Since our upgrade, the stock has delivered a stellar return of 48%. ❖ With the recent rally, the stock trades at FY27E P/E of 53x, significantly higher than its historic average as well as that of its global peers. We have downgraded it to Neutral on 18th Jun'25.	❖ BSE's shift of Sensex weekly expiry from Tuesday to Thursday (effective 01 Sep'25) is expected to impact its premium turnover market share, which was 22.6% in May'25. ❖ Based on current day-wise volume trends, we estimate a 350-400bp market share loss. Consequently, we cut our premium ADTO estimates for FY26/FY27 and lower earnings forecasts by 9%/12%.
Nuvama Wealth	❖ We have been positive on Nuvama Wealth as it has been delivering consistent growth across its core business segments. ❖ Through digital innovation, diversified product offerings, and enhanced client engagement strategies, the company remains well-positioned to capitalize on emerging opportunities.	❖ We expect Nuvama's ex-capital market revenues/PBT to post a CAGR of 20%/19% over FY25-27. Additionally, we expect the C/I to improve from 62% in FY24 to 55% in FY27. With RoE of 30%+, the stock is attractively trading at FY27 P/E of 19x.

Source: MOFSL, Company

What went wrong	Reasons	Outlook ahead
Banks		
IndusInd Bank	❖ Our BUY call on IIB has not played out as expected, as challenges for the bank persist. The disclosure on accounting discrepancy and other discrepancies, along with management uncertainty, remains a key overhang.	❖ We recently downgraded the stock and expect near-term uncertainties to persist.
NBFCs		
Muthoot Finance	❖ Our Neutral call on MUTH has been wrong in hindsight given that the stock is up >50% over the last one year. However, a large part of it was driven by the strong gold loan growth, which benefitted from higher gold prices (up ~35-40% in the last 12 months).	❖ We acknowledge that the execution from MUTH has been extraordinary. However, at current rich valuations, and given the fact that gold loans can exhibit deep cyclicality in growth, we maintain our Neutral stance.
Non-Lending Financials		
Star Health	❖ Our BUY call on Star Health has not performed well in the current fiscal due to the 1/n accounting framework and a significant rise in claim frequency and severity on the profitability of the company.	❖ For a sustainable recovery in the stock price growth, profitability must make a significant comeback. The company is investing in new growth channels and has taken pricing actions to improve profitability.

Source: MOFSL, Company

Exhibit 6: Price performance across BFSI stocks

Company Name	Price Perf (%)			CAGR (%)		
	6M	YTD	1 Year	3 Year	5 Year	10 Year
Nifty 50	**3.5**	**5.4**	**5.4**	**17.5**	**19.3**	**11.7**
Nifty BANK	**7.8**	**7.8**	**8.1**	**19.3**	**21.1**	**12.0**
Nifty PSU Bank	**-0.3**	**7.5**	**-10.1**	**41.7**	**36.6**	**7.7**
Nifty Private Bank	**10.5**	**7.6**	**8.4**	**18.8**	**18.8**	**11.0**
Nifty Financials	**10.0**	**4.9**	**14.6**	**20.4**	**20.1**	**13.7**
Private banks	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
ICICI Bank Ltd	9.7	4.7	23.3	27.1	31.1	17.7
Kotak Mahindra Bank Ltd	21.8	-1.1	22.9	8.6	10.5	12.4
City Union Bank Ltd	6.4	21.9	22.0	14.2	8.6	8.6
Federal Bank Ltd	1.5	5.8	16.8	32.7	32.0	11.2
HDFC Bank Ltd	7.9	5.9	16.7	14.5	13.4	14.1
Karur Vysya Bank Ltd	6.5	16.3	13.3	76.6	55.1	12.2
CSB Bank Ltd	22.4	27.6	9.6	29.0	18.6	
South Indian Bank Ltd	15.1	25.9	4.0	61.1	35.2	4.0
IDBI Bank Ltd	14.6	14.9	3.2	38.7	23.0	3.7
DCB Bank Ltd	13.3	26.5	3.0	25.7	11.4	0.8
Axis Bank Ltd	9.8	10.5	-0.7	24.2	23.9	8.2
Tamilnad Mercantile Bank Ltd	-5.7	8.1	-6.3			
Bandhan Bank Ltd	9.2	21.9	-10.4	-16.9	-9.3	
Karnataka Bank Ltd	-6.0	13.7	-11.9	45.4	36.6	7.3
IDFC First Bank Ltd	7.1	26.8	-15.2	30.1	21.9	
RBL Bank Ltd	36.2	29.0	-15.9	40.1	5.8	
Yes Bank Ltd	-4.7	15.0	-18.5	16.0	-7.1	-19.3
Dhanlaxmi Bank Ltd	-14.6	-6.0	-19.4	44.8	17.2	1.1
IndusInd Bank Ltd	-13.2	28.9	-45.2	1.2	11.6	0.0
PSU banks	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Indian Bank	10.9	13.6	12.9	61.6	61.4	15.5
Union Bank of India	15.4	10.7	-5.1	57.6	35.4	-0.3
Bank of India	8.6	8.0	-5.9	40.6	17.6	-4.2
State Bank of India	-5.7	1.8	-7.9	21.2	33.6	11.7
Canara Bank	1.9	17.9	-13.4	42.6	37.3	6.0
Jammu and Kashmir Bank Ltd	1.8	11.3	-15.3	59.8	45.8	-0.1

Company Name	Price Perf (%)			CAGR (%)		
	6M	YTD	1 Year	3 Year	5 Year	10 Year
Bank of Maharashtra	1.2	15.9	-18.0	50.8	38.2	4.0
Bank of Baroda	-6.7	1.4	-18.4	34.6	37.5	5.0
Punjab National Bank	-0.5	7.1	-19.7	52.5	24.4	-2.6
Central Bank of India	-33.2	-14.3	-43.6	29.6	17.2	-9.6
Indian Overseas Bank	-31.5	-6.5	-44.9	31.7	29.7	-0.3
UCO Bank	-33.8	-16.1	-46.8	41.2	18.1	-6.4
Punjab & Sind Bank	-40.2	-31.3	-51.1	30.7	13.3	-3.3
Small Finance Banks	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
AU Small Finance Bank Ltd	44.0	47.8	20.3	8.2	26.6	
Ujjivan Small Finance Bank Ltd	38.2	39.4	-4.1	47.2	10.3	
Capital SFB	6.0	13.1	-15.8			
Suryoday Small Finance Bank Ltd	-3.1	37.1	-33.3	13.5		
Jana SFB	27.1	19.6	-33.7			
Equitas Small Finance Bank Ltd	-1.4	16.8	-38.9	18.3		
ESAF	-20.8	26.1	-45.0			
Utkarsh SFB	-36.4	4.8	-56.7			
Payments & Fintech	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Paytm***	-12.8	10.8	111.6	11.3		
PB Fintech	-13.0	17.4	37.8	46.5		
SBICARD	33.6	6.7	28.7	11.1	8.8	
Fino Payments Bank Ltd	-12.2	24.0	-17.4	4.7		
Life Insurance	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
MAXF**	39.0	37.3	59.6	26.2	25.6	15.1
HDFCLIFE**	22.2	11.1	27.8	11.4	7.9	
SBILIFE**	27.3	15.6	23.5	18.3	18.2	
IPRULIFE**	-5.5	10.5	3.6	7.1	9.7	
LICI**	2.5	16.1	-10.0	12.3		
General Insurance	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
ICICI Lombard	1.6	7.5	9.5	20.1	8.7	
Star Health	-13.1	20.2	-19.1	-11.7		
Capital Market	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Kfin	-16.2	16.4	73.1			
CDSL	-16.3	34.2	59.7	43.6	65.1	
Prudent corporate advisory	-8.6	16.6	47.8	76.0		
Nuvama Wealth	1.4	14.7	33.3			
IIFL Wealth	-9.1	18.2	30.7	47.8	34.9	
HDFC AMC	11.0	21.5	25.1	40.2	14.8	
UTI AMC	-4.5	17.3	20.3	26.0		
Nippon India AMC	-2.1	27.0	12.8	38.0	21.1	
Aditya Birla AMC	-10.3	15.5	11.6	21.5		
Angel One	-8.7	20.2	6.7	32.5		
Anand Rathi	-1.2	7.1	2.5	87.7		
Exchanges	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
BSE	34.4	42.1	187.4	137.1	124.1	
MCX	16.1	46.2	100.7	85.4	43.5	22.3
Housing Finance	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
PNB HF	19.1	17.8	23.6	55.4	42.1	
India Shelter		5.2	20.1			
HomeFirst	25.0	27.2	20.0	21.1		
Aavas	8.0	-13.0	-6.3	-2.0	5.8	
CanFin	0.8	16.1	-10.3	22.9	16.6	18.7
Aptus Housing Finance	0.7	5.4	-10.7	9.4		
Repco	-4.8	24.7	-20.7	51.8	27.0	-3.8
LIC HF	-1.7	3.2	-21.0	23.9	15.4	2.8
Vehicle Finance	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Indostar	4.7	5.4	19.9	32.9	2.4	

Company Name	Price Perf (%)			CAGR (%)		
	6M	YTD	1 Year	3 Year	5 Year	10 Year
Shriram Finance	10.7	-0.6	16.8	41.6	38.4	14.2
Cholamandalam	27.2	1.6	6.5	34.0	51.0	29.1
MMFS	-1.4	-5.2	-12.5	16.1	20.3	5.3
Gold Finance	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Muthoot	23.4	10.7	51.5	38.2	17.4	30.3
Manappuram	43.5	13.3	38.5	45.1	11.7	25.0
Diversified	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
BAF	30.2	0.7	24.5	18.4	27.3	33.1
Bajaj Finserv	23.8	-2.0	23.4	18.7	27.2	29.2
PIEL	-2.0	11.4	22.4	7.0	11.7	8.4
ABCL	34.1	38.2	7.4	41.1	35.9	
LTFH	32.6	22.4	6.4	40.7	24.5	12.3
IIFL Finance	13.1	44.8	0.3	14.3	46.5	19.7
Poonawalla	26.9	17.5	-2.9	21.9	77.3	16.8
Fedbank Financial Services	4.0	37.6	-7.2			
MAS Financial	8.3	17.2	-7.9	20.0	6.0	
Jio Finance	-9.2	24.9	-20.7			
PFC	-18.8	-5.8	-21.8	70.2	41.8	13.9
REC	-27.5	-10.6	-25.6	65.5	36.8	13.8
NBFC - MFIs	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
CreditAccess	33.1	17.6	-24.1	5.5	16.2	
Muthoot MicroFin		2.8	-47.9			
Fusion Micro	9.2	39.0	-58.1			
Spandana Sphoorty	-22.4	12.1	-65.9	-6.4	-13.4	
Ratings agencies	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Care Ratings	35.0	68.0	74.3	65.3	35.6	2.5
CRISIL	-2.6	35.2	37.5	22.0	30.5	11.5
ICRA	3.3	20.6	13.5	20.0	21.5	4.7
MSME	**6M**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
SBFC Finance	20.4	18.3	21.0			
Five Star Business Finance	-0.4	2.8	-8.5			

Source: Company; MOFSL

Exhibit 7: BFSI valuation matrix

Val summary	Rating	CMP	Mkt. Cap	TP	Upside	Mcap	EPS (INR)			RoA (%)			RoE (%)			P/E (x)			P/BV (x)		
		(INR)	(INRb)	(INR)	(%)	(USDb)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Private Banks																					
ICICIBC*	Buy	1,412	10,048	1,650	17	116.2	66.8	72.9	85.5	2.4	2.3	2.3	18.0	17.1	17.5	17.2	15.7	13.4	3.5	3.1	2.7
HDFCB*	Buy	1,934	14,758	2,200	14	170.7	88.7	96.7	112.6	1.8	1.8	1.9	14.3	14.0	14.6	18.3	16.8	14.4	2.9	2.7	2.4
AXSB*	Neutral	1,221	3,769	1,300	6	43.6	85.4	90.9	107.1	1.7	1.6	1.7	15.9	14.6	15.0	12.8	12.0	10.2	2.1	1.9	1.6
BANDHAN	Neutral	181	282	170	-6	3.3	17.0	19.8	23.9	1.5	1.6	1.7	11.9	12.7	14.3	10.6	9.1	7.5	1.2	1.1	1.0
KMB*	Buy	2,133	4,248	2,500	17	49.1	69.0	75.9	88.8	2.1	2.1	2.1	12.8	12.6	13.3	19.7	17.9	15.3	3.6	3.4	3.0
IIB	Neutral	851	630	650	-24	7.3	33.1	44.2	57.0	0.5	0.6	0.7	4.0	5.2	6.4	25.7	19.2	14.9	1.0	1.0	0.9
FB	Buy	207	503	230	11	5.8	16.6	18.0	22.5	1.2	1.2	1.3	13.0	12.5	14.0	12.4	11.5	9.2	1.5	1.4	1.2
DCBB	Buy	144	44	165	15	0.5	19.6	24.2	31.0	0.9	0.9	1.0	12.1	13.3	15.1	7.3	5.9	4.6	0.8	0.7	0.6
IDFCFB	Neutral	71	513	72	2	5.9	2.1	3.5	5.8	0.5	0.7	1.1	4.4	6.5	10.0	33.4	20.3	12.2	1.4	1.3	1.2
EQUITASB	Buy	66	76	77	16	0.9	1.3	4.0	8.9	0.3	0.8	1.5	2.4	7.4	15.2	51.1	16.5	7.4	1.2	1.2	1.1
AUBANK	Buy	795	576	775	-2	6.7	29.8	36.9	49.7	1.6	1.6	1.7	14.3	15.2	17.7	26.7	21.5	16.0	3.5	3.1	2.6
RBK	Buy	228	133	220	-4	1.5	11.5	22.6	35.6	0.5	0.9	1.2	4.6	8.6	12.8	19.9	10.1	6.4	0.9	0.9	0.8
PSU Banks																					
SBIN*	Buy	792	7,070	925	17	81.8	79.4	79.7	89.2	1.1	1.0	1.0	18.6	16.1	15.9	6.9	6.9	6.1	1.7	1.5	1.3
PNB	Buy	105	1,217	125	19	14.1	14.8	16.9	19.4	1.0	1.0	1.0	15.3	15.3	15.5	7.1	6.2	5.4	1.0	0.9	0.8
BOB	Neutral	236	1,232	250	6	14.3	37.8	39.4	43.6	1.2	1.1	1.1	16.4	15.1	15.4	6.3	6.0	5.4	0.9	0.9	0.8
CBK	Buy	108	990	115	6	11.4	18.8	19.7	21.8	1.1	1.0	1.0	20.2	18.3	18.0	5.8	5.5	5.0	1.0	0.9	0.8
UNBK	Buy	144	1,107	145	1	12.8	23.6	24.2	25.9	1.2	1.2	1.1	18.1	16.2	15.2	6.1	5.9	5.6	1.0	0.9	0.8
INBK	Buy	629	854	670	7	9.9	81.1	84.4	94.3	1.3	1.2	1.3	18.9	17.0	16.9	7.8	7.5	6.7	1.3	1.2	1.0
Payments & Fintech																					
SBI Cards	Neutral	972	925	975	0	11	20	33	45	3.1	4.4	5.0	14.8	20.6	23.0	48.2	29.5	21.6	6.7	5.5	4.5
							EPS (INR)			EBITDA (INRb)			RoA (%)			RoE (%)			P/E (x)		
One 97 Comm.	Neutral	891	567	870	-2	6	-4	3	16	-15.1	1.2	6.8	-3.6	2.1	4.0	-4.7	2.9	5.9	NA	303.8	56.7
NBFC (lending)							EPS (INR)			Credit cost (%)			RoA (%)			RoE (%)			P/E (x)		
Housing Finance																					
LIC Housing Fin	Neutral	604	332	670	11	4	98.6	95.7	102.9	0.1	0.2	0.2	1.8	1.6	1.6	16.0	13.7	13.3	6.1	6.3	5.9
PNB Housing	Buy	1,057	275	1,230	16	3	74.5	87.8	102.9	-0.2	-0.1	0.2	2.5	2.5	2.5	12.2	12.7	13.3	14.2	12.0	10.3
AAVAS Financiers	Neutral	1,824	143	2,070	13	2	72.5	86.6	102.7	0.2	0.2	0.2	3.3	3.4	3.4	14.1	14.6	14.9	25.2	21.1	17.8
Home First Fin.	Buy	1,283	132	1,500	17	2	42.4	51.4	62.8	0.3	0.3	0.3	3.5	3.9	3.8	16.5	15.6	14.2	30.2	24.9	20.4
Can Fin Homes	Neutral	795	106	770	-3	1	64.4	70.4	79.9	0.2	0.1	0.1	2.2	2.2	2.2	18.2	17.2	17.0	12.3	11.3	10.0
Repco Home Fin	Neutral	430	27	465	8	0	70.2	69.6	74.9	-0.3	0.1	0.2	3.1	2.8	2.8	14.2	12.4	11.9	6.1	6.2	5.7
Vehicle Finance																					
Chola. Inv & Fin.	Buy	1,586	1,334	1,770	12	15	50.6	65.2	83.6	1.4	1.3	1.2	2.4	2.5	2.7	19.7	20.5	20.8	31.3	24.3	19.0
M & M Financial	Buy	266	329	335	26	4	19.0	23.3	29.3	1.3	1.4	1.3	1.9	2.0	2.2	12.4	13.8	15.6	14.0	11.4	9.1
Shriram Finance	Buy	662	1,244	800	21	14	44.0	52.9	62.7	2.0	2.0	2.1	3.1	3.2	3.3	15.8	16.4	17.0	15.0	12.5	10.6
IndoStar Capital	Buy	317	43	360	13	1	3.9	8.0	13.5	1.4	1.2	0.9	0.5	1.0	1.4	1.6	2.9	4.1	82.1	39.6	23.5
Gold Finance																					
Muthoot Finance	Neutral	2,633	1,057	2,500	-5	12	129.5	171.3	193.0	0.7	0.3	0.3	5.0	5.3	5.2	19.7	22.1	21.0	20.3	15.4	13.6
Manappuram Finance	Neutral	265	224	240	-9	3	14.2	21.5	26.0	4.1	2.0	1.4	2.5	3.9	4.6	10.0	13.8	14.2	18.6	12.3	10.2
Microfinance																					
CreditAccess	Buy	1,139	182	1,425	25	2	33.3	54.7	103.3	6.8	5.2	3.0	1.9	3.0	4.9	7.9	11.8	19.1	34.2	20.8	11.0
Fusion Finance	Neutral	198	32	170	-14	0	-121.7	13.2	25.5	18.6	5.6	2.8	-12.2	2.0	4.0	-54.5	9.0	15.7	-1.6	14.9	7.7
Spandana Sphoorty	Buy	271	19	340	26	0	-145.2	-21.0	28.5	18.2	5.5	2.6	-9.5	-1.7	2.0	-33.0	-5.9	7.9	-1.9	-12.9	9.5
NBFC-lending							EPS (INR)			Credit cost (%)			RoA (%)			RoE (%)			P/E (x)		
Diversified																					
Bajaj Finance	Neutral	919	5,704	1,000	9	66	27.0	33.9	42.5	1.9	1.7	1.7	4.0	4.0	4.1	19.3	19.9	21.0	34.0	27.1	21.6
Poonawalla Fincorp	Buy	419	325	440	5	4	-1.3	12.6	22.7	4.9	2.0	1.6	-0.3	2.3	2.9	-1.2	11.3	17.8	-329.3	33.2	18.4
Aditya Birla Cap	Buy	256	668	250	-2	8	12.8	14.9	18.5				0.0	0.0	0.0	11.6	12.1	13.6	20.0	17.2	13.8

Val summary	Rating	CMP	Mkt. Cap	TP	Upside	Mcap	EPS (INR)			Credit cost (%)			RoA (%)			RoE (%)			P/E (x)		
		(INR)	(INRb)	(INR)	(%)	(USDb)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
L&T Finance	Buy	189	471	200	6	5	10.6	12.4	16.0	2.2	2.3	2.2	2.4	2.4	2.6	10.8	11.5	13.5	17.8	15.2	11.8
Piramal Enterp.	Neutral	1,127	254	1,085	-4	3	21.5	58.8	68.2	1.2	1.8	1.3	0.5	1.3	1.2	1.8	4.8	5.3	52.4	19.2	16.5
MAS Financial	Buy	293	53	320	9	1	16.9	21.0	25.9	1.1	1.2	1.3	2.9	2.9	2.9	14.4	14.1	15.1	17.4	13.9	11.3
IIFL Finance	Buy	485	206	520	7	2	8.9	37.8	49.5	2.3	1.7	1.5	0.9	2.5	2.8	3.3	12.2	14.2	54.4	12.8	9.8
Power Financiers																					
PFC	Buy	397	1,310	485	22	15	52.6	54.7	60.9	0.1	0.2	0.3	3.2	3.0	3.0	20.4	18.6	18.2	7.6	7.3	6.5
REC	Buy	392	1,033	460	17	12	59.7	66.4	73.6	0.2	0.1	0.1	2.7	2.7	2.6	21.5	20.8	19.9	6.6	5.9	5.3
MSME																					
Five-Star Business	Buy	767	224	840	9	3	36.4	40.4	47.0	0.7	0.6	0.6	8.2	7.4	6.9	18.7	17.3	17.1	21.1	19.0	16.3
Non-lending							**EPS (INR)**			**VNB Margins (%)**			**APE (INRb)**			**RoEV (%)**			**P/E (x)**		
Life Insurance																					
HDFC Life Insur.	Buy	766	1,664	850	11	19.2	8.4	10.2	11.5	26	26	27	155	181	212	16.7	16.9	17.0	91.5	75.5	66.6
ICICI Pru Life	Buy	631	922	680	8	10.7	8.2	6.1	7.3	23	24	24	104	119	138	13.3	13.1	13.4	77.0	103.6	86.6
SBI Life Insurance	Buy	1,798	1,801	2,000	11	20.8	24.1	28.5	33.8	28	29	29	214	246	281	15.1	15.6	16.1	74.5	63.1	53.1
Max Financial	Neutral	1,587	547	1,330	-16	6.3	9.4	17.8	16.9	24	25	26	88	101	118	29.2	19.4	19.2	168.3	89.1	94.1
LIC	Buy	935	5,992	1,050	12	69.3	76.1	82.1	93.0	18	18	19	568	609	657	6.8	11.7	11.5	12.3	11.4	10.0
General Insurance							**EPS (INR)**			**Claims Ratio (%)**			**Combined Ratio (%)**			**RoE (%)**			**P/E (x)**		
Star Health	Buy	434	258	460	6	3.0	11.0	13.6	18.4	70	70	69	101	100	98	9.5	10.8	12.9	39.5	31.8	23.5
Niva Bupa Health	Buy	81	146	100	23	1.7	1.2	0.8	1.6	61	64	63	101	102	99	7.9	4.0	7.4	69.3	104.9	49.4
ICICI Lombard	Buy	1,932	951	2,200	14	11.0	50.9	59.9	70.4	71	70	70	103	102	101	19.1	19.2	19.5	38.0	32.3	27.5
Capital markets							**EPS (INR)**			**EBITDA margins (%)**			**PAT (INRb)**			**RoE (%)**			**P/E (x)**		
Broking and Exchanges																					
Angel One	Buy	2,867	259	2,800	-2	3	130	107	151	41	38	42	12	10	14	27.1	16.2	20.3	22.1	26.9	19.0
BSE	Neutral	2,633	1,069	2,300	-13	13	32	44	50	54	57	57	13	18	20	29.8	30.7	27.8	81.2	60.3	52.3
MCX	Neutral	7,935	404	6,000	-24	5	110	142	178	60	63	65	6	7	9	34.3	37.0	42.7	72.1	55.8	44.6
Wealth Management																					
Anand Rathi Wealth	Neutral	2,082	173	1,900	-9	2	36	44	52	43	43	43	3	4	4	45.5	45.0	38.1	57.6	47.0	40.2
Nuvama Wealth	Buy	7,264	256	8,600	18	3	277	332	393	59	59	60	10	12	14	30.8	31.2	31.6	26.2	21.9	18.5
360 ONE WAM	Buy	1,120	440	1,300	16	5	26	33	37	50	51	52	10	13	15	19.3	17.6	19.0	43.4	34.2	30.0
Prudent Corp.	Neutral	2,731	113	2,300	-16	1	47	54	69	24	23	23	2	2	3	34.1	29.2	28.8	57.8	50.5	39.6
Intermediaries																					
Cams Services	Buy	4,142	203	4,300	4	2	95	104	120	46	45	45	5	5	6	45.7	41.6	40.9	43.7	40.0	34.5
KFin Technologies	Neutral	1,223	209	1,150	-6	2	19	23	28	44	43	45	3	4	5	28.3	27.9	30.9	62.8	54.2	43.0
CDSL	Neutral	1,680	351	1,150	-32	4	25	26	32	58	56	58	5	5	7	32.5	28.3	30.4	67.1	65.4	52.4
AMCs							**EPS (INR)**			**MF Yields (Bps)**			**Revenue (INRb)**			**RoE (%)**			**P/E (x)**		
Aditya Birla AMC	Buy	750	216	780	4	3	32	35	40	42.7	41.7	40.7	17	19	21	27.0	25.7	26.3	23.2	21.3	18.7
HDFC AMC	Buy	4,946	1,054	5,000	1	12	115	131	149	46.8	45.8	44.8	35	39	44	32.4	33.1	34.5	42.9	37.7	33.2
Nippon Life AMC	Buy	745	469	750	1	6	20	23	25	40.9	39.9	37.9	22	25	28	31.4	33.5	37.1	36.5	33.0	29.2
UTI AMC	Buy	1,254	159	1,550	24	2	64	71	82	34.2	33.2	32.2	14	16	19	16.0	17.1	18.8	19.6	17.6	15.2

*Adjusted for subsidiaries; **BV represents EV, RoE represents ROEV, and P/ABV represents P/EV; ***For Paytm, ABV represents Sales per share

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NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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