

Aavas Financiers

Growth revival in sight; upgrade to BUY

Aavas Financiers (AAVAS) has been grappling with moderating loan growth (~10%/16% Disbursements/AUM CAGR during FY25-FY26) and elevated opex ratios (opex to AUM at 3.3%) largely due to moderation in demand and conservative underwriting amidst elevated competitive intensity. The new MD & CEO Mr. Manu Yeshpal Singh is seeking to ramp up the employee/branch productivity translating into higher loan growth and improving opex ratios. The company seems to be prioritizing growth over margins (~25bps PLR cut in current rate environment) along with certain changes such as employee KRAs, incentives, policies, etc. Current productivity levels provide significant room for improvement, driving higher capital consumption, partly offsetting the NIM compression. While the guidance of ~20%+ long-term loan growth seems ambitious, current valuation (1.4x Sep-28 ABVPS) provides significant upside from current levels. We upgrade AAVAS from ADD to BUY with RI-based TP of INR1,540 (implying 1.7x Sep-28 ABVPS).

- **New leadership drives renewed focus on growth:** New MD & CEO has reiterated the loan growth guidance of ~20% for the long term (FY27: ~17-18%) on the back of aspirational doubling of employee productivity by focused execution, stronger accountability, and customer acquisitions. AAVAS's employee productivity has remained sub-par compared to peers (Exhibit 2) due to its conservative underwriting approach and 100% in-house execution model.
- **Growth-margin trade-off to skew toward growth:** AAVAS has indicated prioritization of loan growth over margins in the near term, with core spread likely to be sub-5% in FY27. The company has reduced its benchmark lending rate by 25bps amidst current interest rate environment. Further, the company is pivoting toward home loans (64% of AUM), which are likely to drive yields lower. Higher BT-out rates and loans repricing had led to sustained pressure on yields for AAVAS.
- **Best-in-class credit costs to sustain:** AAVAS's conservative underwriting approach continues to translate into best-in-class credit costs (~26bps during FY16-FY26). However, this approach has also led to higher rejection rates and pricing pressure post disbursements. The company has reiterated its credit costs guidance of sub-25bps amidst initiatives to revive loan growth.
- **Growth revival; upgrade to BUY:** AAVAS remains a robust franchise in terms of asset quality and steady profitability, with concerns over loan growth emanating in the last couple of years. Ongoing initiatives under new management are likely to drive higher loan growth, although ~20% loan growth guidance over the long-term remains a key monitorable. Significant valuation derating in the last four years to 1.4x Sep-28 ABVPS provides significant upside for a franchise delivering ~14-15% RoE and ~17% loan growth.

Financial Summary

Y/E Mar (INR bn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
NII	9.1	10.1	11.8	13.5	15.7	18.3
PPOP	6.5	7.6	8.7	10.1	12.1	14.5
PAT	4.9	5.7	6.5	7.6	9.0	10.7
EPS (INR)	62.0	72.5	82.6	95.3	113.4	135.4
ROAE (%)	13.9	14.1	13.9	13.9	14.4	14.8
ROAA (%)	3.3	3.3	3.3	3.3	3.4	3.4
ABVPS (INR)	465	536	621	711	820	951
P/ABV (x)	2.6	2.3	2.0	1.7	1.5	1.3
P/E (x)	19.9	17.0	14.9	12.9	10.9	9.1

Source: Company, HSIE Research

BUY

CMP (as on 07 Oct 2026) INR1,232

Target Price INR1,540

NIFTY 22,603

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR 1595	INR 1540
EPS %	FY27E 0.0%	FY28E -1.5%

KEY STOCK DATA

Bloomberg code	AAVAS IN
No. of Shares (mn)	79
MCap (INR bn) / (\$ mn)	98/1,009
6m avg traded value (INR mn)	231
52 Week high / low	INR 1,775/1,050

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.2)	9.5	(26.4)
Relative (%)	(11.1)	12.2	(15.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	48.9	48.9
FIs & Local MFs	22.1	22.2
FPIs	16.7	16.3
Public & Others	12.2	12.7
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Exhibit 1: Annual report dashboard

AAVAS IN	Units	FY20	FY21	FY22	FY23	FY24	FY25	FY26
AUM	INR bn	78	95	114	142	173	204	235
As % of gross advances								
CRE exposure	%	1%	0%	1%	1%	1%	1%	1%
Capital market exposure	%	0%	0%	0%	0%	0%	0%	0%
Secured	%	100%	100%	100%	100%	100%	100%	100%
RWA as % of assets	%	51%	50%	50%	52%	52%	52%	52%
Productivity (per month)								
AUM/branch	INR mn	339.0	356.8	382.2	429.3	485.6	534.6	563.7
AUM/employee	INR mn	26.2	23.9	23.8	25.2	28.6	30.7	31.5
Disbursements/branch	INR mn	10.6	8.4	10.1	12.7	13.0	13.3	13.6
Disbursements/employee	INR mn	0.82	0.56	0.63	0.74	0.77	0.77	0.76
% YoY								
AUM/branch	%	7%	5%	7%	12%	13%	10%	5%
AUM/employee	%	-6%	-9%	-1%	6%	14%	7%	3%
Disbursements/branch	%	-11%	-21%	21%	26%	3%	2%	2%
Disbursements/employee	%	-22%	-32%	12%	18%	3%	0%	-1%
Concentration metrics								
Top 20 - % of advances	%	1.0%	0.7%	0.5%	0.4%	0.3%	0.3%	0.3%
Top 20 - % of exposure	%	0.9%	0.6%	0.4%	0.3%	0.2%	0.3%	0.3%
Top 20 - % of deposits	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Top 10 - % GNPA	%	15.0%	10.1%	11.0%	5.5%	4.5%	3.9%	4.1%
Off-balance sheet								
% opening AUM assigned during the year	%	14.0%	8.9%	10.3%	11.6%	12.0%	10.8%	10.3%
Income from portfolio assigned %	%	11.5%	15.7%	15.9%	14.3%	13.0%	13.6%	15.9%
Securitised borrowings	%	2.0%	1.5%	0.9%	0.6%	3.2%	1.6%	3.5%
Assets assigned o/s (% of AUM)	%	20.4%	19.9%	19.7%	18.5%	18.6%	20.0%	21.1%
Liabilities								
Borrowings mix								
Banks - Term loans	%	54%	43%	48%	57%	59%	64%	67%
Banks - CC/OD	%	3%	1%	1%	1%	1%	1%	0%
Debentures	%	22%	23%	21%	14%	11%	12%	12%
Tier II	%	2%	2%	1%	1%	0%	0%	0%
Securitisation	%	0%	0%	0%	0%	3%	2%	5%
NHB	%	18%	30%	28%	26%	25%	19%	14%
LCR %	%			255%	101%	106%	125%	168%
Employee attrition rate %	%	28%	38%	45%	47%	52%	50%	51%
Asset Quality								
GS II %	%	1.0%	2.9%	3.0%	1.8%	1.5%	1.5%	1.3%
GS III %	%	0.5%	1.0%	1.0%	0.9%	0.9%	1.1%	1.0%
Write-offs (%)	%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
Gross Slippages (%)	%	0.4%	1.0%	0.8%	0.7%	0.6%	0.6%	0.6%
Upgrades & recoveries (%)	%	0.3%	0.2%	0.5%	0.5%	0.3%	0.3%	0.4%
Net Slippages (%)	%	0.2%	0.8%	0.3%	0.2%	0.3%	0.3%	0.2%
PCR - GS I (%)	%	0.2%	0.1%	0.2%	0.2%	0.2%	0.1%	0.2%
PCR - GS II (%)	%	1.2%	3.8%	8.1%	8.1%	7.4%	11.1%	9.9%
PCR - GS III (%)	%	26.0%	27.2%	23.1%	26.9%	28.8%	32.4%	35.9%
Portfolio mix								
% assets (net of intangibles)								
Housing	%		62%	62%	65%	67%	69%	67%
Housing (Individuals)	%		62%	62%	64%	66%	68%	66%

Source: Company, HSIE Research

Seeking reset on loan growth

- **Key concern – sub-par productivity taking a toll on growth, operating efficiency:** AAVAS's subdued productivity metrics have been taking a toll on its loan growth as well as operational efficiency. The sub-par productivity compared to peers could be partly attributed to a conservative underwriting approach and ~100% in-house execution.

Exhibit 2: AAVAS has the most inferior volume productivity metrics

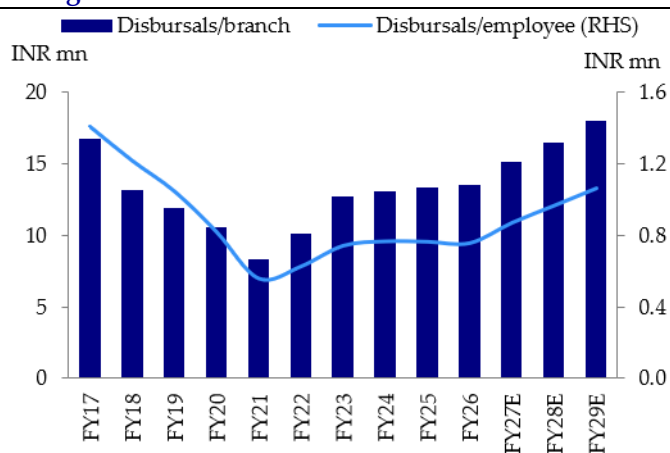
	FY21	FY22	FY23	FY24	FY25	FY26
No. of loans disbursed/branch/month (x)						
AAVAS	8.7	10.2	12.2	11.4	11.2	10.1
APTUS	8.5	9.9	11.4	11.8	11.6	10.8
HOMEFIRST	12.9	21.2	23.7	23.5	23.8	23.1
AADHAR	9.8	10.4	11.2	10.2	9.5	9.8
ISFC	6.9	8.3	10.0	10.9	11.4	11.2
No. of loans disbursed/employee/month (x)						
AAVAS	0.6	0.6	0.7	0.7	0.6	0.6
APTUS	0.9	0.9	1.1	1.1	1.0	1.0
HOMEFIRST	1.3	2.1	2.5	2.6	2.4	2.2
AADHAR	1.3	1.3	1.4	1.3	1.2	1.2
ISFC	0.5	0.5	0.6	0.7	0.8	0.7

Source: Company, HSIE Research | Note: No. of files disbursed = Disbursements divided by average ticket size; HOMEFIRST – average ticket size at AUM level; other HFCs at disbursement level

- **New leadership drives renewed focus on growth:** New MD & CEO has reiterated loan growth guidance of ~20% for the long term (FY27: ~17-18%) on the back of aspirational doubling of employee productivity by focused execution, stronger accountability, and customer acquisitions. As can be seen from Exhibit 2, there is significant headroom for improvement in employee productivity of AAVAS.

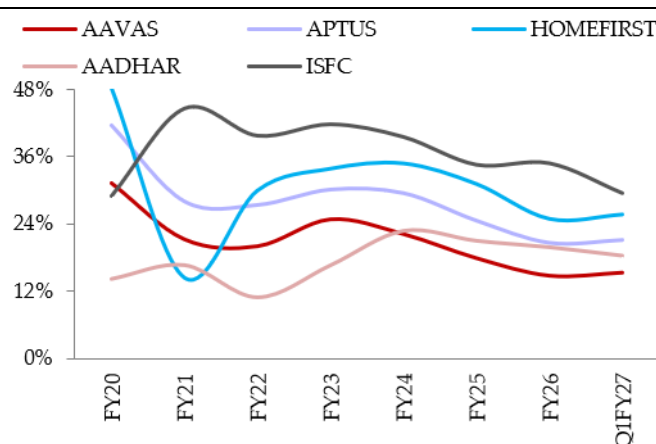
The company has taken several initiatives such as tweaking of incentives and KRAs for employees, increase in rigor, minor changes in underwriting policies, etc., to drive higher growth.

Exhibit 3: Productivity metrics to improve gradually during FY27-FY29E



Source: Company, HSIE Research | Note: Disbursements per employee/branch per month

Exhibit 4: Growth laggard among peers (AUM - % YoY)

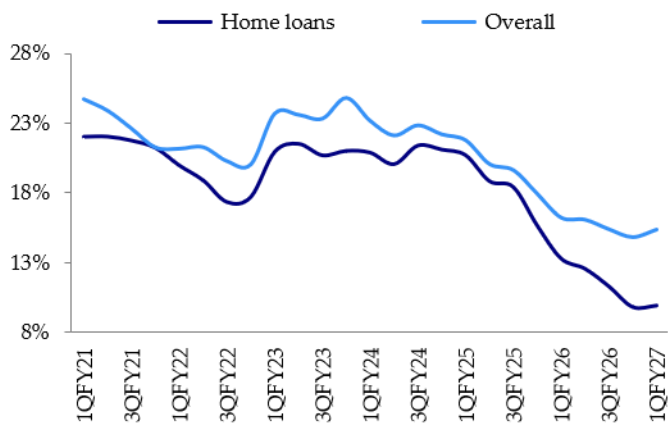


Source: Company, HSIE Research

- **Home loans segment back in focus:** Post subdued growth in home loans (FY25-FY26: ~13% CAGR), AAVAS is seeking to scale up its home loans portfolio.

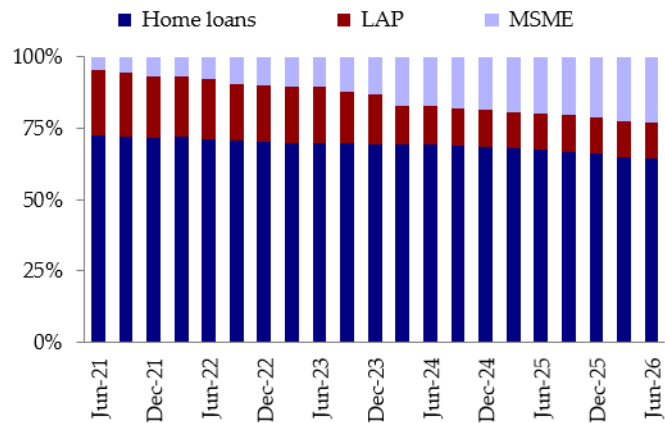
AAVAS has one of the most diversified loan book among HFCs (36% of AUM as non-home loans as on Jun-26) driving healthy yields. However, ~49% of home loans are above the INR 1.5mn ticket size driving pressure on yields.

Exhibit 5: Home loans growth has consistently lagged overall AUM growth



Source: Company, HSIE Research

Exhibit 6: Consistent decline in share of home loans in AUM mix

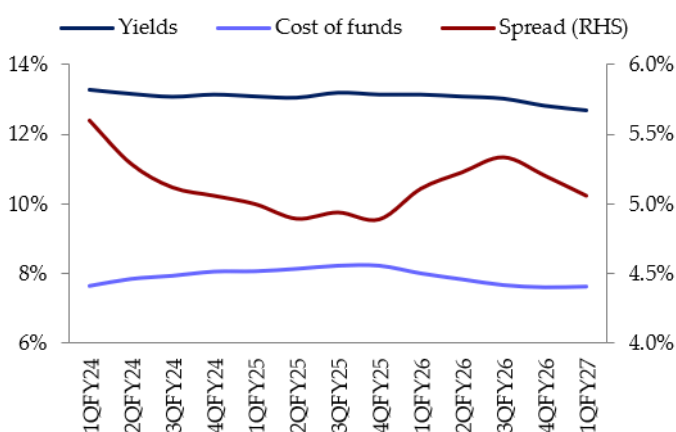


Source: Company, HSIE Research

- **Prioritizing growth over margins:** AAVAS has indicated prioritization of loan growth over margins in the near term, with core spread likely to be sub-5% in FY27. The company has reduced its benchmark lending rate by 25bps amidst the current interest rate environment to augment the loan growth. BT-outs and loans repricing have been impacting the yields.

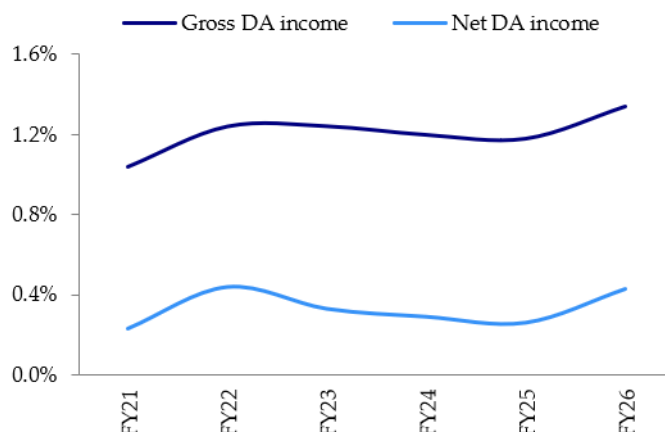
Cost of funds continue to remain the lowest among peers despite higher tenure of borrowings and reducing share of borrowings from NHB.

Exhibit 7: Spread compression likely in the near term



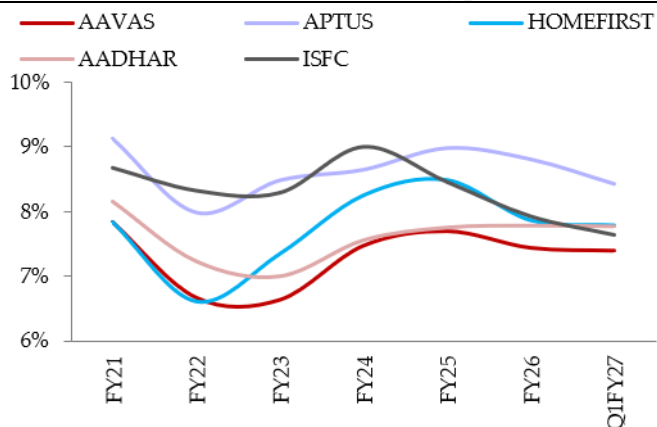
Source: Company, HSIE Research

Exhibit 8: Net DA income significantly lower than the gross DA income (% of average assets)



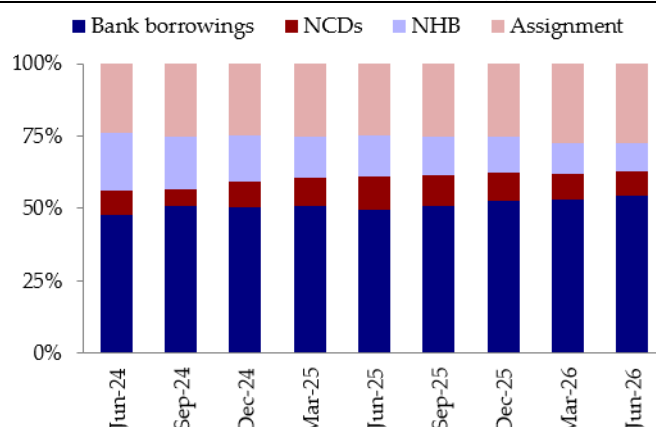
Source: Company, HSIE Research

Exhibit 9: Lowest cost of funds among peers



Source: Company, HSIE Research

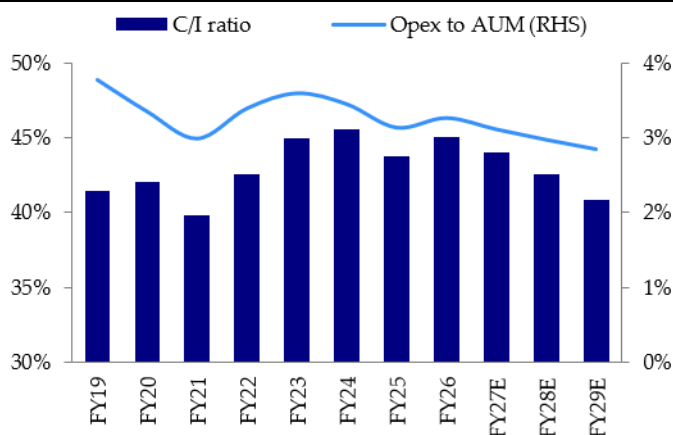
Exhibit 10: Liabilities mix (including assignment)



Source: Company, HSIE Research

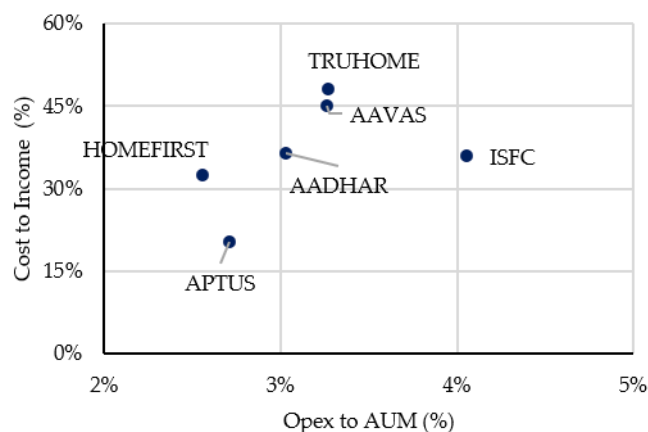
- Improving productivity to translate into higher operating efficiency:** AAVAS's operating efficiency metrics have remained sub-par due to sub-par productivity metrics. Recent tech transformation is also yet to reflect in improving operating efficiency despite improvement in TAT, etc. We expect the opex ratios to improve during FY27-FY29E on the back of improving productivity and impact of Tech transformation.

Exhibit 11: Elevated opex ratios likely to improve during FY27-FY29E



Source: Company, HSIE Research

Exhibit 12: Sub-par operating efficiency vs. peers (FY26)



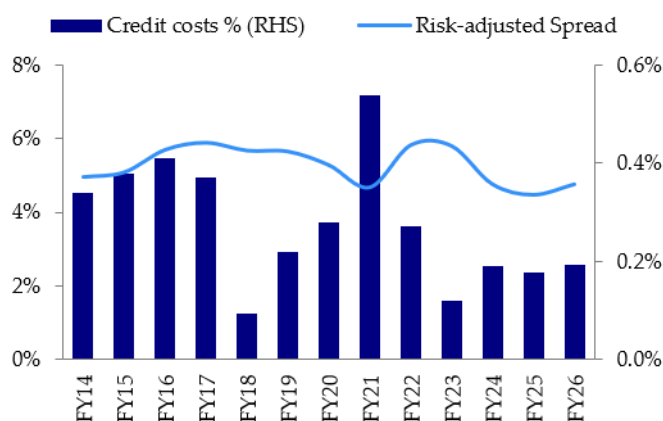
Source: Company, HSIE Research

Best-in-class credit costs

- **Pristine credit costs:** AAVAS's conservative underwriting approach continues to translate into best-in-class credit costs (~26bps during FY16-FY26). The company's underwriting policy has remained conservative vs. peers with a strong emphasis on rigorous credit appraisals. However, this approach has also led to higher rejection rates and pricing pressure post disbursements.

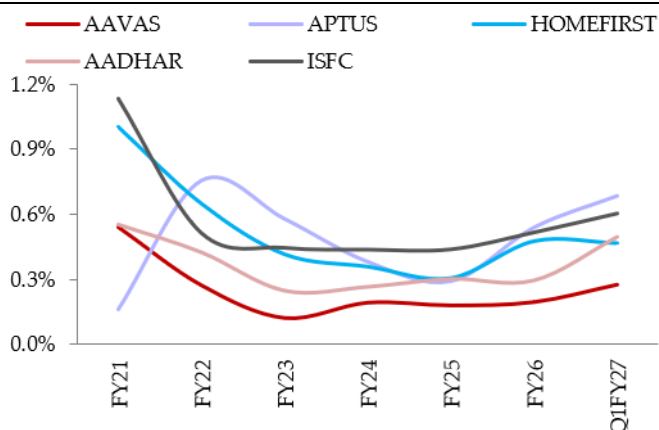
AAVAS has reiterated its credit cost guidance of sub-25bps amidst initiatives to revive loan growth.

Exhibit 13: Pristine cross-cycle credit costs with steady risk-adjusted spreads



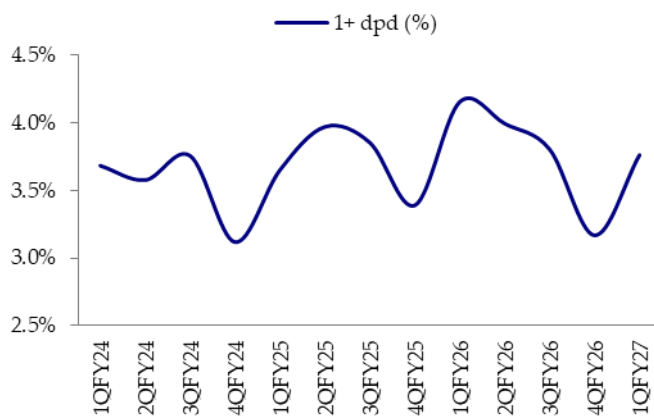
Source: Company, HSIE Research

Exhibit 14: Lowest credit costs amongst peers



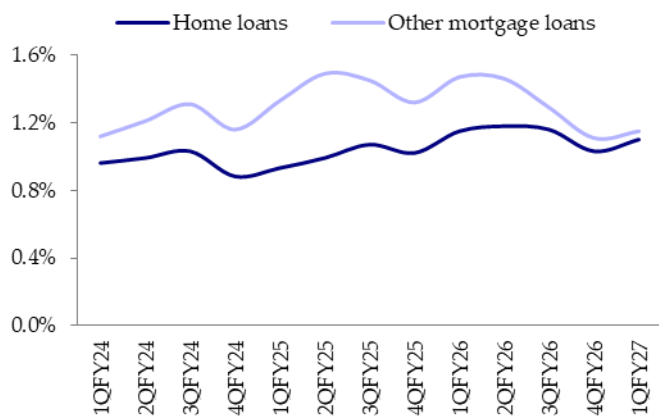
Source: Company, HSIE Research

Exhibit 15: Range bound early delinquencies



Source: Company, HSIE Research

Exhibit 16: Home loans has lower delinquencies than other mortgage loans (GS III)



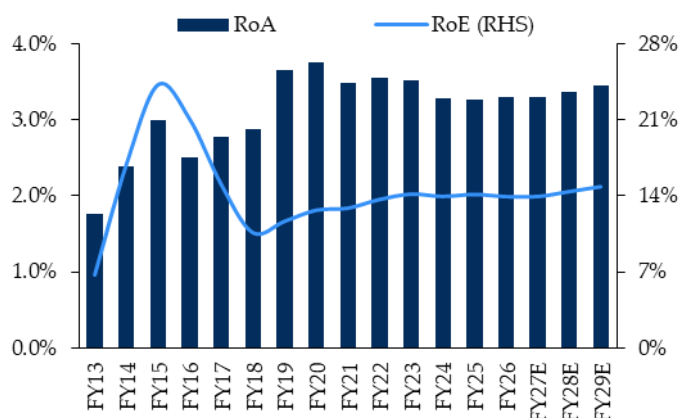
Source: Company, HSIE Research

Growth revival in sight; upgrade to BUY

AAVAS has remained a robust franchise in terms of asset quality and steady profitability, with concerns over loan growth emanating over the last couple of years. Significant valuation derating over the last four years to 1.4x Sep-28 ABVPS provides significant upside for a franchise delivering ~14-15% RoE and ~17% loan growth.

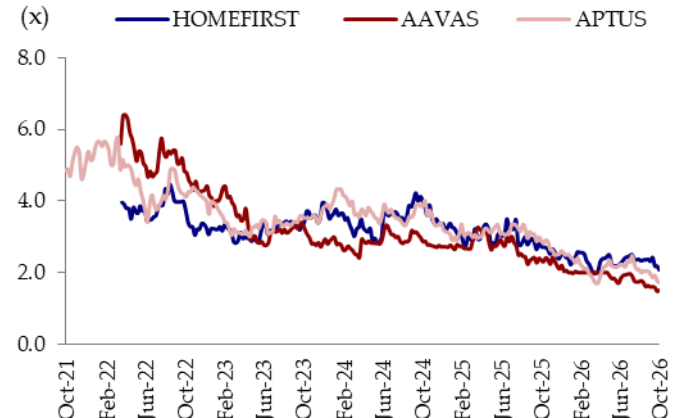
We revise our earnings estimates to factor in marginally higher loan growth during FY27-FY28E, partly offset by lower other income due to insurance distribution. We upgrade AAVAS from ADD to BUY with RI-based TP of INR1,540 (implying 1.7x Sep-28 ABVPS).

Exhibit 17: RoA/RoE likely to improve marginally during FY27-FY29E



Source: Company, HSIE Research

Exhibit 18: AAVAS trading at ~27% discount to HOMEFIRST (1-yr fwd P/BV)



Source: Bloomberg, HSIE Research

Exhibit 19: Change in estimates

(INR bn)	FY27E			FY28E		
	Old	New	Change	Old	New	Change
AUM	274	274	0.2%	319	322	0.9%
NIM (%)	6.0	6.0	3 bps	6.0	6.1	4 bps
NII	13.4	13.5	0.4%	15.6	15.7	0.7%
PPOP	10.1	10.1	0.0%	12.3	12.1	-1.4%
PAT	7.6	7.6	0.0%	9.1	9.0	-1.5%
Adj. BVPS (INR)	711.3	711.3	0.0%	821.5	819.7	-0.2%

Source: Company, HSIE Research

Aavas Financiers: Company Update

Exhibit 20: Peer comparison

FY26	Units	AAVAS	HOMEFIRST	APTUS	ISFC	AADHAR
AUM	INR bn	235	159	131	110	306
Disbursements	INR bn	68	54	40	38	96
Growth (% YoY)						
AUM	%	14.8%	24.9%	20.6%	34.9%	19.7%
Disbursements	%	10.7%	12.9%	11.2%	14.3%	16.6%
Margins %						
Yield on advances	%	12.4%	13.4%	17.0%	14.8%	13.7%
Cost of funds	%	7.4%	7.9%	8.8%	7.9%	7.8%
Spread	%	5.0%	5.5%	8.2%	6.9%	5.9%
NIM	%	6.1%	6.1%	10.8%	9.3%	7.5%
% Borrowings						
Banks	%	67%	73%	62%	54%	54%
NCD + CPs	%	13%	2%	17%	3%	19%
NHB	%	14%	18%	9%	20%	22%
Off balance sheet	%	21%	17%	8%	22%	18%
Cost efficiency						
Cost-to-income ratio	%	45%	32%	20%	36%	37%
Opex-to-AUM ratio	%	3.3%	2.6%	2.7%	4.1%	3.0%
Other opex/branch	INR mn	5.9	7.2	2.9	3.2	4.6
Portfolio mix						
Home loans	%	65%	83%	48%	56%	73%
ATS - Home loans	INR mn	1.3	1.2	1.0	1.0	1.1
Self-employed mix - HL	%	61%	32%	80%	76%	45%
Productivity						
AUM/branch	INR mn	564	974	410	385	507
Disbursals/branch (p.m.)	INR mn	13.6	27.7	10.5	11.2	13.2
Disbursals/employee (/month)	INR mn	0.8	2.6	0.9	0.7	1.6
Repayment rate	%	18.3%	17.8%	16.3%	12.0%	17.7%
Asset Quality						
GS III	%	1.0%	1.8%	1.6%	1.3%	1.1%
NS III	%	0.7%	1.4%	1.2%	1.0%	0.7%
GS II	%	1.3%	1.5%	5.1%	3.3%	3.0%
PCR - Stage III	%	36%	24%	25%	25%	36%
Credit costs	%	0.2%	0.5%	0.5%	0.5%	0.3%
(% of avg. assets)						
Interest earned	%	11.4%	12.2%	16.0%	14.2%	12.8%
Interest expended	%	5.5%	5.8%	5.3%	5.1%	5.4%
Net interest income	%	5.9%	6.4%	10.7%	9.0%	7.4%
Non-interest income	%	2.0%	1.9%	2.5%	3.5%	1.8%
Operating expenses	%	3.6%	2.7%	2.7%	4.5%	3.4%
Pre-provisioning profit	%	4.4%	5.6%	10.5%	8.0%	5.8%
Provisions	%	0.2%	0.4%	0.5%	0.5%	0.3%
PBT	%	4.2%	5.2%	10.0%	7.5%	5.6%
ROAA	%	3.3%	3.9%	7.8%	5.8%	4.3%
Assets/Equity	x	4.2	4.0	2.6	2.9	3.6
RoAE	%	13.9%	15.7%	20.1%	17.0%	15.8%

Source: Company, HSIE Research

Financials

Income Statement

(INR mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest earned	17,347	20,177	22,798	26,180	30,564	35,695
Interest expended	8,284	10,075	10,948	12,720	14,850	17,411
Net interest income	9,063	10,102	11,849	13,460	15,714	18,284
Other income	2,856	3,407	4,051	4,586	5,210	6,137
Total income	11,919	13,509	15,900	18,046	20,924	24,421
Operating expenditure	5,430	5,912	7,158	7,904	8,818	9,893
Pre-provisioning operating profit	6,489	7,597	8,742	10,142	12,106	14,528
Non-tax provisions	245	271	337	493	621	819
Profit before tax	6,244	7,326	8,404	9,649	11,485	13,709
Share of net profit of associates and joint ventures	0	0	0	0	0	0
Exceptional gain/(loss)	0	0	0	0	0	0
Tax expenditure	1,338	1,585	1,856	2,094	2,492	2,975
Profit attributable to non-controlling interests	0	0	0	0	0	0
Profit after tax	4,907	5,741	6,549	7,555	8,992	10,734
Adjusted Profit after tax	4,907	5,741	6,549	7,555	8,992	10,734

Source: Company, HSIE Research

Balance Sheet

(INR mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Share capital	791	792	793	793	793	793
Reserves and surplus	36,426	42,190	48,953	56,508	65,501	76,235
Net worth	37,733	43,608	50,508	58,063	67,056	77,790
Borrowings	1,23,365	1,38,498	1,55,922	1,81,863	2,12,451	2,49,875
Other liabilities and provisions	4,096	4,078	5,694	6,476	7,580	8,870
Total equity and liabilities	1,65,194	1,86,184	2,12,125	2,46,403	2,87,087	3,36,535
Cash and cash equivalents	17,978	15,596	18,433	18,362	19,618	22,423
Investments	1,822	2,300	2,708	3,656	4,936	6,910
Advances	1,40,044	1,62,297	1,83,727	2,15,881	2,52,657	2,95,678
Fixed assets	1,272	1,441	1,780	2,047	2,354	2,707
Other assets	4,079	4,550	5,477	6,456	7,522	8,817
Total assets	1,65,195	1,86,185	2,12,125	2,46,403	2,87,087	3,36,535

Source: Company, HSIE Research

Aavas Financiers: Company Update

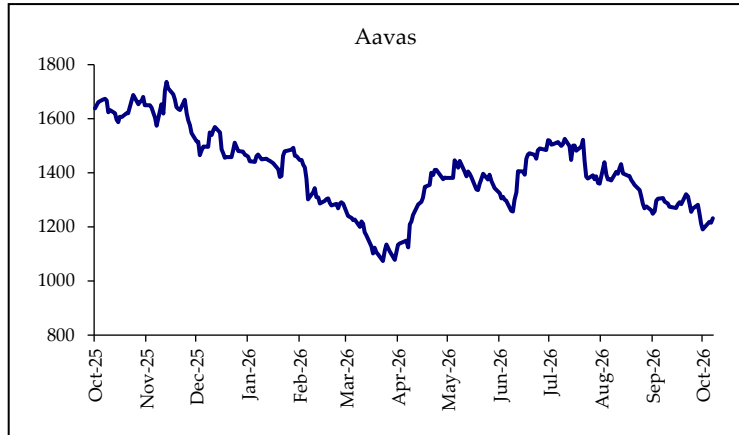
Key Ratios

Y/E Mar (INR mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
VALUATION RATIOS						
EPS (INR)	62.0	72.5	82.6	95.3	113.4	135.4
Earnings Growth (%)	14.2%	17.0%	14.1%	15.4%	19.0%	19.4%
BVPS (ex reval.) (INR)	477	551	637	732	846	981
Adj. BVPS (ex-reval. & 100% cover) (INR)	465	536	621	711	820	951
ROAA (%)	3.3%	3.3%	3.3%	3.3%	3.4%	3.4%
ROAE (%)	14%	14%	14%	14%	14%	15%
P/E (x)	19.9	17.0	14.9	12.9	10.9	9.1
P/ABV (x)	2.6	2.3	2.0	1.7	1.5	1.3
P/PPOP (x)	15.0	12.8	11.2	9.6	8.1	6.7
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PROFITABILITY (%)						
Yield on Advances (%)	12.4%	12.4%	12.4%	12.3%	12.3%	12.3%
Cost of Funds (%)	7.5%	7.7%	7.4%	7.5%	7.5%	7.5%
Core Spread (%)	5.0%	4.7%	5.0%	4.7%	4.8%	4.8%
NIM (%)	6.2%	5.9%	6.1%	6.0%	6.1%	6.0%
OPERATING EFFICIENCY						
Cost to average AUM ratio (%)	3.4%	3.1%	3.3%	3.1%	3.0%	2.8%
Cost-income ratio (%)	45.6%	43.8%	45.0%	43.8%	42.1%	40.5%
BALANCE SHEET STRUCTURE RATIOS						
Loan growth (%)	22.0%	15.9%	13.2%	17.5%	17.0%	17.0%
AUM growth (%)	22.2%	17.9%	14.8%	17.0%	17.2%	17.2%
Borrowing growth (%)	25.4%	12.3%	12.6%	16.6%	16.8%	17.6%
Debt/Equity (x)	3.3	3.2	3.1	3.1	3.2	3.2
Equity/Assets (%)	22.8%	23.4%	23.8%	23.6%	23.4%	23.1%
Equity/Loans (%)	26.9%	26.9%	27.5%	26.9%	26.5%	26.3%
Total Capital Adequacy Ratio (CAR) (%)	44.0%	44.5%	44.6%	44.7%	44.4%	44.0%
Tier I CAR (%)	43.8%	44.4%	44.6%	44.6%	44.3%	43.9%
ASSET QUALITY						
GS III (INR mn)	1,319	1,763	1,938	2,456	2,967	3,520
NS III (INR mn)	939	1,191	1,241	1,670	2,069	2,421
Slippages (%)	0.6%	0.6%	0.6%	0.8%	0.8%	0.8%
GS III (%)	0.9%	1.1%	1.0%	1.1%	1.2%	1.2%
NS III (%)	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%
Coverage Ratio (%)	28.8%	32.4%	35.9%	32.0%	30.2%	31.2%
Provision/AUM (%)	0.16%	0.14%	0.15%	0.19%	0.21%	0.23%
Provision/Gross advances (%)	0.19%	0.18%	0.19%	0.25%	0.26%	0.30%
(% of average assets)						
Interest earned	11.6%	11.5%	11.4%	11.4%	11.5%	11.4%
Interest expended	5.5%	5.7%	5.5%	5.5%	5.6%	5.6%
Net interest income	6.1%	5.7%	5.9%	5.9%	5.9%	5.9%
Non-interest income	1.9%	1.9%	2.0%	2.0%	2.0%	2.0%
Operating expenses	3.6%	3.4%	3.6%	3.4%	3.3%	3.2%
Pre-provisioning profit	4.3%	4.3%	4.4%	4.4%	4.5%	4.7%
Non-tax provisions	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
Others	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provision for tax	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%
ROAA	3.3%	3.3%	3.3%	3.3%	3.4%	3.4%
Average assets/Average equity (x)	4.2	4.3	4.2	4.2	4.3	4.3
ROAE	13.9%	14.1%	13.9%	13.9%	14.4%	14.8%

Source: Company, HSIE Research

Aavas Financiers: Company Update

Price Movement



Rating Criteria

- BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: >10% Downside return potential

Aavas Financiers: Company Update

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