

Poonawalla Fincorp

Estimate change



TP change

Rating change

Bloomberg	POONAWAL IN
Equity Shares (m)	779
M.Cap.(INRb)/(USDb)	321.9 / 3.7
52-Week Range (INR)	483 / 267
1, 6, 12 Rel. Per (%)	-4/23/11
12M Avg Val (INR M)	882

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Total Income	26.9	37.9	60.1
PPOP	13.2	19.2	35.1
PAT	-1	7.7	18
EPS (INR)	-1.3	9.6	22.4
EPS Gr. (%)	-110	-	133.8
Standalone BV (INR)	105	129	149
Ratios			
NIM on AUM (%)	7.8	7.2	7.9
C/I ratio (%)	50.9	49.3	41.6
RoAA (%)	-0.3	1.8	2.8
RoE (%)	-1.2	8.3	16.1
Payout (%)	0	20.9	13.4
Valuations			
P/E (x)	-	43.1	18.5
P/BV (x)	3.9	3.2	2.8
Div. Yield (%)	0	0.5	0.7

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	62.5	62.5	62.1
DII	12.3	11.1	6.8
FII	11.4	10.6	8.5
Others	13.9	15.7	22.6

FII Includes depository receipts

CMP: INR413

TP: INR520 (+26%)

Buy

Good traction in newer businesses; asset quality stable

NIM declined ~80bp QoQ; opex ratios and credit costs remain elevated

- Poonawalla Fincorp's (PFL) 1QFY26 PAT declined ~79% YoY to ~INR626m (~40% miss). NII in 1QY26 grew ~11% YoY to ~INR6.4b (~6% miss). Other income rose ~29% YoY and ~23% QoQ to ~INR1.3b. Higher non-interest income was due to higher fee income and gain on assignments during the quarter.
- Opex rose 82% YoY to ~INR4.4b, with the C/I ratio rising QoQ to ~58% (PQ: 53% and PY: ~36%). PPoP declined ~25% YoY to ~INR3.2b (~16% beat). Provisions stood at INR2.4b (~70% higher than MOFSLe), translating into annualized credit costs of ~2.7% (PQ: ~3.2% and PY: 0.7%).
- **The Board of Directors approved a primary equity infusion of INR15b through preferential allotment to the promoter at a price of INR452.5 per share.**
- Management indicated that over the next 3 to 4 quarters, the company aims to scale up its AUM through calibrated credit growth, particularly across newly launched products that are witnessing promising early traction.
- Management highlighted that the erstwhile STPL book has declined to just 4% of the AUM as of Jun'25 (from ~8% in Mar'25). Notably, ~80% of the STPL book is now Odpd, and the company does not anticipate any further stress from this segment. Meanwhile, the remaining ~20% is adequately provided, which will mitigate any potential impact on credit costs.
- PFL further shared that the newly originated STPL portfolio is scaling up well and is delivering encouraging early outcomes. Cheque bounce rates have declined by 70%, while collection efficiency has improved by 40%, reflecting better borrower quality and enhanced underwriting.
- Management guided for healthy AUM growth in FY26, likely exceeding its previous guidance of 35-40%. We model AUM growth of ~53%/45% in FY26/FY27.
- We cut our FY26E PAT estimate by ~22% to factor in higher credit costs and keep our FY27 estimates broadly unchanged. We model a CAGR of ~50% in AUM over FY25-FY27E and expect PFL to deliver RoA/RoE of ~2.8%/~16% in FY27. **Reiterate BUY with a TP of INR520 (premised on 3.5x Mar'27E BVPS).**

AUM grows ~53% YoY; healthy early traction in newer businesses

- AUM grew ~53% YoY and ~15% QoQ to ~INR413b. The AUM mix consisted of ~36% in MSME finance, ~23% in personal and consumer finance, ~25% in LAP, and ~13% in pre-owned cars. Disbursements grew ~44% YoY to ~INR107b in 1QFY26.
- The company reported strong momentum across key segments, with LAP growing 128% YoY and business loans rising 57% YoY. Prime personal loan disbursements reached INR3b in Jun'25, with significantly better asset quality than the legacy STPL book. The 24x7 Digital PL platform, driven by fintech partnerships, continues to gain traction and is expected to scale meaningfully over the next 4 to 6 quarters.

NIM (calc.) contracts ~80bp QoQ; share of NCD rises significantly

- NIM (calc.) contracted ~80bp QoQ to ~7.2%, driven by a decline in yields by ~65bp QoQ to ~13.4%. CoB (calc.) was largely stable QoQ at ~7.75%.
- The company significantly increased the proportion of NCD borrowings in its liability mix to optimize funding costs. NCD share rose from ~6% in Mar'25 to ~23% in Jun'25. It plans to further increase this proportion to ~35% over the next couple of years as part of its long-term liability strategy.
- Management shared that NIMs are expected to reach ~9% over the next 3-4 quarters as the newer, high-quality STPL and other product portfolios scale and the old STPL book runs down. We model an NIM of ~7.2%/7.9% in FY26/FY27 (vs. ~7.8% in FY25).

Asset quality stable; credit costs excluding STPL decline

- GS3 was largely stable QoQ at ~1.85%, while NS3 was also stable QoQ at ~0.85%. PCR on S3 loans declined ~50bp QoQ to ~54% (PQ: ~54.5% and PY: ~52.4%).
- Management remains confident of a sustained decline in credit costs, driven by its robust underwriting practices and portfolio diversification. The company further shared that excluding the STPL portfolio, credit costs for the remaining 12 products (which comprise ~80% of the AUM) stood at 1.43% (compared to overall reported credit costs of ~2.6%). **PFL guided for steady state credit costs of ~1.5%-2%, and we model credit costs of ~2.1%/1.7% (as a % of loans) in FY26/FY27 (vs. ~5.1% in FY25).**

Highlights from the management commentary

- Management shared that credit costs from the erstwhile STPL book have reduced to INR640m in 1QFY26 from INR1.37b in 4QFY25.
- In the MSME segment, the company maintains a strong focus on borrower-level risk assessment, actively avoiding customers with multiple credit inquiries. This disciplined approach has helped preserve overall portfolio quality. MSME's portfolio is ~60-70% secured, well-calibrated, and does not show any major early warning signals.
- The company targets to reach 400 branches by Mar'26. It has already opened 80 gold loan branches across GJ, HR, RJ, and MH.

Valuation and view

- PFL reported healthy AUM and disbursements growth during the quarter, even as the earnings missed expectations due to higher credit costs, partially offset by lower-than-expected operating expenses. We believe that FY26 will be a crucial year for the company to demonstrate its ability to achieve guided loan growth while sustaining asset quality and keeping credit costs contained. We remain watchful and will closely monitor the on-ground execution of the company's stated strategy. **Reiterate BUY with a TP of INR520 (premised on 3.5x Mar'27E BVPS).**
- **Key downside risks:** a) inability to execute its articulated strategy despite a new management team and investments in technology, distribution, and collections; and b) aggressive competitive landscape leading to pressure on spreads and margins and/or deterioration in asset quality.

Quarterly Performance (Standalone)										(INR M)	
Y/E March	FY25				FY26E				FY25	FY26E	1Q FY26E v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26E	
Interest Income	8,962	9,107	9,991	10,685	11,853	13,631	15,267	17,015	38,745	57,767	12,181
Interest Expenses	3,201	3,516	3,850	4,584	5,461	6,144	6,696	7,206	15,151	25,507	5,363
Net Interest Income	5,761	5,592	6,141	6,101	6,393	7,488	8,571	9,810	23,594	32,261	6,818
YoY Growth (%)	36.8	17.8	25.1	8.5	11.0	33.9	39.6	60.8	20.6	36.7	18.3
Other Income	997	858	581	1,048	1,287	1,325	1,352	1,659	3,346	5,623	1,134
Total Income	6,758	6,449	6,722	7,149	7,679	8,813	9,923	11,469	26,940	37,884	7,951
YoY Growth (%)	35.1	22.0	22.2	11.6	30.4	36.7	47.6	60.4	22.3	40.6	35.8
Operating Expenses	2,436	3,610	2,908	3,821	4,434	4,678	4,804	4,757	13,713	18,673	5,147
Operating Profit	4,321	2,839	3,814	3,328	3,245	4,135	5,119	6,712	13,228	19,211	2,805
YoY Growth (%)	46.92	-15.4	8.9	-18.7	-24.90	45.6	34.2	101.7	-5.3	45.2	-35.1
Provisions & Loan Losses	425	9,144	3,562	2,526	2,411	2,290	2,176	2,048	14,582	8,924	1,392
Profit before Tax	3,897	-6,305	252	802	834	1,845	2,943	4,665	-1,354	10,287	1,413
Exceptional items		0				0			0	0	
Tax Provisions	980	-1,594	65	179	208	472	753	1,138	-371	2,572	362
PAT (excl. exceptional)	2,916	-4,710	187	623	626	1,373	2,189	3,527	-983	7,715	1,051
PAT (incl. exceptional)	2,916	-4,710	187	623	626	1,373	2,189	3,527	-983	7,715	1,051
YoY Growth (%)	46	-	-93	-81	-79	-	1,069	466	-110	-885	-64
Key Parameters (Calc., %)											
Yield on loans	15.5	15.0	15.2	14.1	13.4	13.5	13.7	14.0			
Cost of funds	8.0	8.0	7.8	7.8	7.7	7.6	7.4	7.3			
Spread	7.6	7.0	7.4	6.3	5.7	6.0	6.2	6.7			
NIM on loans	10.0	9.2	9.3	8.0	7.2	7.4	7.7	8.1			
C/I ratio	36.1	56.0	43.3	53.4	57.7	53.1	48.4	41.5			
Credit cost	0.7	13.2	4.8	3.03	2.51	2.1	1.8	1.6			
Tax rate	25.2	25.3	25.6	22.3	25.0	25.6	25.6	24.4			
Balance Sheet Parameters											
Disbursements (INR b)	74.0	63.1	71.5	93.8	106.5	110.5	113.0	117.6			
Growth (%)	-10.6	-19.1	-18.1	-3.2	43.9	75.0	58.0	25.4			
AUM (INR b)	270	284	310	356	413	463	504	544			
Growth (%)	51.7	40.5	41.2	42.5	53.0	63.2	62.8	52.6			
AUM mix (%)											
Focused	96.0	97.0	98.0	98.0	99.0						
Discontinued (Legacy and DA)	4.0	3.0	2.0	2.0	1.0						
Asset Quality Parameters											
GS 3 (INR m)	1,660	5,470	5,390	6,190	7,120						
GS 3 (%)	0.67	2.1	1.85	1.84	1.84						
NS 3 (INR m)	790	850	2,330	2,820	3,280						
NS 3 (%)	0.32	0.33	0.81	0.85	0.85						
PCR (%)	52.4	84.5	56.8	54.5	53.9						

E: MOFSL estimates



Highlights from the management commentary

Opening remarks

- The company reiterated its commitment to a risk-first approach, emphasizing that it prioritizes prudent lending over aggressive growth.
- Over the past year, the focus has been on laying a strong operational and risk foundation, setting the stage for future expansion.
- Over the next 3 to 4 quarters, the company aims to scale AUM with calibrated credit growth across newly launched products, which are seeing encouraging early traction.

Guidance

- The company has guided for 35-40% AUM growth in FY26.
- NIMs are expected to reach ~9% over the next 3-4 quarters as newer, high-quality STPL and other product portfolios scale and the old book runs down.
- Credit costs are expected to range between ~1.5 and 2% and are guided to decline steadily over the next 2 to 3 years.
- Target leverage (D/E) remains in the range of 4.75-5x.
- The company aims to achieve a sustainable RoA of ~3-3.5% by FY28, with a conservative approach likely to help exceed this target.

Performance highlights

- AUM grew 53% YoY and 15.8% QoQ to INR413b as of Jun'25, reflecting strong momentum in disbursements and product expansion.
- Disbursements for the quarter stood at INR106b, supporting healthy balance sheet growth.
- The share of long-term borrowings increased from 61% to 75% QoQ, improving the stability of the funding profile.
- NCDs were ramped up significantly, rising from 6% to 24% of total borrowings by Jun'25.
- NII (including fee income) continued to show healthy growth, underpinned by rising volumes and improved funding mix.
- Despite the rising share of long-term borrowings, CoB declined marginally to 8.04% (vs. 8.07% in Q4FY25).
- Opex/AUM ratio remained elevated at 4.8% as the company continued to invest in new businesses, branch expansion, and digital platforms.
- PPOP stood at INR3.2b for the quarter.
- Employee count stood at 4,685 and the branch network was significantly expanded.
- CRAR stood strong at 20.55% with Tier-1 capital at 19.03%, and LCR was 130%, indicating ample liquidity.
- NIMs saw some contraction due to the rundown of the older STPL book; however, management expects margins to expand as the high-yielding new book scales up.

Asset quality

- Consolidated credit costs improved to 2.61%, a 53bp decline QoQ. Excluding the STPL portfolio, credit costs for the remaining 12 products, which account for roughly 80% of the AUM, stood at 1.43%, a level the company claims is among the best in the industry.
- GNPA remained stable at 1.84%.

- First EMI bounce rates improved 25% QoQ, reflecting improved collections and risk calibration.
- Quarterly credit cost declined from 3.14% in Q4FY25 to 2.61% in Q1FY26.
- Management is confident of a further improvement in credit costs on a YoY basis, with robust underwriting and portfolio diversification.
- MSME portfolio is ~60-70% secured, well-calibrated, and shows no major early warning signs.
- STPL portfolio, now down to ~4% of AUM, will fully run down in the next 7 to 8 months. Of this, 80% of the portfolio is Odpd and the balance 20% is well provided for.
- In MSME, the focus is on borrower-level risk and customers with multiple credit inquiries are avoided, helping maintain portfolio quality.
- Credit costs from the erstwhile STPL book have reduced to INR640m in 1QFY26 from INR1.37b in 4QFY25.

Liabilities & capital raise

- The company significantly increased NCD borrowings to optimize funding cost. The share rose from ~6% in 4QFY25 to 23% in 1QFY26, with plans to take this to 35% over the next couple of years
- The company raised INR54b via NCDs during the quarter. The company has further raised INR10b in July itself.
- The company has announced an equity infusion of INR15b from the promoter group at INR 452.5/share, indicating strong sponsor confidence and providing growth capital.
- With an improved capital structure and increased reliance on market borrowings, PFL aims to maintain competitive CoB while driving growth.

New business segments

- LAP grew 128% YoY; business loans grew 57% YoY, showing strong momentum.
- Prime PL disbursements stood at INR3b in June alone, with significantly better quality than legacy STPL.
- Digital 24x7 PL business continues to gain traction through fintech partnerships, expected to scale up over the next 4 to 6 quarters.
- Gold Loans: The company will focus on doubling down on branch-based lending. It will continue to focus on gold loans as it is a high-RoA product. 90% of the 400 gold loan branches will be in tier 2 and tier 3 cities.
- The company targets to reach 400 branches by Mar'26. It has already made 80 branches operational across GJ, HR, RJ, and MH.
- Consumer Durables: The company has signed up 3k dealers across 160 cities and aims to scale to 12k dealers across 210 cities. It has also launched the PFIN EMI card to improve customer stickiness.
- CV Loans: Disbursements reached INR920m during the quarter; INR470m was disbursed in Jun'25 alone. The business is now active across 27 cities in 10 states.
- Education Loans: This segment saw strong early traction with INR560m disbursed in Jun'25. The company has already locked in 4,000 files and on-boarded 100 partners, with a target of 500 education consultants by year-end.

Industry outlook

- The demand environment is strong for retail loans with continued consumer confidence in spending.

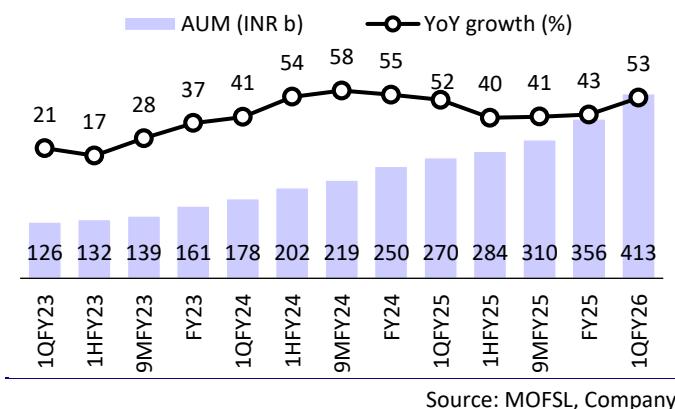
- The company aims to scale up secured lending in FY26, followed by calibrated expansion in unsecured products.
- MSME book remains ~60-70% secured, mostly through LAP, with ~75% of borrowers owning self-occupied properties.
- Old STPL is now just 4% of the book; the remaining portfolio is largely fresh and of better quality, including a sizable portion that is Odpd.
- As the customer base expands, cross-sell opportunities will increase, supporting deeper engagement and better unit economics.

Digital initiatives

- The company is accelerating digital marketing and building an omnichannel presence.
- Its entire customer acquisition journey is being optimized for cost efficiency and digital scalability.
- The company is revamping its mobile app to drive engagement.
- Key AI-led initiatives are underway, with 10 incremental projects already identified.
- It has implemented human-less field agents to reduce turnaround time for faster customer engagement post delinquency across digital, tele-calling, and field channels.

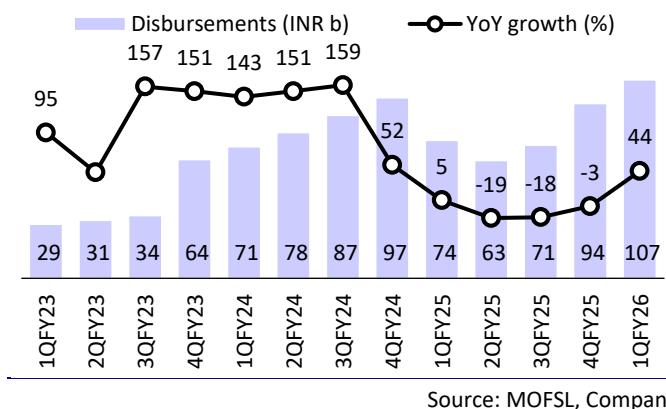
Story in charts

Exhibit 1: Healthy AUM growth at 53% YoY



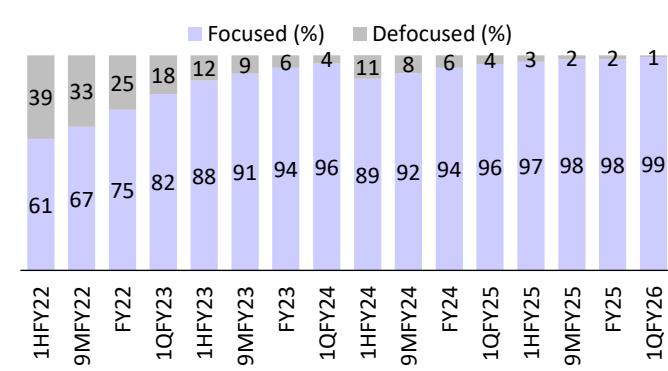
Source: MOFSL, Company

Exhibit 2: Disbursements rose ~44% YoY



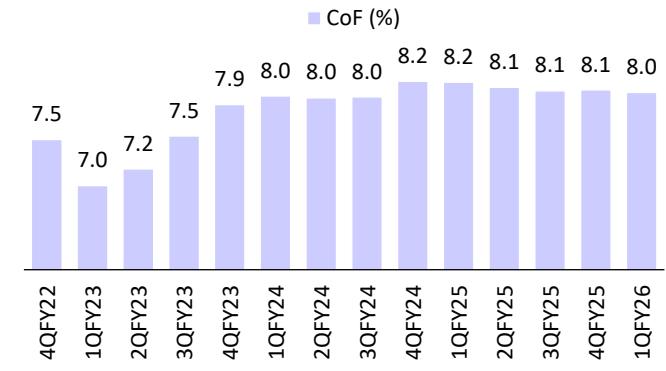
Source: MOFSL, Company

Exhibit 3: Focused products exhibiting healthy loan growth



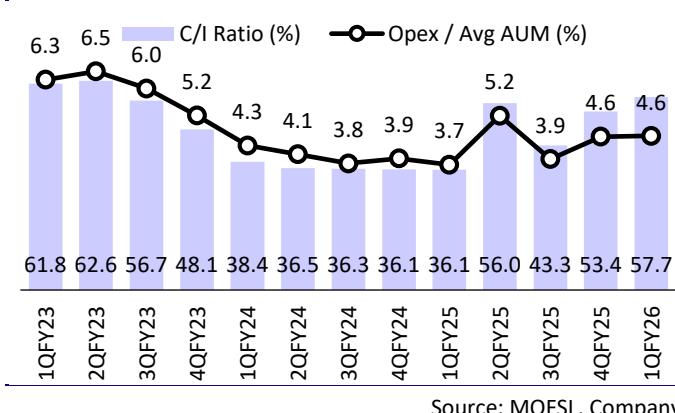
*Note: Change in classification from 2QFY24; Source: MOFSL, Company

Exhibit 4: CoF (reported) declined ~3bp QoQ to ~8.04%



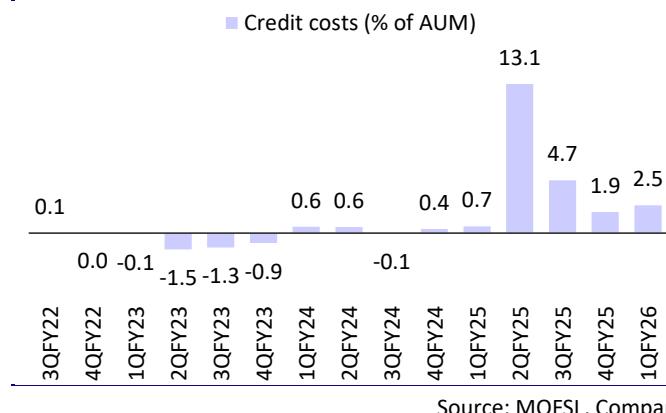
Source: MOFSL, Company

Exhibit 5: C/I rose sequentially to ~58%



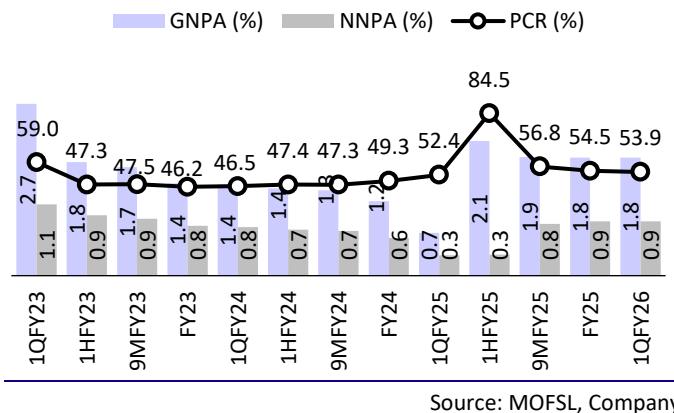
Source: MOFSL, Company

Exhibit 6: Credit costs increased to ~2.5% in 1QFY26



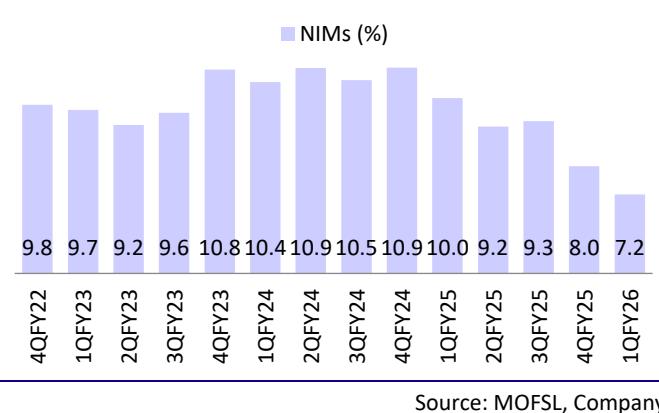
Source: MOFSL, Company

Exhibit 7: GNPA was stable QoQ (%)



Source: MOFSL, Company

Exhibit 8: NIM (calc.) contracted ~80bp QoQ (%)



Source: MOFSL, Company

Exhibit 9: We cut our FY26 EPS estimates by ~22% to factor in higher credit costs and keep FY27 estimates broadly unchanged

INR B	Old Est.		New Est.		% change	
	FY26	FY27	FY26	FY27	FY26	FY27
NII (incl. assignments)	32.9	52.9	32.3	52.9	-2.0	0.0
Other Income	4.9	6.8	5.6	7.2	14.1	4.7
Total Income	37.8	59.8	37.9	60.1	0.1	0.5
Operating Expenses	18.7	25.2	18.7	25.0	-0.3	-0.8
Operating Profits	19.1	34.6	19.2	35.1	0.6	1.5
Provisions	5.9	11.2	8.9	11.0	52.1	-1.1
PBT	13.2	23.4	10.3	24.1	-22.3	2.6
Tax	3.3	5.9	2.6	6.0	-22.3	2.6
Normalized PAT	9.9	17.6	7.7	18.0	-22.3	2.6
AUM	544	790	544	790	0.0	0.0
Loans	510	749	506	743	-0.8	-0.8
Borrowings	425	644	409	625	-3.8	-2.8
NIM	7.3	7.9	7.2	7.9		
Credit Cost	1.4	1.7	2.1	1.7		
RoA	2.3	2.7	1.8	2.8		
RoE	11.5	17.7	8.3	16.1		

Financials and Valuation

Income Statement									(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	20,365	20,228	17,570	14,586	18,265	29,061	38,745	57,767	90,248
Interest Expenses	10,176	11,240	8,746	5,093	5,953	9,503	15,151	25,507	37,340
Net Interest Income	10,189	8,988	8,824	9,493	12,312	19,558	23,594	32,261	52,908
Change (%)	10.8	-11.8	-1.8	7.6	29.7	58.9	20.6	36.7	64.0
Non-interest income and Other Income	2,308	1,962	1,199	1,085	1,931	2,478	3,346	5,623	7,159
Net Total Income	12,497	10,951	10,023	10,578	14,243	22,036	26,940	37,884	60,068
Change (%)	15.1	-12.4	-8.5	5.5	34.6	54.7	22.3	40.6	58.6
Total Operating Expenses	6,018	5,968	4,563	6,046	8,139	8,074	13,713	18,673	24,972
Change (%)	9.0	-0.8	-23.5	32.5	34.6	-0.8	69.8	36.2	33.7
Employee Expenses	3,804	3,741	3,060	4,099	5,148	4,444	6,362	9,416	12,241
Depreciation	502	716	522	495	614	593	651	911	1,048
Other Operating Expenses	1,712	1,487	981	1,453	2,268	3,036	5,755	8,345	11,683
PPoP	6,479	4,982	5,460	4,532	6,104	13,962	13,228	19,211	35,096
Change (%)	21.4	-23.1	9.6	-17.0	34.7	128.8	-5.3	45.2	82.7
Total Provisions	2,450	4,640	13,186	686	-1,445	720	14,582	8,924	11,043
PBT	4,029	342	-7,727	3,846	7,761	13,242	-1,354	10,287	24,052
Exceptional items					6,560	0	0	0	0
Tax Provisions	1,278	442	-1,943	914	1,816	2,907	-371	2,572	6,013
PAT (excl. exceptional)	2,751	-100	-5,784	2,932	5,945	10,335	-983	7,715	18,039
PAT (incl. exceptional)	2,751	-100	-5,784	2,932	5,945	16,896	-983	7,715	18,039

Balance Sheet									(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	539	539	539	1,530	1,536	1,541	1,546	1,612	1,612
Reserves & Surplus	25,019	24,614	18,881	55,615	62,711	80,130	79,694	1,02,343	1,18,770
Net Worth	25,558	25,153	19,421	57,145	64,247	81,671	81,240	1,03,955	1,20,382
Borrowings	1,17,497	1,00,595	79,487	67,734	1,12,092	1,52,157	2,58,806	4,08,904	6,25,442
Change (%)	8.1	-14.9	-23.4	24.7	42.6	44.8	48.3	54.7	46.9
Other liabilities	6,820	3,803	4,512	3,217	3,880	7,041	9,747	14,621	21,931
Total Liabilities	1,49,876	1,29,552	1,03,420	1,28,097	1,80,218	2,40,869	3,49,793	5,27,480	7,67,755

Loans	1,31,379	1,11,749	85,653	1,06,784	1,52,295	2,20,464	3,26,950	5,05,908	7,43,124
Change (%)	8.1	-14.9	-23.4	24.7	42.6	44.8	48.3	54.7	46.9
Cash and Bank Balances	9,327	6,484	6,124	5,372	6,574	2,685	323	2,903	3,363
Fixed Assets	1,871	2,267	1,715	1,748	2,117	1,944	2,542	2,745	2,965
Investments	3,024	4,024	4,289	8,197	3,109	8,783	13,416	8,050	8,855
Other assets	4,275	5,028	5,638	5,996	16,123	6,992	6,562	7,875	9,450
Total Assets	1,49,876	1,29,552	1,03,420	1,28,097	1,80,218	2,40,869	3,49,793	5,27,480	7,67,755

E: MOFSL Estimates

Financials and Valuation

AUM									
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
AUM (INR b)	138.7	128.5	102.5	117.7	161.4	250.0	356.3	543.8	789.7
YoY growth (%)	-1	-7	-20	15	37	55	43	53	45
Disbursements (INR b)	76.7	50.5	24.2	75.2	157.5	332.9	302.4	447.6	626.6
YoY growth (%)	14	-34	-52	210	109	111	-9	48	40

E: MOFSL Estimates

Ratios									
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)									
Avg. Yield on Loans	15.8	16.3	17.5	14.9	14.0	15.6	14.2	13.8	14.4
Avg Cost of Funds	8.9	10.3	9.7	6.9	6.6	7.2	7.4	7.6	7.2
Spread on loans	6.9	6.0	7.8	8.0	7.4	8.4	6.8	6.2	7.2
NIM (on AUM)	7.3	6.7	7.6	8.6	8.8	9.5	7.8	7.2	7.9
Profitability Ratios (%)									
RoE	12.6	-0.4	-26.0	7.7	9.8	14.2	-1.2	8.3	16.1
RoA	1.9	-0.1	-5.0	2.5	3.9	4.9	-0.3	1.8	2.8
Int. Expended / Int.Earned	50.0	55.6	49.8	34.9	32.6	32.7	39.1	44.2	41.4
Other Inc. / Net Income	18.5	17.9	12.0	10.3	13.6	11.2	12.4	14.8	11.9
Efficiency Ratios (%)									
Op. Exps. / Net Income	48.2	54.5	45.5	57.2	57.1	36.6	50.9	49.3	41.6
Opex/ Avg AUM	4.3	4.5	4.0	5.5	5.8	3.9	4.5	4.1	3.7
Empl. Cost/Op. Exps.	63.2	62.7	67.1	67.8	63.2	55.0	46.4	50.4	49.0
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	1.1	1.1	1.1	1.6	1.4	1.4	1.3	1.2	1.2
Debt/Equity (x)	4.6	4.0	4.1	1.2	1.7	1.9	3.2	3.9	5.2
Assets/Equity (x)	5.9	5.2	5.3	2.2	2.8	2.9	4.3	5.1	6.4
Asset quality									
GNPA (INR m)	0	8,357	4,190	3,720	2,250	2,680	6,190	8,782	11,372
GNPA (%)	0.0	0.0	4.3	3.3	1.4	1.2	1.8	1.7	1.5
NNPA (INR m)	0	0	1,240	1,440	1,210	1,360	2,820	4,215	5,345
NNPA (%)	0.0	0.0	1.3	1.3	0.8	0.6	0.9	0.8	0.7
PCR (%)	0.0	0.0	70.4	61.3	46.2	49.3	54.5	52.0	53.0
Credit costs (%)	1.9	3.8	13.4	0.7	-1.1	0.4	5.1	2.1	1.7

Valuations	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Book Value (INR)	95	93	72	75	84	106	105	129	149
BV Growth (%)	24.2	-1.7	-22.8	3.7	12.0	26.7	-0.8	22.7	15.8
Price-BV (x)	4.4	4.4	5.7	5.5	4.9	3.9	3.9	3.2	2.8
EPS (INR)	10.2	-0.4	-21.5	3.8	7.7	13.4	-1.3	9.6	22.4
EPS Growth (%)	20.3	-103.6	5,675.2	-117.9	102.0	73.3	-109.5	-852.3	133.8
Price-Earnings (x)	40.4	-1,111.9	-19.3	107.7	53.4	30.8	-324.6	43.1	18.5
Dividend per share	0.0	0.0	0.0	0.4	2.0	2.0	0.0	2.0	3.0
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.5	0.5	0.0	0.5	0.7

E: MOFSL Estimates

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