

Bloomberg	FUSION IN
Equity Shares (m)	101
M.Cap.(INRb)/(USDb)	21 / 0.2
52-Week Range (INR)	315 / 124
1, 6, 12 Rel. Per (%)	-16/-14/-49
12M Avg Val (INR M)	138

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	15.3	12.0	13.4
PPP	7.4	4.0	6.1
PAT	-12.2	-0.4	2.9
EPS (INR)	-121.7	-3	18
EPS Gr. (%)	-	-	-700
BV (INR)	163	124	167
Valuations			
NIM (%)	14.3	14.6	15.3
C/I ratio (%)	51.7	66.7	54.9
RoAA (%)	-12.2	-0.5	3.7
RoE (%)	-54.5	-2.1	12.3
Valuations			
P/E (x)	-	-51.8	8.6
P/BV (x)	0.9	1.2	0.9

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	55.0	57.7	57.7
DII	12.6	16.9	22.8
FIIIFIIFII	3.2	2.1	4.3
Others	29.2	23.3	15.2

FII includes depository receipts

CMP: INR154 **TP: INR170 (+10%)** **Neutral**

From fire-fighting to stability, yet profitability concerns linger

GS3 improves ~250bp QoQ; AUM declines ~14% sequentially

- Fusion Finance (FUSION) reported a net loss of ~INR923m in 1QFY26 (vs. est. loss of INR434m). NII declined ~31% YoY to ~INR2.7b (in line). Opex rose 13% YoY to INR2.1b (in line) and cost-to-income ratio rose ~120bp QoQ to ~70.8% (PQ: ~69.6%). PPoP declined ~71% YoY to ~INR866m (5% miss).
- Net credit costs declined sequentially to ~INR1.8b (vs. est. of ~INR1.4b). Annualized credit costs stood at ~9.4% (PY: ~13% and PQ: ~12%).
- FUSION had breached covenants on borrowings of ~INR36b, resulting in these borrowings becoming payable on demand. The company has successfully obtained covenant waivers for ~72% of such borrowings. The company is in discussion with the remaining lenders to obtain similar extensions and no demand for immediate repayment of borrowed funds has been made by lenders to date.
- Management highlighted that the portfolio originated after Aug'24 continues to demonstrate strong asset quality, underscoring the effectiveness of revised underwriting standards (in line with MFN guardrails) and enhanced collection processes. In 1QFY26, collection efficiency for this new portfolio stood at 99.5%. The company also reported an improvement in overall collection efficiency and reduction in forward-flow rates during the quarter, with expectations of further improvement in the coming quarters.
- Disbursements declined 18% QoQ to ~INR9.5b. AUM fell ~37% YoY and 14% QoQ to ~INR77b. **Management shared that FUSION has moved beyond firefighting and is now stabilizing and strengthening. In FY26, it will focus on transitioning to a growth phase cautiously but with confidence.**
- We have lowered our FY26 EPS estimate and now project a net loss in FY26, compared to our earlier expectation of a marginal profit. We estimate an AUM CAGR of ~1% and a PPOP CAGR of ~-9% over FY25-27, along with RoA/RoE of ~3.7%/12% in FY27E.
- We will keenly monitor the asset quality trends unfolding in the sector as a trend reversal is on the horizon. The recent improvement in collections and flow rates suggests signs of a positive turnaround. However, stable performance over the next 1-2 quarters will be crucial to validate this recovery as a definitive shift. With no other near-term catalysts, we reiterate our **Neutral rating with a revised TP of INR170 (based on 1x Mar'27E P/BV)**.

GS3 declines ~250bp QoQ; collection efficiency improves

- GS3 declined ~250bp QoQ to ~5.4%, while NS3 declined ~10bp QoQ to 0.2%. PCR rose ~20bp QoQ to 96.6%.

- Stage 2 declined ~70bp QoQ to 2.45% and S2 PCR rose ~8pp QoQ to ~72%. ECL/EAD (incl. management overlay of ~INR595m) declined to ~8.2% (PQ: ~10.9%). Write-offs for the quarter stood at ~INR4.9b (PQ: INR9.2b). **Current portfolio collection efficiency stood at ~98.5% in 1QFY26.**
- Annualized credit costs in 1QFY26 stood at ~9.4% (PY: ~13% and PQ: ~12%). We model credit costs of 6%/3% for FY26/FY27.

Reported NIMs expand ~170bp QoQ; Calc. yields rise ~180bp QoQ

- Yields (calc.) rose ~180bp QoQ to ~22.2%, while CoF (calc.) declined ~25bp QoQ to ~10.2%, leading to a ~210bp QoQ rise in spreads to ~12%. Reported NIMs rose ~170bp QoQ to ~10.3%. This was primarily driven by lower interest income reversals (of ~INR250m-260m) during the quarter.
- Marginal CoB rose ~160bp QoQ to ~13.3%. Management shared that reported NIM is expected to remain in the range of 10.25-10.5% in FY26. We model (calc.) NIM (as a % of gross loans) of 14.6%/15.3% in FY26/FY27.

Active borrower base declines; reduction in Fusion+>=3 customers

- The borrower base declined to 2.8m as of Jun'25 (down from 3.2m as of Mar'25). Fusion + >=3 borrowers declined to 17.6% (vs. ~18.1% in Mar'25).
- FUSION successfully completed the rights issue of INR8b in Apr'25. Given that these were partly-paid up shares, the company has received ~INR4b from this rights issue. As of Jun'25, the funds were parked in scheduled commercial banks. The company had planned to utilize the proceeds from the rights issue from Jul'25 onward.
- CRAR stood at ~29.5% as of Jun'25 (post rights issue equity infusion).

Highlights from the management commentary

- The company has categorized the states where it has presence into three types of markets: Growth markets (Uttar Pradesh, Andhra Pradesh, Maharashtra, Telangana, and Assam), maintain markets (Madhya Pradesh, Tamil Nadu, Bihar, West Bengal, Jharkhand, and Rajasthan), and reduce exposure markets (Odisha and Gujarat).
- The company changed its write-off policy from 240dpd to 180dpd in 1QFY26, resulting in INR4.86b of write-offs.
- Disbursements in Jul'25 crossed INR4b, with approval rates improving to ~20% from 12-15% earlier, aided by the development of matured credit intelligence.

Valuation and view

- FUSION reported another soft quarter, with both AUM growth and disbursements remaining muted as the company maintained its strategic focus on improving portfolio quality and strengthening collection efficiency. On a positive note, credit costs saw a sequential decline, supported by improved collection efficiency and lower delinquencies during the quarter. The company is taking slow and measured steps to regain stability and normalcy.
- FUSION, in our view, is likely to deliver an AUM CAGR of ~1% and PPOP CAGR of ~-9% over FY25-27. We estimate RoA/RoE of ~3.7%/12% in FY27. **With no near-term catalyst, we reiterate our Neutral rating on the stock with a revised TP of INR170 (based on 1x Mar'27E P/BV).**

Fusion: Quarterly Performance										(INR M)		
Y/E March	FY25				FY26E				FY25	FY26E	1Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Interest Income	6,213	6,261	4,382	4,487	4,219	3,987	3,847	3,908	21,342	15,961	4,307	-2
Interest Expenses	2,234	2,274	2,137	1,794	1,489	1,340	1,246	1,247	8,439	5,322	1,597	-7
Net Interest Income	3,979	3,987	2,245	2,693	2,730	2,647	2,601	2,661	12,904	10,639	2,711	1
YoY Growth (%)	34.6	30.4	-33.7	-25.4	-31.4	-33.6	15.9	-1.2	-0.8	-17.6	-32	
Other Income	854	776	443	273	237	286	381	486	2,347	1,389	231	2
Total Income	4,833	4,764	2,688	2,966	2,967	2,932	2,982	3,146	15,250	12,027	2,942	1
YoY Growth (%)	30.9	25.3	-34.7	-35.6	-38.6	-38.4	10.9	6.1	-6.0	-21.1	-39	
Operating Expenses	1,855	1,925	2,041	2,065	2,101	2,054	1,979	1,890	7,886	8,024	2,026	4
Operating Profit	2,978	2,838	648	901	866	879	1,003	1,256	7,365	4,004	915	-5
YoY Growth (%)	26.5	17.4	-75.1	-69.0	-70.9	-69.0	54.9	39.4	-28.4	-45.6	-69	
Provisions & Loan Losses	3,485	6,941	5,723	2,547	1,789	1,163	930	581	18,695	4,462	1,350	33
Profit before Tax	-507	-4,102	-5,075	-1,646	-923	-284	73	675	-11,330	-459	-434	-
Tax Provisions	-151	-1,052	2,118	0	0	-43	11	-37	915	-69	0	-
Net Profit	-356	-3,050	-7,193	-1,646	-923	-241	62	712	-12,245	-390	-434	-
YoY Growth (%)	-130	-343	-669	-224	159	-92	-101	-143	-342	-96.8	22	
Key Parameters (%)												
Yield on loans	21.7	21.5	19.1	19.1	20.6							
Cost of funds	10.1	10.1	10.3	10.5	10.3							
Spread	11.6	11.4	8.8	8.6	10.3							
NIM	11.6	11.5	8.9	8.6	10.3							
Credit cost	3.28	6.55	5.70	2.80	2.30							
Cost to Income Ratio (%)	38.4	40.4	75.9	69.6	70.8							
Tax Rate (%)	29.8	25.6	-41.7	0.0	0.0							
Performance ratios (%)												
Avg o/s per borrower (INR '000)	30	29	27	26	25							
AUM/ RO (INR m)	1.2	1.1	1.1	0.9	0.8							
AUM/ Branch (INR m)	9	8	7	6	5							
Borrower/ Branch (INR m)	3,017	2,805	2,590	2,175	1,932							
Balance Sheet Parameters												
AUM (INR B)	121.9	115.7	106.0	89.8	76.9							
Change YoY (%)	25.5	15.4	-0.9	-21.8	-36.9							
Disbursements (INR B)	29.9	16.6	11.7	11.6	9.5							
Change YoY (%)	30.7	-29.1	-56.9	-60.9	-68.2							
Borrowings (INR B)	91.2	86.4	73.1	64.0	52.7							
Change YoY (%)	26.9	14.8	-8.9	-25.7	-42.3							
Borrowings/Loans (%)	89.0	94.6	92.3	88.2	81.4							
Debt/Equity (x)	3.2	3.4	4.0	3.9	2.7							
Asset Quality (%)												
GS 3 (INR M)	5,952	9,672	11,920	6,460	3,830							
G3 %	5.5	9.4	12.6	7.9	5.4							
NS 3 (INR M)	1,301	2,302	1,450	230	130							
NS3 %	1.27	2.52	1.83	0.32	0.20							
PCR (%)	78.1	76.2	87.8	96.4	96.6							
ECL (%)	5.9	11.1	16.4	10.9	8.2							
Return Ratios - YTD (%)												
ROA (Rep)	-1.2	-10.3	-27.6	-7.4	-4.7							
ROE (Rep)	-5.0	-45.7	-132.9	-38.2	-20.6							

E: MOSL Estimates



Highlights from the management commentary

Opening remarks

- FY25 was a challenging year; however, corrective measures implemented throughout the year have started yielding results. Steps taken to strengthen the foundation since Aug'24 are now visibly improving performance.
- FY26 has begun on a strong note, with 1Q reflecting early impacts of strategic actions through a decline in credit costs and improvement in collection efficiency.
- Credit costs have steadily declined QoQ to INR1.8b in 1QFY26, with GNPA improving from 7.49% to 5.43% in the quarter.
- The quality of new portfolio originated after Aug'24 remains strong, reflecting strength of revised underwriting and collection processes.
- The regulatory move of lowering qualifying assets to 60% is a supportive step.
- The leadership transition from Devesh to Sanjay is progressing smoothly.
- FUSION has moved beyond firefighting and is stabilizing and strengthening. In FY26, the focus will be on transitioning to a growth phase cautiously but with confidence.

Financial performance

- Credit quality and portfolio quality improved for the third consecutive quarter. Credit costs declined, while Stage 3 provision coverage was maintained at ~97%.
- Opex remains elevated due to continued investment in field and technology infrastructure.
- Current CE stood at 98.55% (98.44% in 4QFY25). The forward-flow rate from current to PAR improved to 0.54% compared to 0.57% in 4Q and ~1.8% two quarters ago.
- The new book, built with extended guardrails since Sept'24, now forms ~44% of the total portfolio and has CE of above 99.5% in Jul'25.
- Disbursements in 1Q were INR9.5b due to final guardrails in Apr'25 and additional steps taken for customer identification.
- Of these disbursements, 79% came from Fusion and Fusion+1 clients, with the remainder split between new-to-credit and new-to-Fusion customers.
- State-level strategy: UP, AP, MH, Telangana, and Assam in the grow category; MP, TN, Bihar WB, Jharkhand and Rajasthan in maintain category; and Orissa and Gujarat in the reduced category.
- The new products, Ujjala and Sugam, launched in Mar'25 designed to reward disciplined Fusion and Fusion+1 borrowers, now constitute 40% of Jul'25 disbursements.
- In Jul'25, the company disbursed over INR4b, with approval rates improving to 20% from 12-15% previously, driven by maturing credit intelligence.
- Cost-to-income ratio was slightly higher due to portfolio contraction and non-recognition of income on stage 3 assets.

Collections and asset quality trends

- Fusion + >=3 borrowers declined to 17.6% (vs. ~18.1% in 4QFY25).
- The dedicated collection vertical launched last quarter is showing progress, with monthly cash recovery from the 90+ portfolio at ~0.25% and scaling up month by month.
- Flow rates have improved across all delinquency buckets, driven by targeted interventions and digital collections.
- The new book CE is 99.5% compared to 98.25% for the old book; further improvement in the current bucket is expected this quarter.
- Flow-forward rates have improved, with the overall portfolio CE at 98.55%.
- INR600m of management overlay remains; this will be reduced in a calibrated manner as portfolio metrics improve.
- The company changed its write-off policy from 240dpd to 180dpd in 1Q, resulting in INR4.86b in write-offs.
- After write-offs, GNPA improved to 5.43%, with robust Stage 3 coverage.
- Apart from Odisha and Gujarat, where overleveraging persists, there are no structural issues in other states.
- Guardrails are set for up to three lenders, though 80% of business is concentrated among customers with only one or two lenders.
- X bucket collection efficiency in Jul'25 continues to be at around 98.5%.

Outlook

- Multiple market opportunities exist, though a key challenge is determining when to onboard new-to-credit and new-to-Fusion customers vs. relying on existing ones.
- Currently, 76% of business comes from existing customers; however, this is expected to normalize to 60-65% over the next three quarters. For the next three quarters, sufficient growth will come from existing customers.
- Disbursements have grown from INR3.1b in Apr'25 to INR4b in Jul'25, and are targeted at INR4.4b in Aug'25, alongside improving collection efficiency.
- The company continues to focus on reducing irrelevant opex and enhancing tech initiatives to reduce load on technical officers.
- Though it is difficult to guide whether the profits will come in 2Q or 3Q, the company is moving very fast toward profitability.

Liabilities

- Between Jan and Jul'25, the company raised INR12.2b in fresh funds. As of Jun'25, the company has INR7.2b in liquidity, INR14.9b in sanctioned lines, and INR4b from call money from the rights issue.
- Cost of borrowing (CoB) declined 25bp to 10.27%, while marginal cost rose 160bp to 13.3%.
- NIMs improved to 10.29%, driven by higher lending yields and lower Stage 3 assets. Interest reversals have reduced drastically.
- NIMs are expected to remain in the ~10.25-10.5% going forward.
- Interest income reversal stood at INR250-260m, excluding write-offs.

MSME segment strategy

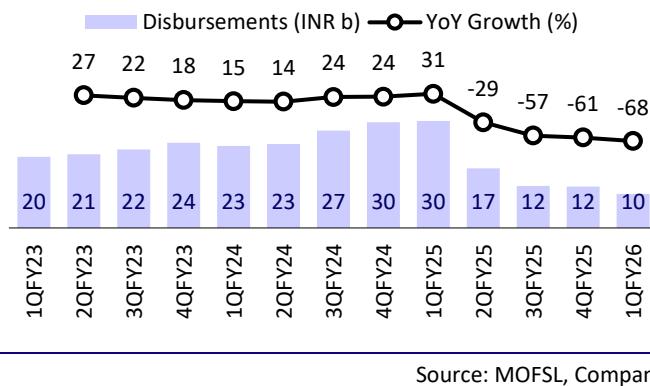
- The MSME book remains small but is targeted for growth, supported by the presence of a chief credit officer.
- Expansion is focused on markets with lower competition, leveraging existing distribution in ~105 branches, with plans to add another 100-150 branches in the next 1-2 quarters.
- Costs in the MSME segment have come down significantly over the last three months, and with disbursements rising, the company does not expect the costs to go up.

Fee income and people

- The company has applied for a corporate agency license and will provide updates in the next quarter.
- 15k employees in customer-facing roles. Attrition among branch managers and above is well controlled with 75% having more than a three-year tenure.
- Front-end attrition has improved significantly.
- Added a senior leader to manage customer service and grievance redressal both essential for retaining customers.
- The process of hiring and upskilling talent will continue, though with disbursements picking up, additional manpower will not be required, aiding operating leverage in subsequent quarters.

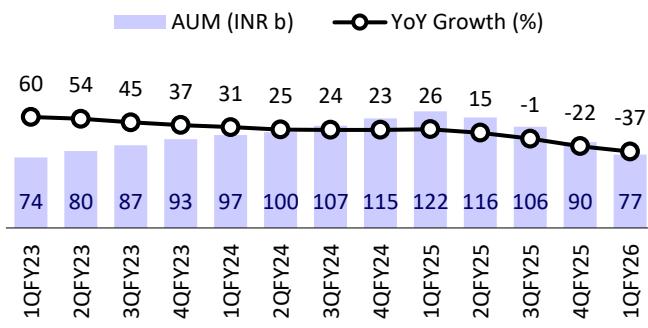
Story in charts

Exhibit 1: Disbursements declined 68% YoY...



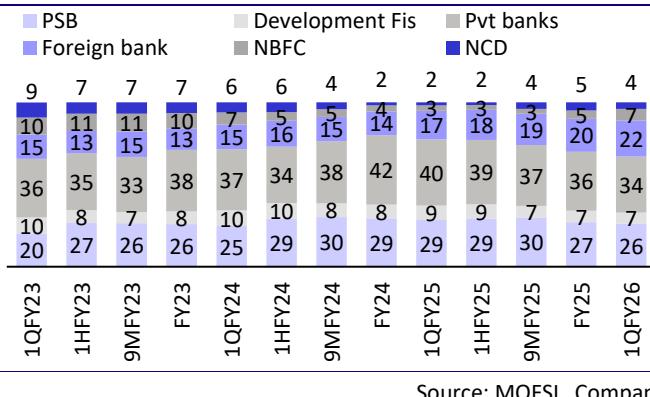
Source: MOFSL, Company

Exhibit 2: ...leading to a decline of ~37% YoY in AUM



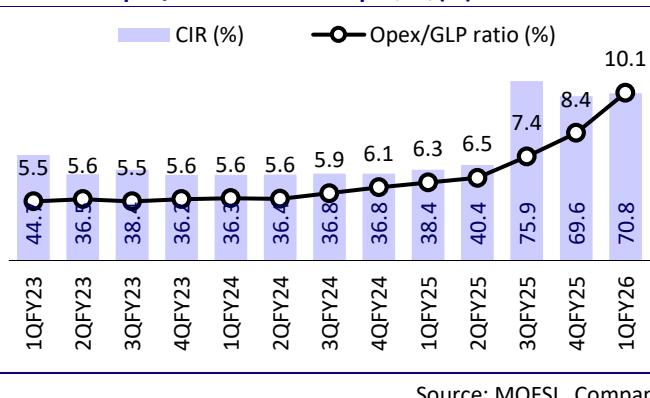
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



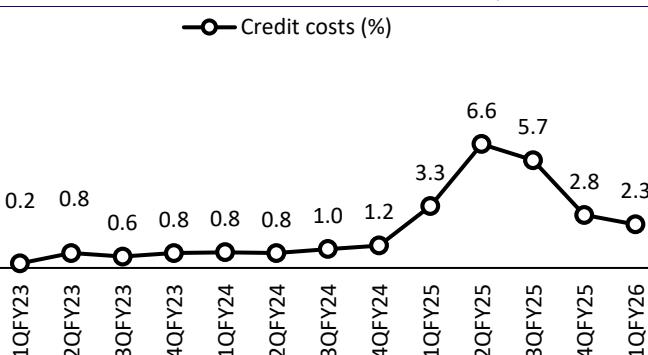
Source: MOFSL, Company

Exhibit 5: Opex/AUM rose ~170bp QoQ (%)



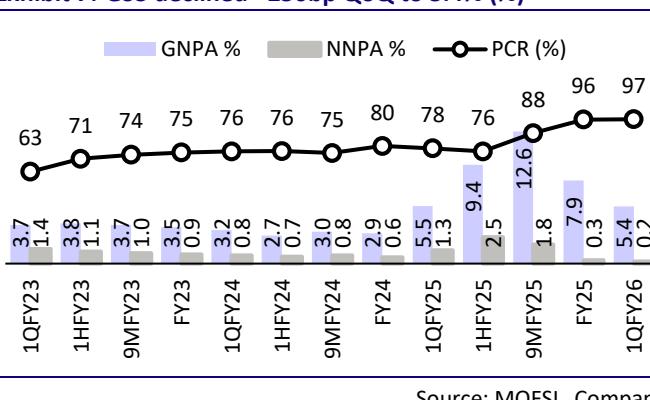
Source: MOFSL, Company

Exhibit 6: Credit costs declined to ~2.3% in 1QFY26



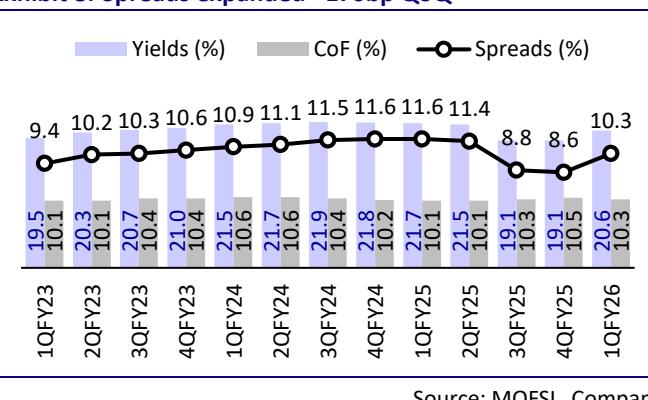
Source: MOFSL, Company

Exhibit 7: GS3 declined ~250bp QoQ to 5.4% (%)



Source: MOFSL, Company

Exhibit 8: Spreads expanded ~170bp QoQ



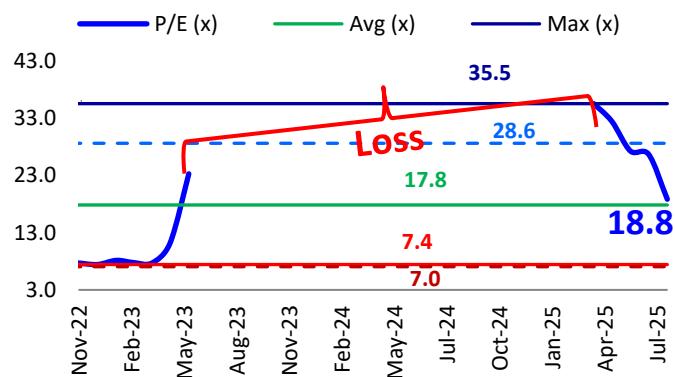
Source: MOFSL, Company

We cut our FY26 EPS estimates to factor in lower AUM growth, lower other income, and slightly higher credit costs and operating costs

INR B	Old Est.		New Est.		% change	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	10.4	10.9	10.6	11.3	2.5	3.9
Other Income	2.2	2.5	1.4	2.1	-36.0	-15.8
Total Income	12.5	13.4	12.0	13.4	-4.1	0.2
Operating Expenses	7.7	7.3	8.0	7.4	4.7	0.7
Operating Profits	4.9	6.1	4.0	6.1	-18.0	-0.4
Provisions	4.3	2.2	4.5	2.3	3.9	3.5
PBT	0.6	3.9	-0.5	3.8	-	-2.7
Tax	0.1	0.9	-0.1	0.9	-	-2.7
PAT	0.5	3.0	-0.4	2.9	-	-2.7
AUM	78	92	76	92	-3.1	-0.5
Borrowings	49	55	47	54	-4.9	-1.8
RoA	0.6	3.7	-0.5	3.7	-179.5	0.7
RoE	2.7	12.1	-2.1	12.3	-179.7	1.2

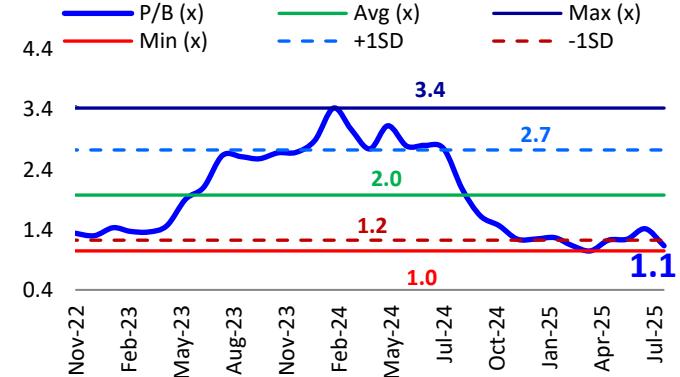
Source: MOFSL, Company

Exhibit 9: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 11: Dupont

Y/E March (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	17.0	17.0	16.4	16.2	19.2	19.8	21.3	20.9	21.3
Interest Expended	9.2	8.6	7.4	7.6	7.7	7.5	8.4	7.0	6.6
Net Interest Income	7.8	8.4	9.0	8.7	11.5	12.3	12.9	13.9	14.7
Other Operating Income	0.9	1.4	0.6	1.3	1.7	2.1	1.8	1.1	2.0
Other Income	0.1	0.3	0.3	0.8	0.7	0.9	0.5	0.7	0.7
Net Income	8.8	10.0	9.9	10.7	13.9	15.3	15.2	15.7	17.4
Operating Expenses	5.6	5.1	4.4	4.8	5.3	5.6	7.9	10.5	9.5
Operating Income	3.2	4.9	5.5	6.0	8.6	9.7	7.3	5.2	7.8
Provisions/write offs	0.7	2.4	4.4	5.6	2.4	3.5	18.6	5.8	3.0
PBT	2.5	2.5	1.1	0.4	6.1	6.3	-11.3	-0.6	4.9
Tax	0.6	0.8	0.3	0.0	1.5	1.5	0.9	-0.1	1.1
RoA	1.8	1.8	0.9	0.3	4.6	4.8	-12.2	-0.5	3.7
Leverage	6.2	4.3	4.1	5.1	4.6	4.1	4.5	4.2	3.3
RoE	11.3	7.6	3.6	1.7	21.2	19.5	-54.5	-2.1	12.3

Financials and valuations

Income Statement										(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
Interest Income	4,694	6,665	8,276	10,643	16,001	20,919	21,342	15,961	16,418	
Interest Expenses	2,540	3,377	3,751	4,960	6,428	7,908	8,439	5,322	5,100	
Net Interest Income	2,154	3,288	4,525	5,684	9,573	13,011	12,904	10,639	11,318	
Change (%)	82.7	52.7	37.6	25.6	68.4	35.9	-0.8	-17.6	6.4	
Other Operating Income	249	538	282	869	1,418	2,248	1,855	878	1,568	
Other Income	27	100	173	501	580	957	491	511	531	
Net Income	2,431	3,926	4,980	7,054	11,572	16,216	15,250	12,027	13,417	
Change (%)	86.0		26.8	41.6	64.1	40.1	-6.0	-21.1	11.5	
Operating Expenses	1,540	1,999	2,204	3,123	4,448	5,935	7,886	8,024	7,363	
Change (%)	-5.2		10.2	41.7	42.5	33.4	32.9	1.7	-8.2	
Employee Expenses	1,033	1,483	1,686	2,331	3,255	4,312	5,732	5,847	5,145	
Depreciation	24	26	39	54	74	90	117	140	161	
Other Operating Expenses	483	490	479	738	1,119	1,532	2,037	2,037	2,057	
Operating Income	891	1,927	2,776	3,931	7,124	10,281	7,365	4,004	6,053	
Change (%)	-381.4		44.0	41.6	81.2	44.3	-28.4	-45.6	51.2	
Provisions and w/offs	207	927	2,208	3,687	2,004	3,649	18,695	4,462	2,287	
PBT	684	1,000	568	244	5,120	6,633	-11,330	-459	3,767	
Tax Provisions	177	304	128	27	1,248	1,580	915	-69	885	
Tax Rate (%)	25.9	30.4	22.6	10.9	24.4	23.8	-8.1	15.0	23.5	
PAT	507	696	439	218	3,871	5,053	-12,245	-390	2,881	
Change (%)	-229	37	-37	-50	1,680	31	-342	-	-839	

Balance Sheet										(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
Equity Share Capital	616	790	790	828	1,003	1,006	1,006	1,311	1,617	
Reserves & Surplus	5,643	11,199	11,673	12,552	22,216	27,475	15,427	18,731	25,307	
Net Worth	6,259	11,989	12,464	13,380	23,219	28,482	16,433	20,043	26,923	
Borrowings	29,286	29,737	44,323	57,758	67,784	86,159	64,020	46,856	54,137	
Change (%)	83.3		49.0	30.3	17.4	27.1	-25.7	-26.8	15.5	
Other liabilities	561	674	1,593	1,767	2,632	3,103	2,473	2,968	3,562	
Total Liabilities	36,105	42,400	58,379	72,905	93,635	1,17,743	82,927	69,867	84,622	
Cash and Bank balance	9,905	8,177	13,353	11,536	10,650	15,532	8,531	5,814	5,981	
Investments	5	5	0	0	0	21	21	21	21	
Loans	25,720	33,430	43,607	59,182	80,416	99,479	72,612	62,077	76,470	
Change (%)	99.2		30.4	35.7	35.9	23.7	-27.0	-14.5	23.2	
Fixed Assets	55	60	183	192	212	224	298	343	377	
Other Assets	420	727	1,237	1,995	2,357	2,488	1,466	1,612	1,774	
Total Assets	36,105	42,400	58,379	72,905	93,635	1,17,743	82,927	69,867	84,622	

E: MOFSL Estimates

AUM and Disbursements										(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
AUM	26,414	36,065	46,378	67,860	92,960	1,14,761	89,800	75,819	91,758	
YoY Growth (%)	70	37	29	46	37	23	-22	-16	21	
Disbursements	25,720	35,740	37,103	61,798	85,962	1,02,945	69,710	57,859	78,110	
YoY Growth (%)	99	39	4	67	39	20	-32	-17	35	

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)									
Avg. Yield on Loans	24.3	22.5	21.5	20.7	22.9	23.3	24.8	23.7	23.7
Avg Cost of Funds	11.2	11.4	10.1	9.7	10.2	10.3	11.2	9.6	10.1
Spread of loans	13.1	11.1	11.4	11.0	12.7	13.0	13.6	14.1	13.6
NIM (on gross loans)	10.9	11.0	11.5	10.6	13.3	14.1	14.3	14.6	15.3
Profitability Ratios (%)									
RoA	1.8	1.8	0.9	0.3	4.6	4.8	-12.2	-0.5	3.7
RoE	11.3	7.6	3.6	1.7	21.2	19.5	-54.5	-2.1	12.3
Debt: Equity (x)	4.7	2.5	3.6	4.3	2.9	3.0	3.9	2.3	2.0
Leverage (x)	5.8	3.5	4.7	5.4	4.0	4.1	5.0	3.5	3.1
CAR	26.9	35.8	27.3	21.9	27.9	26.1	19.2	27.3	30.4
o/w Tier 1	23.8	33.1	25.5	19.9	26.6	25.5	18.6	26.6	29.7
Int. Expended / Int.Earned	54.1	50.7	45.3	46.6	40.2	37.8	39.5	33.3	31.1
Other Inc. / Net Income	11.4	16.3	9.1	19.4	17.3	19.8	15.4	11.5	15.6
Efficiency Ratios (%)									
Int. Expended/Int.Earned									
CIR	63.4	50.9	44.3	44.3	38.4	36.6	51.7	66.7	54.9
Opex/ AUM	7.3	6.4	5.3	5.5	5.5	5.7	7.7	9.7	8.8
Empl. Cost/Op. Exps.	67.1	74.2	76.5	74.6	73.2	72.7	72.7	72.9	69.9
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	0.9	1.1	1.0	1.0	1.2	1.2	1.1	1.3	1.4
Leverage (x)	5.8	3.5	4.7	5.4	4.0	4.1	5.0	3.5	3.1
Asset Quality									
GNPA (INR m)	404	384	2,559	3,584	2,889	2,973	6,460	3,243	2,528
NNPA (INR m)	145	130	1,024	1,030	708	603	230	97	303
GNPA (%)	1.5	1.1	5.5	5.7	3.5	2.9	7.9	4.7	3.0
NNPA (%)	0.6	0.4	2.3	1.7	0.9	0.6	0.3	0.1	0.3
PCR (%)	64	66	60	71	75	80	96	97	88
Credit costs (%)	1.0	3.1	5.6	6.9	2.8	4.0	20.7	6.1	3.1
Valuations									
Book Value (INR)	102	152	158	162	231	283	163	124	167
BV Growth (%)	64	49	4	3	43	22	-42	-24	34
P/BV	1.5	1.0	1.0	1.0	0.7	0.5	0.9	1.2	0.9
EPS (INR)	8	9	6	3	39	50	-122	-3	18
EPS Growth (%)		7	-37	-53	1368	30	-	-	-700
Price-Earnings (x)	18.7	17.5	27.7	58.6	4.0	3.1	-	-51.8	8.6

E: MOFSL Estimates

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