17 January 2026

3QFY26 Result Update| Sector: NBFCs

Poonawalla Fincorp

Estimate changes	↑
TP change	⟷
Rating change	⟷

Bloomberg	POONAWAL IN
Equity Shares (m)	779
M.Cap.(INRb)/(USDb)	377 / 4.1
52-Week Range (INR)	570 / 267
1, 6, 12 Rel. Per (%)	6/0/39
12M Avg Val (INR M)	939

Financials Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Total Income	26.9	40.3	69.2
PPOP	13.2	19.4	38.9
PAT	-1.0	5.4	17.0
EPS (INR)	-1.3	6.7	18.3
EPS Gr. (%)	-111.7	-	174.8
Standalone BV (INR)	105	126	185
Ratios			
NIM on AUM (%)	7.8	6.9	7.6
C/I ratio (%)	50.9	51.9	43.7
RoAA (%)	-0.3	1.1	2.2
RoE (%)	-1.2	5.9	12.4
Payout (%)	0.0	30.0	16.3
Valuations			
P/E (x)	-	69.5	25.3
P/BV (x)	4.4	3.7	2.5
Div. Yield (%)	0.0	0.4	0.6

Shareholding pattern (%)

As Of	Sep-25	Jun-25	Sep-24
Promoter	64.0	62.5	61.9
DII	12.3	12.3	10.6
FII	11.2	11.4	8.4
Others	12.6	13.9	19.1

FII includes depository receipts

CMP: INR464 TP: INR610 (+31%) Buy

Scale delivered, operating leverage ahead

Profitability inflection point, led by NIM expansion and credit normalization

- Poonawalla Fincorp's (PFL) 3QFY26 PAT grew ~102% QoQ to ~INR1.5b (~21% miss). NII grew ~50% YoY to ~INR9.2b (in line). Other income jumped ~173% YoY to ~INR1.6b, primarily due to higher fee income in the quarter.
- Opex rose 90% YoY to ~INR5.5b (inline), with the cost-to-income (C/I) ratio declining QoQ to ~51% (PQ: ~57% and PY: ~43%). Management highlighted that strategic investments in digital and distribution channels will be completed in FY26, which now positions PFL well to benefit from operating leverage. Consequently, the operating model is expected to deliver structural leverage across products, leading to gradual improvements in opex ratios. PPoP grew ~38% YoY to ~INR5.3b (inline).
- Provisions stood at INR3.3b (v/s MOFSLe: INR2.6b), translating into annualized credit costs of ~2.7% (PQ: 2.8% and PY: 5.2%). Barring instant personal loans, the credit costs across all other product segments remained range-bound. Management is confident of further moderation in credit costs driven by portfolio seasoning, enhanced risk management, and strong collection efficiency. Additionally, rising contributions from gold loans, education loans, and salaried PL are expected to lower overall credit costs and support a more balanced, lower-risk portfolio.
- **PFL's Board has granted in-principle approval to raise up to INR55b through the issuance of equity shares via a QIP. We have factored this fresh equity raise into our estimates in FY27. Lower financial leverage will result in NIM expansion and consequent near-term moderation in RoE.**
- The stock currently trades at 2.5x FY27E P/BV. We model ~50% AUM CAGR and 133% PAT CAGR over FY26E-FY28E and expect PFL to deliver an RoA/RoE of 2.5%/~16.0% in FY28. **We reiterate our BUY rating with an unchanged TP of INR610 (based on 3x Dec'27E BVPS).**

AUM jumps ~78% YoY; healthy traction continues in new businesses

- PFL's AUM grew ~78% YoY and ~15% QoQ to ~INR550b. Disbursements grew ~84% YoY/6.5% QoQ to ~INR132b in 3QFY26.
- The company expects strong growth from newer segments, and to support this expansion, PFL is rapidly scaling its physical footprint while strengthening partnerships with OEMs, dealers, consultants, and channel partners.
- Management has guided for AUM CAGR of ~35-40% over the next few years, with actual growth potentially exceeding this range depending on the macroeconomic conditions. We expect PFL to deliver an AUM CAGR of ~ 50% over FY26-28.

Research Analyst: Abhijit Tibrewal (Abhijit.Tibrewal@MotilalOswal.com) | Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com)
Research Analyst: Raghav Khemani (Raghav.Khemani@MotilalOswal.com) | Pranav Nawale (Pranav.Nawale@MotilalOswal.com)

NIM (calc.) improves ~25bp QoQ; the share of NCD continues to rise

- NIM (calc.) improved ~25bp QoQ to ~7.8%, driven by ~25bp QoQ improvement in yields to ~14%. The CoB (calc.) declined ~15bp QoQ to ~7.55%. The reported CoF dipped ~5bp QoQ to 7.65%.
- NCD issuance has been rising since Mar'25 and currently stands at ~32%, up from ~6%. This strengthens the long-term capital funding, while the company maintains a healthy mix of short- and long-term borrowings with flexible tenors. New product disbursement yield was ~15.5%, supporting the overall margin.
- We expect PFL to deliver an NIM on AUM of ~6.9% in FY26, which would further improve to ~7.6-7.7% in FY27-28, including the benefit of a fresh equity raise.

Credit costs improve marginally; moderation likely in the coming quarters

- GS3 declined ~10bp QoQ to ~1.5%, while NS3 was stable QoQ at ~0.8%. PCR on S3 loans declined ~2pp QoQ to ~47.8% (PQ: ~49.7%).
- GNPA trends show sequential improvement across Stage 1, 2, and 3 assets (S1: 97.4%, S2: 1.2%, S3: 1.5%). Additionally, PFL's borrower base is strong, with 85% having bureau scores above 750. LAP LTVs remain at ~45–50%, and education loans focus on top-tier students with strong parental backing.
- Management aims to optimize credit costs to best-in-class levels, supported by robust underwriting standards and a well-diversified portfolio. We model credit costs of ~2.6% for FY26, which are likely to decline to ~2% in FY28E.

Highlights from the management commentary

- Gold loan monthly disbursements doubled to ~INR2.1b, driven by branch productivity, with ~95% sourced from Tier 2 and Tier 3 regions. The company is on track to launch 400 gold branches by Mar'26. Its gold loan branches are spread across Gujarat, Haryana, Rajasthan, and Maharashtra, and it will further expand to Karnataka and parts of Odisha.
- As the portfolio evolves, gold, education, salaried PL, and LAP are expected to account for ~50–60% of total AUM.

Valuation and view

- PFL's 3QFY26 performance reflects improving business momentum despite near-term drag due to higher provisions. Strong NII growth, improving margins, and sequential improvement in asset quality underpin earnings visibility, while management's confidence in future moderation of credit costs and improvement in operating leverage support a gradual improvement in profitability and RoA. With major investments in digital and distribution largely completed and capital flexibility enhanced through the proposed QIP, PFL is at an inflection point to deliver a strong improvement in profitability along with rapid balance sheet expansion. **Reiterate BUY with a TP of INR610 (premised on 3x Dec'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) an aggressive competitive landscape leading to poor underwriting and a consequent deterioration in asset quality.

Quarterly Performance (Standalone) **(INR M)**

Y/E March	FY25				FY26E				FY25	FY26E	3Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	8,962	9,107	9,991	10,685	11,853	14,022	16,597	19,758	38,745	62,230	16,266	2
Interest Expenses	3,201	3,516	3,850	4,584	5,461	6,378	7,387	8,841	15,151	28,067	7,271	2
Net Interest Income	**5,761**	**5,592**	**6,141**	**6,101**	**6,393**	**7,644**	**9,209**	**10,917**	**23,594**	**34,163**	**8,995**	**2**
YoY Growth (%)	*36.8*	*17.8*	*25.1*	*8.5*	*11.0*	*36.7*	*50.0*	*78.9*	*21.1*	*44.8*	*46.5*	
Other Income	997	858	581	1,048	1,287	1,405	1,588	1,882	3,346	6,163	1,434	11
Total Income	**6,758**	**6,449**	**6,722**	**7,149**	**7,679**	**9,050**	**10,798**	**12,799**	**26,940**	**40,326**	**10,429**	**4**
YoY Growth (%)	*35.1*	*22.0*	*22.2*	*11.6*	*33.9*	*40.3*	*60.6*	*79.0*	*22.6*	*49.7*	*55.2*	
Operating Expenses	2,436	3,610	2,908	3,821	4,434	5,184	5,520	5,799	13,713	20,937	5,298	4
Operating Profit	**4,321**	**2,839**	**3,814**	**3,328**	**3,245**	**3,866**	**5,277**	**7,000**	**13,228**	**19,389**	**5,131**	**3**
YoY Growth (%)	*46.9*	*-15.4*	*8.89*	*-18.7*	*-24.9*	*36.1*	*38.38*	*110.3*	*-4.8*	*46.6*	*34.5*	
Provisions & Loan Losses	425	9,144	3,562	2,526	2,411	2,877	3,275	3,649	14,582	12,212	2,589	27
Profit before Tax	**3,897**	**-6,305**	**252**	**802**	**834**	**989**	**2,002**	**3,351**	**-1,354**	**7,177**	**2,542**	**-21**
Exceptional items		**0**							0	**0**		
Tax Provisions	980	-1,594	65	179	208	247	500	839	-371	1,794	651	-23
PAT (excl. exceptional)	**2,916**	**-4,710**	**187**	**623**	**626**	**742**	**1,502**	**2,512**	**-983**	**5,383**	**1,891**	**-21**
PAT (incl. exceptional)	**2,916**	**-4,710**	**187**	**623**	**626**	**742**	**1,502**	**2,512**	**-983**	**5,383**	**1,891**	**-21**
YoY Growth (%)	46		-93	-81	-79	-116	702	303	-112	-647	910	
Key Parameters (Calc., %)												
Yield on loans	15.5	15.0	15.2	14.1	13.4	13.7	14.0	14.3				
Cost of funds	8.0	8.0	7.8	7.8	7.7	7.7	7.6	7.7				
Spread	7.6	7.0	7.4	6.3	5.7	6.0	6.4	6.6				
NIM on loans	10.0	9.2	9.3	8.0	7.2	7.5	7.8	7.9				
C/I ratio	36.1	56.0	43.3	53.4	57.7	57.3	51.1	45.3				
Credit cost	0.71	14.38	5.2	3.22	2.66	2.76	2.7	2.6				
Tax rate	25.2	25.3	25.6	22.3	25.0	25.0	25.0	25.0				
Balance Sheet Parameters												
Disbursements (INR b)	**74.0**	**63.1**	**71.5**	**93.8**	**106.5**	**123.6**	**131.5**	**143.4**				
Growth (%)	-10.6	-19.1	-18.1	-3.2	43.9	95.7	84.0	52.9				
AUM (INR b)	**270**	**284**	**310**	**356**	**413**	**477**	**550**	**630**				
Growth (%)	51.7	40.5	41.2	42.5	53.0	68.0	77.6	76.7				
AUM mix (%)												
Focused	96.0	97.0	98.0	98.0	99.0	99.0	100.0					
Discontinued (Legacy and DA)	4.0	3.0	2.0	2.0	1.0	1.0	0.0					
Asset Quality Parameters												
GS 3 (INR m)	1,660	5,470	5,390	6,190	7,120	7,110						
GS 3 (%)	0.67	2.10	1.85	1.84	1.84	1.59						
NS 3 (INR m)	790	850	2,330	2,820	3,280	3,580						
NS 3 (%)	0.32	0.33	0.81	0.85	0.85	0.81						
PCR (%	52.4	84.5	56.8	54.5	53.9	49.7						

E: MOFSL estimates

CONFERENCE CALL

Highlights from the management commentary

Guidance

- Management has guided for AUM growth of ~35–40% over the next few years, with actual growth potentially exceeding this range depending on the macro-economic conditions.
- NIM is expected to remain stable, supported by disciplined management of CoF and levers on product mix.

Business Updates

- AUM grew ~78% YoY and ~15% QoQ to ~INR550b, reflecting strong momentum across all products.
- Total disbursements rose 84% YoY and 6.5% QoQ, with new products contributing ~11% of AUM and ~20% of 3Q total disbursements. The new product disbursements in 3QFY26 touched ~INR26b.
- NII rose ~50% YoY to ~INR9.2b
- Reported CoF declined ~5bp QoQ to 7.65%. NIM (including fee income) improved to ~8.62% from ~8.4% in the previous quarter.
- Operating expenses to AUM reduced to ~4.4%, reflecting improved productivity, despite increased branch network, technology investments, and staff additions.
- Asset quality strengthened, with GNPA reducing by ~8bp, underpinned by a secured on-book mix of ~56%.
- 3QFY26 PAT stood at ~INR1.5b (v/s INR742m in 2QFY26).
- Debt-to-equity ratio remained at 4.5x, while CAR stayed healthy at ~18.7%, comfortably above regulatory requirements.

Business Segments

Prime PL

- The Prime PL business continues to gain strong traction, with average monthly disbursements of INR4.3b in 3Q, of which ~28% were processed with zero manual intervention.
- 70% of customers have bureau scores above 750, with a net monthly income of INR75K, indicating a high-quality risk profile.

Gold Loans

- Gold loan monthly disbursements doubled to ~INR2.1b, driven by branch productivity, with ~95% sourced from Tier 2 and Tier 3 regions.
- The company is on track to launch 400 gold branches by Mar’26. Its gold loan branches are spread across Gujarat, Haryana, Rajasthan, and Maharashtra, and it will further expand to Karnataka and parts of Odisha.

Consumer Durables

- On track to reach 12,000+ dealer points by Mar’26.
- Digital channels contributed INR1.2b in disbursements during the Oct’25 festive period.
- Strategy focuses on unsecured digital loans

CV Loans

- CV business expanded to 55 strategic locations across 12 states
- Onboarded 700+ channel partners to expand reach in key markets.

Education Loans

- Over 16,000 files were logged via education consultants, with 3Q disbursements of INR1.2b.
- Supported by 225+ dedicated sales staff and ~325 partners, including key education consultants.

- On track to expand the sales footprint from 25 to 50 locations across states by Mar'26

Commercial Business

- Commercial Business AUM stood at INR337b
- Comprises LAP, business loans, loans to professionals, shopkeeper loans, and mid-market finance.
- LAP AUM of ~INR151b is the major contributor, while unsecured business loans, shopkeeper loans, and professional loans together stood at ~INR80b.
- Mid-market finance, including NBFC and supply chain finance, was ~INR94b.
- About 72% of the commercial book is secured, with a target to increase direct channel sourcing (non-DSA) to 40–50% (currently 22%).
- Distribution has been strengthened via improved penetration and expansion into new markets and channels, supported by robust process and policy infrastructure.

Margins and Cost of Borrowings

- NCD issuance continues to rise from Mar'25, strengthening long-term capital funding.
- Cost of borrowing declined to ~7.65% (from ~7.69% in 2QFY26), aided by lower interest rates and liability diversification.
- The company maintains a healthy mix of short-term and long-term borrowings, with flexibility across tenors.
- New product disbursement yields ~15.5%, supporting overall margins.
- Asset duration is currently 2.5 years, with potential adjustments based on product mix evolution.

Operating Leverage

- Operating leverage is gradually coming into play, with opex to AUM at 4.4%, reflecting improved productivity and efficiency.
- Strategic investments in digital and distribution channels have largely been completed, and every year directionally, there should be an improvement in the cost-income ratio and opex to avg AUM.
- Company did lot of strategic investments in FY26, and now it is hugely in favor of operating leverage.
- The operating model is designed to deliver structural leverage across products with contributions from digital platforms and channel partners.

Credit Costs

- **Quarterly credit costs stood at 2.62% – other than instant personal loans, other products are exhibiting range-bound credit costs of 1.4-1.5%.**
- **CV Finance has 75% of used CV Finance – no accounts have crossed 30dpd.**
- **Unsecured Loans to Salaried Customers had 6 MOB 30+dpd stood at 0.4%**
- **Consumer Durable: 2MOB stood at 0.15%, and 3MOB stood at 0.06%**
- Product portfolios are calibrated to deliver sustainable RoA with risk-adjusted returns.
- Instant loans carry higher credit costs, while the remaining 12 products have lower inherent risk.
- Credit costs are expected to dip due to portfolio seasoning, risk management, and strong collections.
- Increasing contributions from gold, education, and salaried loans will further reduce credit costs, creating a more balanced, low-risk portfolio.
- GNPA trends showed sequential improvement across Stage 1, 2, and 3 assets (S1: 97.4%, S2: 1.2%, S3: 1.5%).

- Consumer loans demonstrate structurally improving asset quality, with 85% of borrowers having bureau scores above 750.
- LAP LTV remains at ~45–50%, and education loans are focused on top-tier students with strong parental backing.
- Management stated that the reported credit cost is a mathematical weighted average reflecting the proportional contribution of instant loan business and the combined contribution of other businesses based on their respective share of assets. Accordingly, portfolio credit cost is a function of portfolio mix and not driven by any single product in isolation. Accordingly, movement in the credit cost will also be a function of a change in the product mix.

PCR and write-off Policy

- The Stage 1 assets are increasing, while Stage 3 is gradually reducing, resulting in lower PCR.
- Product mix and ECL adjustments have contributed to declining PCR levels.
- Write-off policy: Unsecured Loans: 180dpd; Vehicle Secured: 365dpd; LAP is 730dpd.

RoA

- Improving RoA is a key management focus, driven by disciplined product mix and credit calibration.
- 3QFY26 RoA reached 1.2%, supported by healthy disbursement yields of 15.5% from newer products.
- Continuous improvement in operating leverage, credit costs, and improvement in yields is expected to sustain RoA growth.

AI and Technology Initiatives

- Of 57 AI solutions, 30 have been successfully deployed, and 27 are in progress; 12 new AI projects were initiated in 3Q.
- AI applications include WhatsApp and web chatbots for sales support, with only high-risk cases escalated to human agents.
- Multi-agent AI aids operations, governance, and customer experience, currently testing 14 languages for broader accessibility, along with Hindi and English.
- Tools implemented include: a) Streamlined underwriting workflows, b) AI-assisted data interpretation and document validation, c) Enhanced multi-channel communication automation, and d) Risk hindsight automation.
- BuildBuddy integrates AI tools to boost development efficiency, while DartGenie accelerates decision-making via natural language reporting.
- Centralized KYC platform reduces manual intervention, improving operational efficiency.

Digital Marketing Strategy

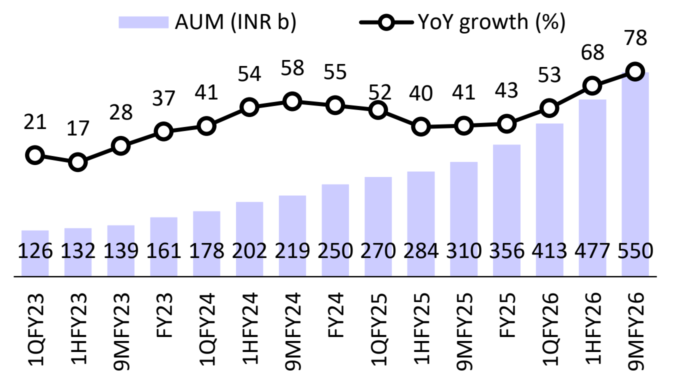
- Deepening digital partner ecosystem to enhance reach and engagement.
- Driving cost efficiency through tech-led innovation, with stepped-up website presence (resulting into +150% visibility).
- Leveraging AI to reinforce brand trust and operating efficiency across branches.

Other Highlights

- As the portfolio evolves, gold, education, salaried PL, and LAP are expected to account for ~50–60% of total AUM.
- Branches will be dedicated gold loans branches, with potential for cross-sell opportunities.

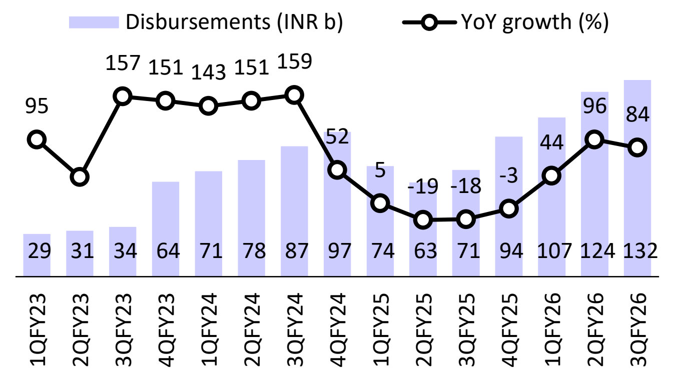
Story in charts

Exhibit 1: Healthy AUM growth of 78% YoY



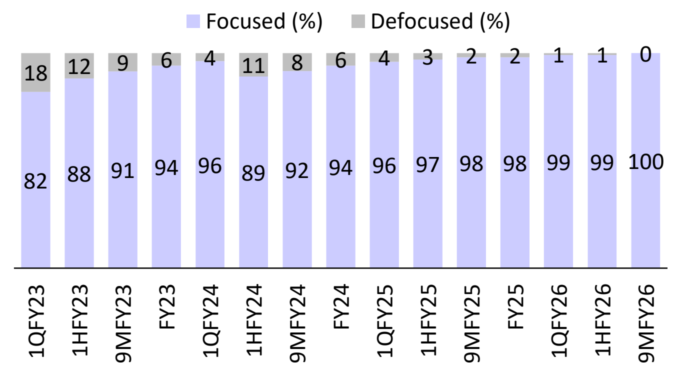
Source: MOFSL, Company

Exhibit 2: Disbursements jumped ~84% YoY



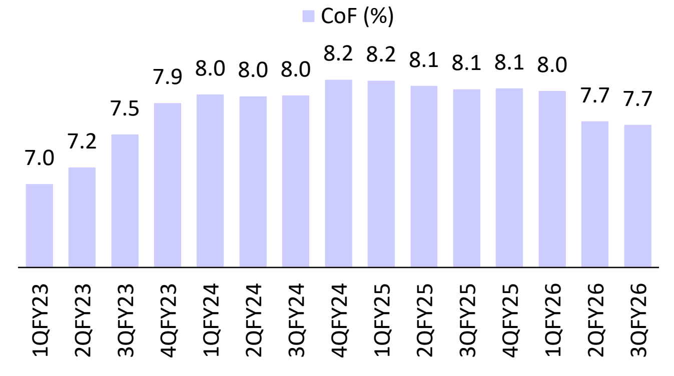
Source: MOFSL, Company

Exhibit 3: Focused products exhibiting healthy loan growth



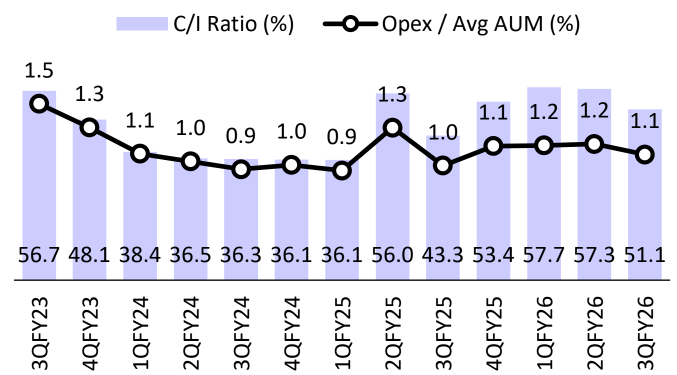
*Note: Change in classification from 2QFY24; Source: MOFSL, Company

Exhibit 4: CoF (reported) declined ~5bp QoQ to ~7.65%



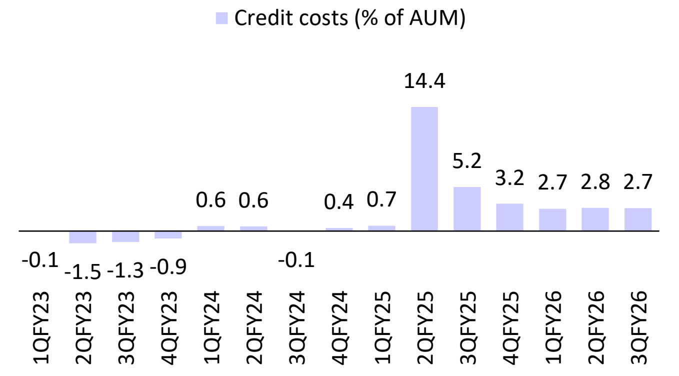
Source: MOFSL, Company

Exhibit 5: C/I declined to ~51% in 3QFY26



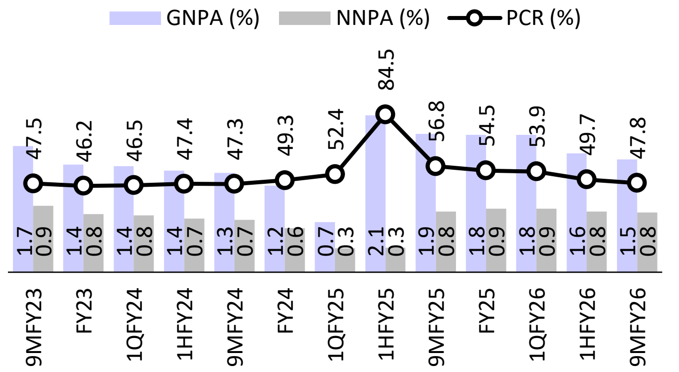
Source: MOFSL, Company

Exhibit 6: Credit costs declined to 2.7% in 3QFY26



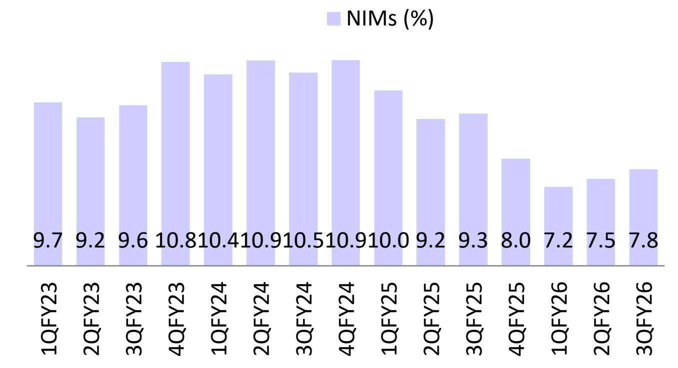
Source: MOFSL, Company

Exhibit 7: GNPA declined ~10bp QoQ to 1.5%



Source: MOFSL, Company

Exhibit 8: NIM (calc.) improved ~25bp QoQ (%)



Source: MOFSL, Company

Exhibit 9: We increase our FY28 EPS estimate by 13% to factor in higher AUM growth and the benefits of the equity raise

INR B	Old Est.			New Est.			% change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII (incl. assignments)	33.2	55.2	79.6	34.2	61.0	92.7	3.0	10.5	16.4
Other Income	5.8	7.5	9.5	6.2	8.1	10.5	5.5	8.6	10.4
Total Income	**39.0**	**62.7**	**89.1**	**40.3**	**69.2**	**103.2**	**3.4**	**10.3**	15.8
Operating Expenses	20.2	27.7	37.6	20.9	30.2	41.7	3.8	9.1	11.1
Operating Profits	**18.8**	**35.0**	**51.6**	**19.4**	**38.9**	**61.4**	**2.9**	**11.2**	19.1
Provisions	10.3	11.6	17.2	12.2	16.2	22.5	18.8	39.3	30.9
PBT	**8.6**	**23.4**	**34.3**	**7.2**	**22.7**	**38.9**	**-16.2**	**-2.9**	13.2
Tax	2.1	5.8	8.6	1.8	5.7	9.7	-16.2	-2.9	13.2
Normalized PAT	**6.4**	**17.5**	**25.8**	**5.4**	**17.0**	**29.2**	**-16.2**	**-2.9**	13.2
AUM	601	875	1,208	630	977	1,419	4.7	11.6	17.4
Loans	561	826	1,139	594	923	1,342	5.9	11.8	17.8
Borrowings	463	705	988	499	757	1,146	7.7	7.4	16.0
NIM	6.9	7.5	7.6	6.9	7.6	7.7			
Credit Cost	2.3	1.7	1.7	2.6	2.1	2.0			
RoA	1.4	2.5	2.6	1.1	2.2	2.5			
RoE	**7.0**	**15.9**	**19.8**	**5.9**	**12.4**	**15.7**			

Financials and Valuation

Income Statement									(INR M)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	20,228	17,570	14,586	18,265	29,041	38,745	62,230	1,06,525	1,61,189
Interest Expenses	11,240	8,746	5,093	5,953	9,551	15,151	28,067	45,515	68,514
Net Interest Income	**8,988**	**8,824**	**9,493**	**12,312**	**19,490**	**23,594**	**34,163**	**61,010**	**92,675**
Change (%)	-11.8	-1.8	7.6	29.7	58.3	21.1	44.8	78.6	51.9
Non-interest income and Other Income	1,962	1,199	1,085	1,931	2,478	3,346	6,163	8,146	10,495
Net Total Income	**10,951**	**10,023**	**10,578**	**14,243**	**21,967**	**26,940**	**40,326**	**69,156**	**1,03,170**
Change (%)	-12.4	-8.5	5.5	34.6	54.2	22.6	49.7	71.5	49.2
Total Operating Expenses	**5,968**	**4,563**	**6,046**	**8,139**	**8,074**	**13,713**	**20,937**	**30,219**	**41,745**
Change (%)	-0.8	-23.5	32.5	34.6	-0.8	69.8	52.7	44.3	38.1
Employee Expenses	3,741	3,060	4,099	5,148	4,444	6,362	10,561	15,314	20,827
Depreciation	716	522	495	614	593	651	937	1,125	1,350
Other Operating Expenses	1,487	981	1,453	2,268	3,036	5,755	9,439	13,780	19,568
PPoP	**4,982**	**5,460**	**4,532**	**6,104**	**13,894**	**13,228**	**19,389**	**38,937**	**61,425**
Change (%)	-23.1	9.6	-17.0	34.7	127.6	-4.8	46.6	100.8	57.8
Total Provisions	**4,640**	**13,186**	**686**	**-1,445**	**720**	**14,582**	**12,212**	**16,226**	**22,538**
PBT	**342**	**-7,727**	**3,846**	**7,761**	**13,173**	**-1,354**	**7,177**	**22,711**	**38,887**
Exceptional items					12,212	0	0	0	0
Tax Provisions	442	-1,943	914	1,816	4,827	-371	1,794	5,678	9,722
PAT (excl. exceptional)	**-100**	**-5,784**	**2,932**	**5,945**	**8,347**	**-983**	**5,383**	**17,033**	**29,166**
PAT (incl. exceptional)	**-100**	**-5,784**	**2,932**	**5,945**	**20,559**	**-983**	**5,383**	**17,033**	**29,166**

Balance Sheet									(INR M)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	539	539	1,530	1,536	1,541	1,546	1,612	1,857	1,857
Reserves & Surplus	24,614	18,881	55,615	62,711	79,623	79,694	1,00,010	1,70,187	1,96,567
Net Worth	**25,153**	**19,421**	**57,145**	**64,247**	**81,164**	**81,240**	**1,01,622**	**1,72,043**	**1,98,424**
Borrowings	**1,00,595**	**79,487**	**67,734**	**1,12,092**	**1,52,157**	**2,58,806**	**4,98,735**	**7,56,849**	**11,46,312**
Change (%)									
Other liabilities	3,803	4,512	3,217	3,880	7,041	9,747	14,621	20,469	27,634
Total Liabilities	**1,29,552**	**1,03,420**	**1,28,097**	**1,80,218**	**2,40,362**	**3,49,793**	**6,14,979**	**9,49,361**	**13,72,369**
Loans	**1,11,749**	**85,653**	**1,06,784**	**1,52,295**	**2,20,464**	**3,26,950**	**5,93,806**	**9,23,290**	**13,42,066**
Change (%)	-14.9	-23.4	24.7	42.6	44.8	48.3	81.6	55.5	45.4
Cash and Bank Balances	6,484	6,124	5,372	6,574	2,685	323	2,503	4,802	6,022
Fixed Assets	2,267	1,715	1,748	2,117	1,944	2,542	2,745	2,965	3,202
Investments	4,024	4,289	8,197	3,109	8,783	13,416	8,050	8,855	9,740
Other assets	5,028	5,638	5,996	16,123	6,486	6,562	7,875	9,450	11,339
Total Assets	**1,29,552**	**1,03,420**	**1,28,097**	**1,80,218**	**2,40,362**	**3,49,793**	**6,14,979**	**9,49,361**	**13,72,369**

E: MOFSL Estimates

AUM									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM (INR b)	128.5	102.5	117.7	161.4	250.0	356.3	629.7	976.6	1,418.7
YoY growth (%)	**-7**	**-20**	**15**	**37**	**55**	**43**	**77**	**55**	**45**
Disbursements (INR b)	50.5	24.2	75.2	157.5	332.9	302.4	505.0	727.2	989.0
YoY growth (%)	**-34**	**-52**	**210**	**109**	**111**	**-9**	**67**	**44**	**36**

E: MOFSL Estimates

Financials and Valuation

Ratios									
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Spreads Analysis (%)									
Avg. Yield on Loans	16.3	17.5	14.9	14.0	15.6	14.1	13.5	14.0	14.2
Avg Cost of Funds	10.3	9.7	6.9	6.6	7.2	7.4	7.4	7.3	7.2
Spread on loans	6.0	7.8	8.0	7.4	8.3	6.8	6.0	6.8	7.0
NIM (on AUM)	6.7	7.6	8.6	8.8	9.5	7.8	6.9	7.6	7.7
Profitability Ratios (%)									
RoE	-0.4	-26.0	7.7	9.8	11.5	-1.2	5.9	12.4	15.7
RoA	-0.1	-5.0	2.5	3.9	4.0	-0.3	1.1	2.2	2.5
Int. Expended / Int.Earned	55.6	49.8	34.9	32.6	32.9	39.1	45.1	42.7	42.5
Other Inc. / Net Income	17.9	12.0	10.3	13.6	11.3	12.4	15.3	11.8	10.2
Efficiency Ratios (%)									
Op. Exps. / Net Income	54.5	45.5	57.2	57.1	36.8	50.9	51.9	43.7	40.5
Opex/ Avg AUM	4.5	4.0	5.5	5.8	3.9	4.5	4.2	3.8	3.5
Empl. Cost/Op. Exps.	62.7	67.1	67.8	63.2	55.0	46.4	50.4	50.7	49.9
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	1.1	1.1	1.6	1.4	1.4	1.3	1.2	1.2	1.2
Debt/Equity (x)	4.0	4.1	1.2	1.7	1.9	3.2	4.9	4.4	5.8
Assets/Equity (x)	5.2	5.3	2.2	2.8	3.0	4.3	6.1	5.5	6.9
Asset quality									
GNPA (INR m)	8,357	4,190	3,720	2,250	2,680	6,190	8,747	13,125	17,705
GNPA (%)	0.0	4.3	3.3	1.4	1.2	1.8	1.5	1.4	1.3
NNPA (INR m)	0	1,240	1,440	1,210	1,360	2,820	4,636	7,219	9,915
NNPA (%)	0.0	1.3	1.3	0.8	0.6	0.9	0.8	0.8	0.7
PCR (%)	0.0	70.4	61.3	46.2	49.3	54.5	47.0	45.0	44.0
Credit costs (%)	3.8	13.4	0.7	-1.1	0.4	5.1	2.6	2.1	2.0

Valuations	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Book Value (INR)	93	72	75	84	105	105	126	185	214
BV Growth (%)	-1.7	-22.8	3.7	12.0	25.9	-0.2	19.9	47.0	15.3
Price-BV (x)	**5.0**	**6.4**	**6.2**	**5.5**	**4.4**	**4.4**	**3.7**	**2.5**	**2.2**
EPS (INR)	-0.4	-21.5	3.8	7.7	10.8	-1.3	6.7	18.3	31.4
EPS Growth (%)	-103.6	5,675.2	-117.9	102.0	39.9	-111.7	-624.8	174.8	71.2
Price-Earnings (x)	**-1,249.2**	**-21.6**	**121.1**	**59.9**	**42.8**	**-364.7**	**69.5**	**25.3**	**14.8**
Dividend per share	0.0	0.0	0.4	2.0	2.0	0.0	2.0	3.0	3.0
Dividend Yield (%)	**0.0**	**0.0**	**0.1**	**0.4**	**0.4**	**0.0**	**0.4**	**0.6**	**0.6**

E: MOFSL Estimates

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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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