

# Spandana Sphoorty

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR237**

**TP: INR260 (+10%)**

**Neutral**

## Losses narrow, but near-term challenges persist

**NIM expands 270bp QoQ along with collection efficiency; PAT break-even in 4Q**

- Spandana Sphoorty's (SPANDANA) 3QFY26 loss stood at ~INR950m (inline). NII declined 58% YoY to ~INR1.16b (12% beat).
- Opex dipped ~23% YoY to ~INR2.04b (7% higher than our est). Operating loss was INR670m (PQ: operating loss of INR690m). Credit costs declined to ~INR584m, resulting in annualized credit costs of ~7% (PQ: ~27%).
- SPANDANA is expected to witness a gradual turnaround and resumption of growth, targeting disbursements of ~INR15b in 4QFY26. In the near term, management plans to stabilize monthly disbursements at ~INR5b before scaling up to INR5.5-6b per month. The company targets to drive growth in its top six States following a disciplined approach with a focus on CE and optimizing its cost of borrowings.
- Management expects NIMs to improve further as the FY26-originated book is expected to contribute ~90% to the total AUM by Mar'26. Blended yield on the new book currently stands at ~25.3%, and the weighted average portfolio yields are expected to improve to ~24-25% as the new book becomes dominant. On the liability front, bank loans account for ~42% of total borrowings, primarily from private and foreign banks. Increased share of borrowings from PSU banks could raise the share of bank funding to ~60%, supporting a gradual improvement in the CoF.
- **The company has appointed Mr. Venkatesh Krishnan as Managing Director & CEO, effective 27 Nov'25. He brings over ~34 years of experience across leading institutions and diverse functions. In his previous role, he headed the MFI division (Retail and Wholesale) at HDFC Bank.**
- SPANDANA is focused on calibrated growth while maintaining asset quality and improving operational efficiency. With the FY26-originated portfolio gaining dominance and the leadership transition to the new MD/CEO, the company aims to scale certain product segments, including MFI and LAP, while optimizing collections and CoF.
- Strategic initiatives such as branch rationalization, Loan Origination System (LOS) migration, and potential merger with Criss Financial are expected to enhance productivity and unlock synergies. However, we will closely monitor a) scale-up in disbursements, b) merger progress and its impact on opex, and c) asset quality trends, as the company now starts the process of rebuilding the franchise. Owing to these factors, **we reiterate our Neutral rating** on the stock with a TP of INR260 (based on 0.8x Dec'27E BV).

## AUM declines ~56% YoY; disbursements dip ~18% YoY

- AUM declined ~56% YoY and ~3% QoQ to ~INR39b. Disbursement declined ~18% YoY to INR11.9b. Total borrower count declined ~17% QoQ to 1.3m.
- Loan Officers (net) declined by ~900 during the quarter, and Spandana currently employs ~7,106 loan officers.

Bloomberg	SPANDANA IN
Equity Shares (m)	71
M.Cap.(INRb)/(USDb)	18.9 / 0.2
52-Week Range (INR)	343 / 184
1, 6, 12 Rel. Per (%)	-10/-15/-29
12M Avg Val (INR M)	111

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	4.8	7.1	10.0
Total Income	5.7	10.1	13.2
PPoP	-2.3	3.4	6.1
PAT	-7.0	1.7	3.7
EPS (INR)	-87	19	42
EPS Gr. (%)	-	-	123
BV (INR)	241	282	324

### Ratios (%)

NIM	10.0	14.7	15.2
C/I ratio	140.6	66.4	53.4
Credit cost	14.5	3.6	3.7
RoA	-9.6	2.4	4.2
RoE	-29.3	7.2	13.9

### Valuations

P/E (x)	-	12.5	5.6
P/BV (x)	1.0	0.8	0.7

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	48.2	48.2	48.1
DII	5.8	6.1	6.3
FII/FIIFII	20.4	20.3	21.7
Others	25.7	25.5	23.9

FII includes depository receipts

- Management targets an AUM growth of ~25-30%, with AUM likely to reach ~INR90-95b by FY28. We expect SPANDANA to deliver an AUM growth of ~37% over FY26–28, aided by disbursement growth of ~39% during the same period.

#### Reported NIM expands ~270bp QoQ; yields rise ~280bp QoQ

- Reported yields improved ~280bp QoQ to ~22.4%, while CoF rose ~40bp QoQ to ~12.6%, resulting in a ~240bp QoQ improvement in spreads to 9.8%.
- Reported NIM expanded ~270bp QoQ to ~11.1%.
- Management expects margins to improve as the FY26-originated portfolio becomes dominant. We expect Spandana to report a NIM of ~10% in FY26, which we estimate to jump to ~14.7%/15.2% in FY27/FY28. Part of the NIM expansion will be led by lower interest income reversals from next year onwards.

#### GNPA declines to 4.2%; X-bucket CE improves to ~99.5%

- GNPA/NNPA declined ~140bp/30bp QoQ to ~4.2%/1.0%. S3 PCR declined ~60bp QoQ to ~78.6%. Gross Stage 2 declined ~220bp QoQ to ~1.8%.
- Gross Collection Efficiency (including arrears) improved to 94.5% (PQ: 92.9%), and net Collection Efficiency improved to 93.9% (PQ: 92.4%). X-bucket Collection Efficiency stood at 99.5% in Dec'25 vs. 98.8% in Sep'25.
- Management shared that CE showed improvement in Jan'26 compared to Dec'25. To strengthen asset quality, the company has enhanced its recovery operations, with a dedicated team managing 90dps. Recovery associates have increased to 1,077 as of Dec'25 (from 672 in Sep'25), and the recovery team is expected to expand to ~1,500 over the next 2 quarters.
- SPANDANA guided for gross credit costs of ~2.5–3.0% in FY27. We expect the gross credit costs to normalize significantly over the medium term, declining from ~14.5% in FY26 to ~3.7% by FY28E.

#### Highlights from the management commentary

- The company is evaluating the merger of Criss Financial Ltd with the parent to unlock operational and cost synergies. The merger is expected to be completed in 6–9 months.
- The company plans to pilot an unsecured individual loan product in select clusters (with tighter underwriting than vanilla JLG loans). This is expected to be launched post LOS migration.

#### Valuation and view

- Spandana appears to be at an inflection point, though the pace of recovery will hinge on the execution under the new management. While the company is pursuing calibrated growth and initiatives such as branch rationalization, LOS migration, and the potential Criss Financial merger, these could improve efficiency, but disbursements, asset quality, and opex will be the key monitorables.
- **We reiterate our Neutral rating** on the stock with a TP of INR260 (based on 0.8x Dec'27E BV).

**SPANDANA: Quarterly Performance**

(InR m)

Y/E March	FY25				FY26E				FY25	FY26E	3Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	6,935	6,071	5,029	3,907	2,837	2,246	2,252	2,491	21,943	9,826	2,134	6
Interest Expenses	2,594	2,584	2,290	1,855	1,538	1,199	1,087	1,158	9,323	4,981	1,091	0
<b>Net Interest Income</b>	<b>4,342</b>	<b>3,487</b>	<b>2,739</b>	<b>2,052</b>	<b>1,300</b>	<b>1,048</b>	<b>1,164</b>	<b>1,334</b>	<b>12,621</b>	<b>4,845</b>	<b>1,043</b>	<b>12</b>
YoY Growth (%)	48.0	10.4	-13.4	-46.8	-70.1	-70.0	-57.5	-35.0	-3.8	-61.6	-61.9	
Other Income	435	994	697	282	204	149	204	298	2,298	855	391	-48
<b>Total Income</b>	<b>4,776</b>	<b>4,481</b>	<b>3,436</b>	<b>2,335</b>	<b>1,504</b>	<b>1,196</b>	<b>1,368</b>	<b>1,632</b>	<b>14,918</b>	<b>5,700</b>	<b>1,434</b>	<b>-5</b>
YoY Growth (%)	45.7	8.6	-15.5	-49.3	-68.5	-73.3	-60.2	-30.1	-5.8	-61.8	-58.3	
Operating Expenses	1,908	2,203	2,651	2,083	2,091	1,886	2,038	1,997	8,843	8,012	1,901	7
<b>Operating Profit</b>	<b>2,869</b>	<b>2,278</b>	<b>784</b>	<b>251</b>	<b>-587</b>	<b>-690</b>	<b>-670</b>	<b>-365</b>	<b>6,075</b>	<b>-2,312</b>	<b>-466</b>	<b>44</b>
YoY Growth (%)	51.7	-11.6	-67.4	-90.5	-120.5	-130.3	-185.4	-245.2	-34.7	-138.1	-159.5	
Provisions & Loan Losses	2,118	5,164	6,661	6,028	4,222	2,582	584	-375	19,863	7,012	700	-17
<b>Profit before Tax</b>	<b>751</b>	<b>-2,886</b>	<b>-5,876</b>	<b>-5,776</b>	<b>-4,809</b>	<b>-3,271</b>	<b>-1,255</b>	<b>10</b>	<b>-13,788</b>	<b>-9,325</b>	<b>-1,166</b>	<b>8</b>
Tax Provisions	193	-723	-1,474	-1,433	-1,207	-780	-305	-50	-3,436	-2,340	-292	4
<b>Net Profit</b>	<b>557</b>	<b>-2,163</b>	<b>-4,402</b>	<b>-4,343</b>	<b>-3,602</b>	<b>-2,492</b>	<b>-950</b>	<b>60</b>	<b>-10,352</b>	<b>-6,984</b>	<b>-875</b>	<b>-9</b>
YoY Growth (%)	-53	-273	-446	-438	-747	15	-78	-101	-307	-33	-80	
<b>Key Parameters (%)</b>												
Yield on loans	25.4	24.4	24.0	23.4	23.0	23.2	25.4	25.9				
Cost of funds	11.4	12.4	12.6	12.0	12.3	12.6	12.3	12.4				
Spread	14.1	12.0	11.5	11.5	10.6	10.6	13.1	13.4				
NIM	15.9	14.0	13.1	12.3	10.5	10.8	13.1	13.9				
Credit cost	7.8	20.7	31.8	36.2	34.2	26.7	6.6	-3.9				
Cost to Income Ratio (%)	39.9	49.2	77.2	89.2	139.1	157.6	149.0	122.4				
Tax Rate (%)	25.8	25.0	25.1	24.8	25.1	23.8	24.3	-489.9				
<b>Performance ratios (%)</b>												
AUM/Branch (INR m)	0	69	54	38	29	24	24					
AUM/Loan Officer (INR m)	11.9	9.5	7.1	5.7	5.6	5.1						
Borrowers/Branch	2,048	2,022	1,669	1,380	1,186	910	774					
Borrowers/Loan Officer	219	191	149	135	131	116						
<b>Balance Sheet Parameters</b>												
	-10.1											
<b>AUM (INR B)</b>	<b>117.2</b>	<b>105.4</b>	<b>89.4</b>	<b>68.2</b>	<b>49.6</b>	<b>40.9</b>	<b>39.5</b>					
Change YoY (%)	32.5	7.7	-14.1	-43.0	-57.7	-61.2	-55.8					
<b>Disbursements (INR B)</b>	<b>22.8</b>	<b>15.1</b>	<b>14.4</b>	<b>3.7</b>	<b>2.8</b>	<b>9.3</b>	<b>11.9</b>					
Change YoY (%)	37.2	-39.8	-43.3	-90.8	-87.7	-38.3	-17.7					
<b>Borrowings (INR B)</b>	<b>90.4</b>	<b>78.5</b>	<b>67.5</b>	<b>56.6</b>	<b>43.1</b>	<b>32.9</b>	<b>37.9</b>					
Change YoY (%)	42.6	1.1	-15.3	-40.0	-52.4	-58.1	-43.9					
Borrowings/Loans (%)	77.1	74.5	75.5	82.9	86.8	80.5	95.9					
Debt/Equity (x)	2.4	2.2	2.2	2.1	1.9	1.5						
<b>Asset Quality (%)</b>												
<b>GS 3 (INR M)</b>	<b>2,920</b>	<b>4,770</b>	<b>4,000</b>	<b>3,540</b>	<b>2,510</b>	<b>2,170</b>	<b>1,590</b>					
G3 %	2.6	4.9	4.8	5.6	5.5	5.6	4.2					
<b>NS 3 (INR M)</b>	<b>590</b>	<b>970</b>	<b>810</b>	<b>750</b>	<b>530</b>	<b>450</b>	<b>340</b>					
NS3 %	0.5	1.1	1.1	1.3	1.3	1.3	1.0					
<b>PCR (%)</b>	<b>79.8</b>	<b>79.7</b>	<b>79.8</b>	<b>78.8</b>	<b>78.9</b>	<b>79.3</b>	<b>78.6</b>					
ECL (%)	4.4	7.5	8.5	9.6	9.0	7.5	5.4					
<b>Return Ratios - YTD (%)</b>												
ROA (Rep)	1.7	-7.1	-16.3	-18.7	-18.9	-16.1	-6.4					
ROE (Rep)	6.1	-24.0	-53.5	-60.8	-58.6	-44.1	-17.5					

E: MOFSL Estimates



## Highlights from the management commentary

### Guidance & Outlook

- Management targets AUM growth of ~25–30%, with AUM expected to reach ~INR90-95b by FY28. Sequential growth in AUM is expected from 4QFY26 onwards.
- Spandana guided for credit costs at ~2.5–3.0%, with net slippages of ~INR0.5b expected in FY27.
- CoB is expected to remain in the range of ~12.5–13.0% in the near term.
- The company expects to report PAT break-even in 4QFY26
- Targets to scale the LAP book to ~INR10b (v/s ~INR3b now) over the next couple of years.

### Business & Strategic Updates

- Mr. Venkatesh Krishnan (ex- HDFC Bank) has been appointed as MD & CEO, effective 27th Nov'25.
- The MFI segment has largely stabilized, with operating trends looking settled.
- FY26-originated portfolio now forms ~58% of overall AUM and is expected to contribute ~90% of the AUM by end-FY26. CE for this book stood at ~99.8% as of Dec'25.
- A dedicated recovery team handles 90+ DPD accounts; recovery associates increased to 1,077 (Dec'25) from 672 (Sep'25) and are targeted to reach ~1,500 over the next 3-6 months.
- The company raised ~INR17b of incremental borrowings in 3QFY26, largely in Dec'25.
- Branch rationalization is underway, with underperforming branches being merged (not shut), using AUM/branch of INR100m as a benchmark.
- Regional delayering is in progress to improve operational efficiency.
- Plans to migrate to a new LOS platform by Perfios, which will make it the first MFI to use this PSU-bank-tested platform.
- The company plans to pilot an unsecured individual loan product in select clusters (with tighter underwriting than vanilla JLG loans). This is expected to be launched post LOS migration.

### Operational Performance

- Disbursements declined ~18% YoY to INR11.9b, reflecting cautious growth amid portfolio cleanup.
- AUM declined ~56% YoY and ~3% QoQ to ~INR39b.
- X-bucket CE improved to 99.3% in Dec'25, up from 98.7% in Sep'25; expected to sustain >99.5% as the new book reaches ~90% of AUM.
- 1-90 DPD reduced sharply to ~2.5% of AUM in Dec'25 (v/s ~5.5% in Sep'25).
- GNPA/NNPA declined ~140bp/30bp QoQ to ~4.2%/1.0%.
- Stage 3 PCR declined ~60bp QoQ to ~78.6%.
- Liquidity remains adequate, aligned with business momentum and disbursement trends.

### Margins, Yields & Cost of Funds

- Yields improved ~280bp QoQ to ~22.4%, while CoF increased ~40bp QoQ to ~12.6%. Despite a higher CoB, NIM expanded

- As the new book replaces the older portfolio, NIM is expected to improve further.
- Blended lending rate on the new book stands at ~25.3%, and the yields are expected to rise towards 24.5–25.0% once the new book reaches ~90% of total AUM.
- Bank loans form ~42% of total borrowings, funded largely by private and foreign banks. PSU Banks are not lending to Spandana now, and their participation could raise the bank funding share to ~60%, leading to a gradual CoB improvement over time.

### Growth & Disbursement Strategy

- Spandana guided for disbursements of ~INR15b in 4QFY26. The company plans to stabilize disbursements at ~INR5b per month, before scaling it to INR5.5-6.0b per month.
- Growth will remain calibrated, balancing asset quality, collection efficiency, and cost of funds.
- The top 6 states contribute ~60% of AUM, while the top 10 states account for ~80% of industry AUM; focus will remain on these key states.

### Asset Quality & Recoveries

- Jan'26 disbursements and collection efficiency improved QoQ over Dec'25.
- Andhra Pradesh collections remain volatile but are expected to stabilize around ~99% CE and improve over time.
- Overall NPA pool is ~INR25b; the recovery target is INR200-250m per month over the next three quarters.
- Quarterly slippages stood at INR1.5b, while credit cost was INR580m (net of ARC recovery proceeds and recoveries from the written-off pool).
- The company plans to revert to its 455 dpd write-off policy, which should reduce write-offs going forward.

### Criss Financial – Merger & Subsidiary Update

- The company is evaluating the merger of Criss Financial with the parent to unlock operational and cost synergies. The merger is expected to be completed in 6–9 months.
- Criss Financial has a ~INR3b LAP book and an ~INR3.5b individual loan portfolio.
- Focus remains on stabilizing collections and improving CE in the individual loan book before resuming growth.
- LAP portfolio is performing well and will continue to be scaled.
- Cost rationalization, productivity improvement, and lower impairments are expected post-merger.

### Opex & Workforce

- Attrition remains elevated at the ground level, but is expected to moderate as the operating environment improves.
- Senior management stability remains intact.
- The company continues to focus on lowering opex while improving revenue productivity.

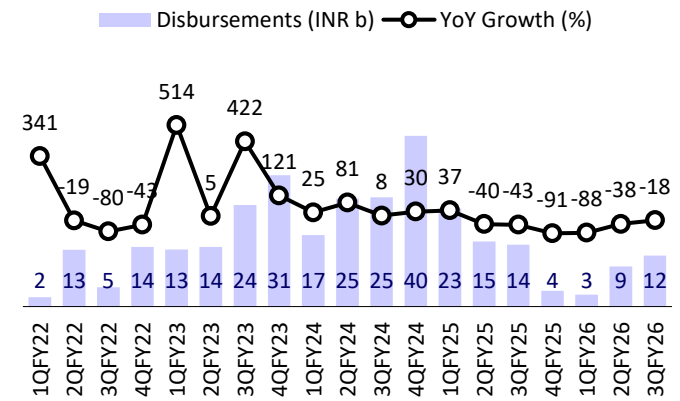
- A loan officer count of 4,800–5,500 is considered optimal, with officers handling both collections and business sourcing.

#### **Other Highlights**

- Spandana is evaluating CGFMU and might look at taking this cover in the next financial year.
- Rejection rate remains high at ~60%, likely to persist over the next 6–9 months.
- Customer mix remains at 40:60 or 50:50 between new-to-credit (to the MFI industry and Spandana) and existing customers.
- No signs of market saturation, though new customer acquisition requires sustained effort.
- Maintaining regulatory guardrails is critical; breaches could restrict funding access.
- As the JLG book scales, the ability to originate non-qualifying assets improves.
- 80% of Spandana branches will operate on monthly collections and 20% on weekly collections.
- Ticket sizes are linked to customer vintage: ~INR50k for new customers, higher limits for seasoned borrowers (more than ~INR100k)

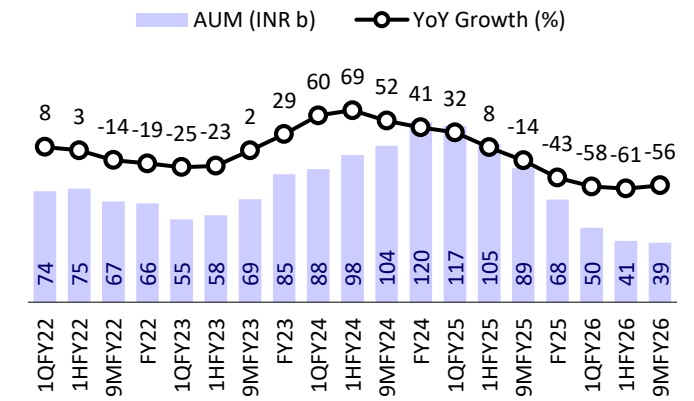
## Story in charts

**Exhibit 1: Disbursements declined ~18% YoY...**



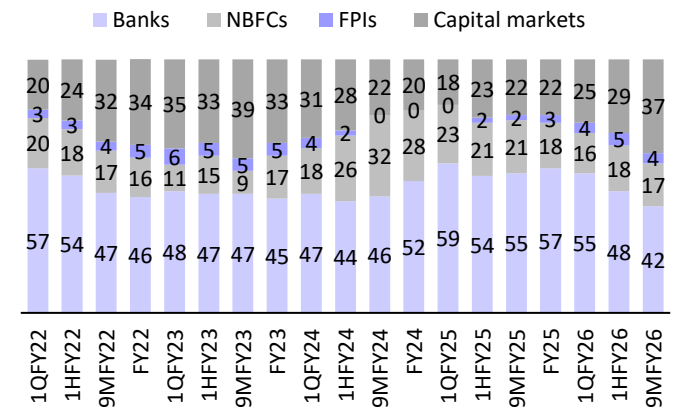
Source: MOFSL, Company

**Exhibit 2: ...resulting in ~56% YoY dip in AUM**



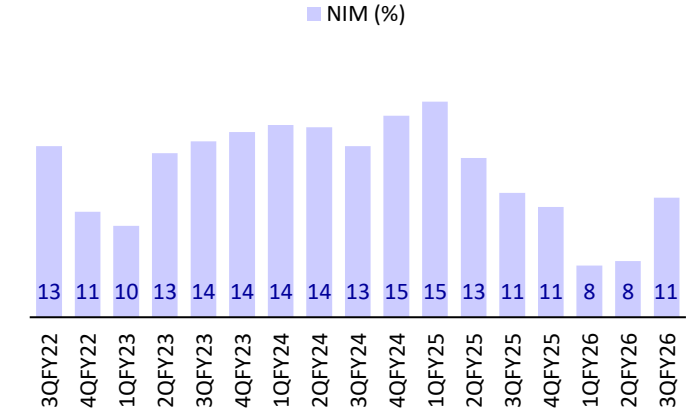
Source: MOFSL, Company

**Exhibit 3: Share of banks declined in the borrowing mix (%)**



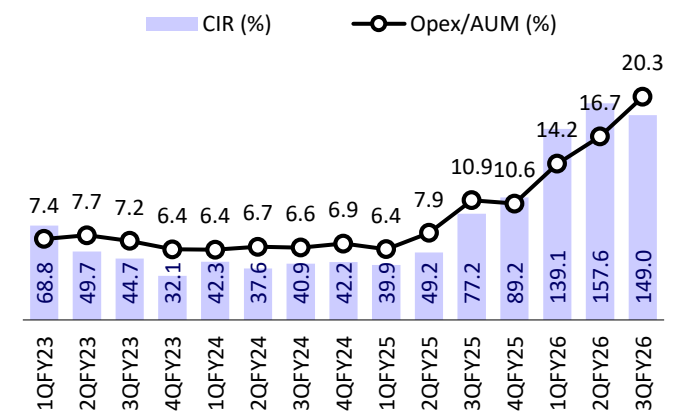
Source: MOFSL, Company

**Exhibit 4: Reported NIM improved ~270bp QoQ (%)**



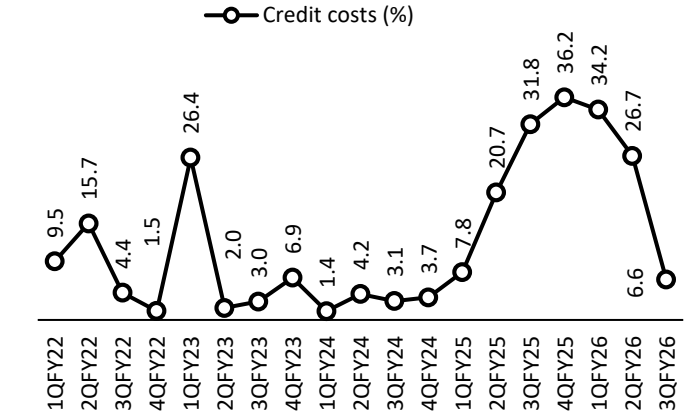
Source: MOFSL, Company

**Exhibit 5: Opex/AUM rose ~360bp QoQ (%)**



Source: MOFSL, Company

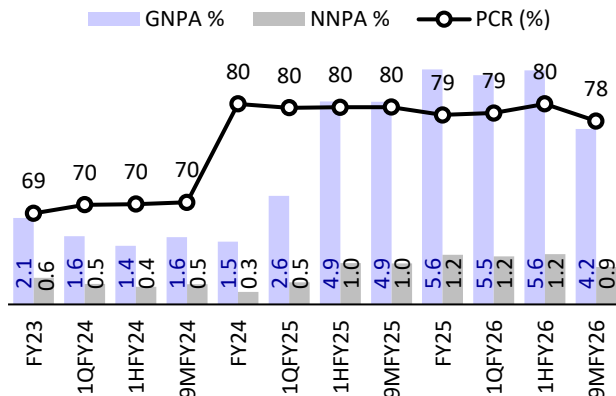
**Exhibit 6: Annualized credit costs declined to ~6.6%**



Source: MOFSL, Company

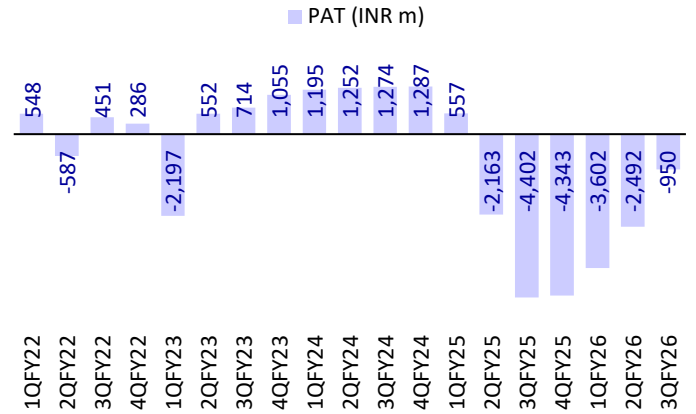


### Exhibit 7: GS3 declined ~140bp QoQ



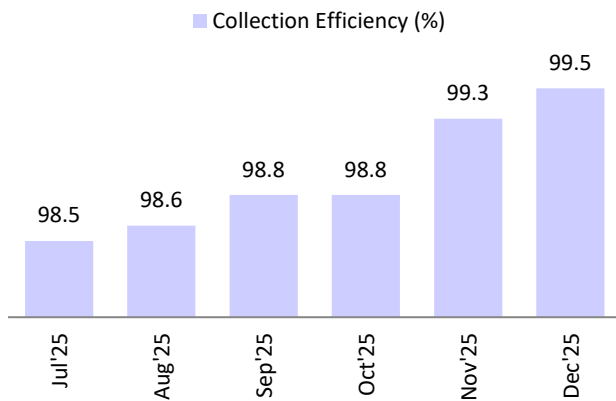
Source: MOFSL, Company

### Exhibit 8: 3QFY26 loss stood at ~INR950m



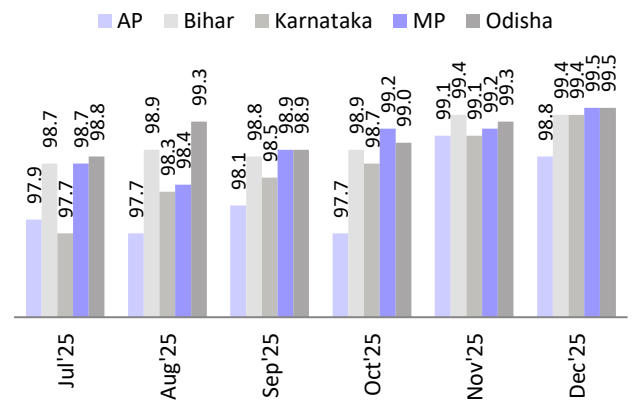
Source: MOFSL, Company

### Exhibit 9: Consistent improvement in X-bucket CE



Source: MOFSL, Company

### Exhibit 10: X-Bucket CE of key states



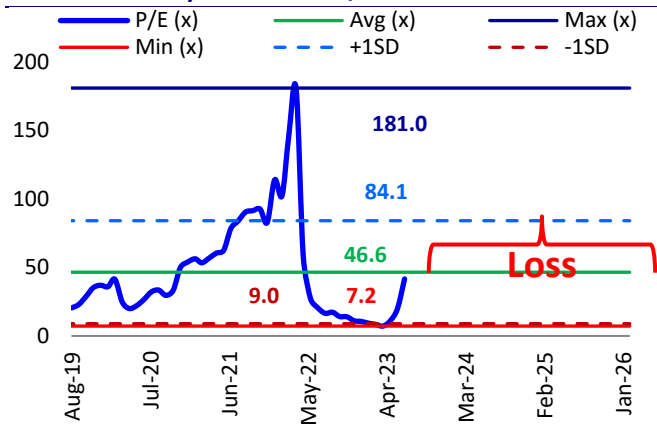
Source: MOFSL, Company



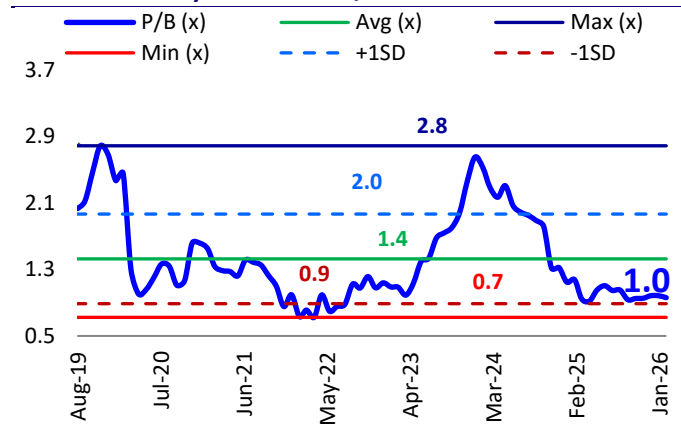
**Exhibit 11: We keep our estimates largely unchanged**

INR B	Old Est.			New Est.			% change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	4.6	6.9	9.7	4.8	7.1	10.0	4.9	2.8	3.2
Other Income	1.4	3.2	3.3	0.9	3.0	3.2	-40.2	-6.5	-3.0
<b>Total Income</b>	<b>6.0</b>	<b>10.1</b>	<b>13.0</b>	<b>5.7</b>	<b>10.1</b>	<b>13.2</b>	<b>-5.7</b>	<b>-0.2</b>	<b>1.6</b>
Operating Expenses	7.7	6.5	6.8	8.0	6.7	7.0	3.6	3.4	3.4
<b>Operating Profits</b>	<b>-1.7</b>	<b>3.6</b>	<b>6.2</b>	<b>-2.3</b>	<b>3.4</b>	<b>6.1</b>	-	<b>-6.6</b>	<b>-0.3</b>
Provisions	7.4	2.0	2.4	7.0	1.7	2.4	-4.9	-13.3	-0.4
<b>PBT</b>	<b>-9.1</b>	<b>1.7</b>	<b>3.8</b>	<b>-9.3</b>	<b>1.7</b>	<b>3.7</b>	-	<b>1.3</b>	<b>-0.3</b>
Tax	-2.3	0.0	0.0	-2.3	0.0	0.0	2.9	-	-
<b>PAT</b>	<b>-6.8</b>	<b>1.7</b>	<b>3.8</b>	<b>-7.0</b>	<b>1.7</b>	<b>3.7</b>	-	<b>1.3</b>	<b>-0.3</b>
AUM	45	64	79	44	63	84	-0.3	-1.3	5.4
Borrowings	35	52	63	37	51	66	3.0	-0.5	4.8
RoA	-9.4	2.4	4.3	-9.6	2.4	4.2	2.3	1.0	-1.6
RoE	-28.3	7.1	13.9	-29.3	7.2	13.9	3.4	2.1	0.4

**Exhibit 12: One year forward P/E**



**Exhibit 13: One year forward P/B**



## Financials and valuations

Income Statement									(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	11,692	13,627	13,365	12,775	22,381	21,943	9,826	12,122	16,591
Interest Expenses	3,563	4,232	5,401	4,579	9,268	9,323	4,981	5,057	6,600
<b>Net Interest Income</b>	<b>8,129</b>	<b>9,395</b>	<b>7,964</b>	<b>8,196</b>	<b>13,113</b>	<b>12,621</b>	<b>4,845</b>	<b>7,065</b>	<b>9,991</b>
Change (%)	27.0	15.6	-15.2	2.9	60.0	-3.8	-61.6	45.8	41.4
Other Operating Income	2,661	1,199	1,263	1,233	1,625	1,608	441	2,512	2,624
Other Income	342	230	172	763	1,102	689	414	496	546
<b>Total Income</b>	<b>11,132</b>	<b>10,824</b>	<b>9,399</b>	<b>10,192</b>	<b>15,840</b>	<b>14,918</b>	<b>5,700</b>	<b>10,073</b>	<b>13,161</b>
Change (%)	61.2	-2.8	-13.2	8.4	55.4	-5.8	-61.8	76.7	30.7
<b>Total Operating Expenses</b>	<b>2,211</b>	<b>2,369</b>	<b>3,625</b>	<b>4,570</b>	<b>6,540</b>	<b>8,843</b>	<b>8,012</b>	<b>6,684</b>	<b>7,024</b>
Change (%)	28.7	7.1	53.0	26.1	43.1	35.2	-9.4	-16.6	5.1
Employee Expenses	1,707	1,715	2,284	3,057	4,732	6,318	5,560	4,559	4,787
Depreciation	88	76	92	109	204	227	177	191	207
Other Operating Expenses	416	577	1,249	1,404	1,604	2,298	2,275	1,934	2,031
<b>Operating Profit</b>	<b>8,920</b>	<b>8,456</b>	<b>5,774</b>	<b>5,621</b>	<b>9,300</b>	<b>6,075</b>	<b>-2,312</b>	<b>3,389</b>	<b>6,137</b>
Change (%)	71.9	-5.2	-31.7	-2.6	65.4	-34.7	-138.1	-246.6	81.1
<b>Total Provisions</b>	<b>2,736</b>	<b>6,451</b>	<b>4,806</b>	<b>5,443</b>	<b>2,594</b>	<b>19,863</b>	<b>7,012</b>	<b>1,713</b>	<b>2,397</b>
% Loan loss provisions to Avg loans ratio	5.9	10.8	7.7	8.2	2.8	23.8	14.5	3.6	3.7
<b>PBT</b>	<b>6,185</b>	<b>2,004</b>	<b>969</b>	<b>178</b>	<b>6,706</b>	<b>-13,788</b>	<b>-9,325</b>	<b>1,676</b>	<b>3,740</b>
Tax Provisions	2,666	550	270	54	1,699	-3,436	-2,340	0	0
Tax Rate (%)	43.1	27.4	27.9	30.5	25.3	24.9	25.1	0.0	0.0
<b>PAT</b>	<b>3,518</b>	<b>1,455</b>	<b>698</b>	<b>124</b>	<b>5,007</b>	<b>-10,352</b>	<b>-6,984</b>	<b>1,676</b>	<b>3,740</b>
Change (%)	12.8	-58.7	-52.0	-82.3	3,940.0	-306.7	-32.5	-124.0	123.1

Balance Sheet									(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	643	643	691	710	713	713	800	887	887
Reserves & Surplus	25,616	26,848	30,185	30,280	35,733	25,617	20,546	24,136	27,876
Non-controlling interest	13	20	24	2	3	2	2	2	2
<b>Net Worth</b>	<b>26,272</b>	<b>27,511</b>	<b>30,899</b>	<b>30,992</b>	<b>36,449</b>	<b>26,333</b>	<b>21,349</b>	<b>25,025</b>	<b>28,765</b>
<b>Borrowings</b>	<b>30,253</b>	<b>53,733</b>	<b>37,721</b>	<b>60,743</b>	<b>94,246</b>	<b>56,556</b>	<b>36,549</b>	<b>51,399</b>	<b>66,461</b>
Change (%)	1.9	77.6	-29.8	61.0	55.2	-40.0	-35.4	40.6	29.3
Other Liabilities	3,248	4,526	2,143	2,091	3,130	2,046	2,146	2,355	2,585
<b>Total Liabilities</b>	<b>59,774</b>	<b>85,769</b>	<b>70,763</b>	<b>93,826</b>	<b>1,33,825</b>	<b>84,935</b>	<b>60,043</b>	<b>78,779</b>	<b>97,811</b>
Cash and Bank	2,571	13,810	12,022	10,045	18,941	18,438	10,906	12,398	12,498
Investments	4,875	23	24	1,894	1,118	1,098	731	822	1,130
<b>Loans</b>	<b>49,767</b>	<b>69,330</b>	<b>55,184</b>	<b>77,598</b>	<b>1,10,143</b>	<b>57,084</b>	<b>39,727</b>	<b>56,482</b>	<b>74,675</b>
Change (%)	16.6	39.3	-20.4	40.6	41.9	-48.2	-30.4	42.2	32.2
Fixed Assets	339	380	313	249	300	342	383	425	468
Other Assets	2,221	2,225	3,220	4,040	3,323	7,974	8,296	8,651	9,041
<b>Total Assets</b>	<b>59,774</b>	<b>85,769</b>	<b>70,763</b>	<b>93,826</b>	<b>1,33,825</b>	<b>84,935</b>	<b>60,043</b>	<b>78,779</b>	<b>97,811</b>

E: MOFSL Estimates

## Financials and valuations

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>AUM</b>	<b>68,290</b>	<b>81,570</b>	<b>65,810</b>	<b>85,110</b>	<b>1,19,730</b>	<b>68,190</b>	<b>44,417</b>	<b>62,732</b>	<b>83,643</b>
Change (%)	56	19	-19	29	41	-43	-35	41	33
<b>Disbursements</b>	<b>77,222</b>	<b>60,990</b>	<b>33,740</b>	<b>81,320</b>	<b>1,06,900</b>	<b>56,050</b>	<b>39,235</b>	<b>58,068</b>	<b>75,488</b>
Change (%)	57	-21	-45	141	31	-48	-30	48	30

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Spreads Analysis (%)</b>									
Avg. Yield on Loans	25.3	22.9	21.5	19.2	23.8	26.2	20.3	25.2	25.3
Avg Cost of Funds	11.9	10.1	11.8	9.3	12.0	12.4	10.7	11.5	11.2
Spread of loans	13.4	12.8	9.7	9.9	11.9	13.9	9.6	13.7	14.1
NIM (on loans)	17.6	15.8	12.8	12.3	14.0	15.1	10.0	14.7	15.2
<b>Profitability Ratios (%)</b>									
RoE	15.6	5.4	2.4	0.4	14.8	-33.0	-29.3	7.2	13.9
RoA	6.5	2.0	0.9	0.2	4.4	-9.5	-9.6	2.4	4.2
Int. Expended / Int.Earned	30.5	31.1	40.4	35.8	41.4	42.5	50.7	41.7	39.8
Other Inc. / Net Income	27.0	13.2	15.3	19.6	17.2	15.4	15.0	29.9	24.1
<b>Efficiency Ratios (%)</b>									
Op. Exps. / Net Income	19.9	21.9	38.6	44.8	41.3	59.3	140.6	66.4	53.4
Empl. Cost/Op. Exps.	77.2	72.4	63.0	66.9	72.4	71.4	69.4	68.2	68.1
<b>Asset-Liability Profile (%)</b>									
Loans/Borrowings Ratio	1.6	1.3	1.5	1.3	1.2	1.0	1.1	1.1	1.1
Assets/Equity	2.3	3.1	2.3	3.0	3.7	3.2	2.8	3.1	3.4
<b>Asset Quality (%)</b>									
GNPA (INR m)	180	4,095	11,489	1,775	1,905	3,915	1,300	1,688	2,237
GNPA (%)	0.4	5.6	18.7	2.2	1.7	6.2	3.1	2.9	2.9
NNPA (INR m)	34.6	2,193.8	6,442.7	549.1	385.1	827.1	286.1	405.1	559.3
NNPA (%)	0.1	3.1	11.4	0.7	0.3	1.4	0.7	0.7	0.7
PCR (%)	80.8	46.4	43.9	69.1	79.8	78.9	78.0	76.0	75.0
Credit costs	5.9	10.8	7.7	8.2	2.8	23.8	14.5	3.56	3.65

Valuations	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	408	427	447	437	511	369	241	282	324
BV Growth (%)	29	5	5	-2	17	-28	-35	17	15
P/BV	0.6	0.6	0.5	0.5	0.5	0.6	1.0	0.8	0.7
EPS (INR)	54.7	22.6	10.1	1.7	70.2	-145.2	-87.3	18.9	42.2
EPS Growth (%)	5	-59	-55	-83	3,922	-307	-40	-122	123
P/E	4.3	10.4	23.4	135.2	3.4	-1.6	-2.7	12.5	5.6
Dividend	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

E: MOFSL Estimates

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