motilal oswal Financial Services

17 July 2026
1QFY27 Result Update| Sector: NBFCs

Poonawalla Fincorp

Estimate changes	↔
TP change	↑
Rating change	↔

Bloomberg	POONAWAL IN
Equity Shares (m)	813
M.Cap.(INRb)/(USDb)	420.3 / 4.4
52-Week Range (INR)	570 / 361
1, 6, 12 Rel. Per (%)	17/8/10
12M Avg Val (INR M)	1022

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Net Total Income	40.3	66.1	94.1
PPOP	19.3	36.3	53.4
PAT	5.4	15.5	25.6
EPS (INR)	6.7	17.7	29.3
EPS Gr. (%)	-	164	65
Standalone BV (INR)	127	164	191
Ratios			
NIM on AUM (%)	7.0	7.6	7.7
C/I ratio (%)	52.0	45.1	43.3
RoAA (%)	1.1	2.1	2.4
RoE (%)	5.9	12.6	16.5
Payout (%)	0.0	11.3	10.2
Valuations			
P/E (x)	71.3	27.0	16.3
P/BV (x)	3.8	2.9	2.5
Div. Yield (%)	0.0	0.4	0.6

Shareholding pattern (%)

As Of	Jun-26	Mar-26	Jun-25
Promoter	59.0	63.9	62.5
DII	16.7	12.1	12.3
FII	11.5	10.8	11.4
Others	12.8	13.1	13.9

FII includes depository receipts

CMP: INR477 TP: INR570 (+19%) Buy

Multiple growth engines powering a stronger profitability profile

NIM (calc.) up ~25bp QoQ; asset quality improves in seasonally weak 1Q

- Poonawalla Fincorp's (PFL) 1QFY27 PAT grew ~392% YoY/~21% QoQ to ~INR3.1b (~7% miss).
- NII grew ~87% YoY to ~INR12b (in line). Other income declined ~4% QoQ to ~INR2.2b, primarily because of lower assignment income. Opex rose 42% YoY to ~INR6.3b (in line), with C/I ratio declining to ~45% (PQ: ~46% | PY: ~58%). PPoP grew ~142% YoY to ~INR7.8b (in line). Credit costs stood at INR3.7b (in line), translating into annualized credit costs of ~2.3% (PQ: 2.6% | PY: ~2.7%).
- PFL is targeting AUM growth of ~35-40% CAGR over the next two years, driven by the scale-up in new products, deeper distribution capabilities, and cross-selling opportunities across its retail portfolio. New products have gained strong traction, contributing ~26% of 1QFY27 disbursements (vs. 24% in 4QFY26), and have reached a meaningful scale to support predictable earnings growth.
- Gold loans remain a key growth driver, supported by geographic expansion and branch-led cross-selling opportunities, while Prime PL and other retail segments are expected to provide incremental momentum through higher digital adoption. The company's presence across varied borrower segments, collateral profiles, and macro drivers provides growth resilience, with momentum across segments offsetting any moderation in individual businesses. Its AI-native and digital-first model supports scalable growth through stronger customer identification, underwriting capabilities, and operating leverage.
- PFL maintains strong asset quality, supported by disciplined underwriting, calibrated growth, and a balanced portfolio mix that will help smoothen credit losses through cycles. Management shared that it has not observed any stress in the loans given to customers from the IT sector and the company remains focused on lower-risk customer segments with stable repayment behavior. Collection efficiency remains robust at ~99.6%, aided by AI-led prioritization, digital-first collections, and automated workflows.
- PFL remains confident of stable RoA expansion and targets RoA of ~3.0-3.5% by Jun'28, supported by improving yields, a better product mix, declining credit costs, and a gradual moderation in the opex-to-AUM ratio. The company expects these factors, along with healthy AUM growth momentum and operating leverage, to drive earnings growth and strengthen profitability over the medium term.
- The stock currently trades at 2.9x FY27E P/BV. We model ~43% AUM CAGR and 116% PAT CAGR over FY26-FY28E and expect PFL to deliver RoA/RoE of 2.4%/~16% in FY28E. **Reiterate our BUY rating with a TP of INR570 (based on 3.0x Mar'28E BVPS).**

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Healthy AUM growth with continued focus on unit economics

- PFL remains disciplined in its growth approach, with management emphasizing a focus on improving profitability per unit rather than pursuing volumes alone. The company retains the flexibility to moderate growth in segments requiring recalibration while leveraging its broad product portfolio to sustain overall growth momentum.
- AUM grew ~63% YoY and ~11% QoQ to ~INR671b. We expect PFL to deliver an AUM CAGR of ~43% over FY26-28E.

Margin expansion supported by improving yields and product mix

- NIM (calc.) improved ~25bp QoQ to ~8.1%, driven by ~20bp QoQ improvement in yields to ~14.4%. CoB (calc.) rose ~5bp QoQ to ~7.5%. Reported CoF rose ~10bp QoQ to 7.7%.
- PFL expects margin expansion to be driven by improving disbursement yields, a favorable product mix, and higher contribution from new businesses. Disbursement yields increased by ~50bp QoQ, reflecting the impact of product mix optimization. We expect NIMs of ~7.6%/7.7% for FY27E/FY28E (FY26: ~7%).

Improving asset quality with lower credit cost trajectory

- GS3 declined ~7bp QoQ to ~1.35%, while NS3 declined ~5bp QoQ to ~0.7%. PCR on S3 loans remained stable QoQ at ~49% (PQ: ~49%).
- PCR is expected to improve as the product mix evolves, with a higher contribution from lower-risk businesses. An increasing share of gold loans and education loans is expected to support a reduction in overall PCR, given the lower credit costs associated with these segments. We model credit costs of ~2.2%/1.9% for FY27E/FY28E.

Highlights from the management commentary

- Gold loan operations are now live across 460 branches. PFL plans to expand its gold loan franchise into Uttar Pradesh, Andhra Pradesh, Telangana and Madhya Pradesh while strengthening its presence in existing markets. The branches are increasingly evolving into multi-product hubs, enabling cross-selling opportunities across the retail franchise.
- Management highlighted that quarterly opex-to-AUM ratios may fluctuate depending on investment plans and the timing of branch additions.

Valuation and view

- PFL delivered a strong quarter, with steady business momentum, improving profitability indicators, and stable asset quality. The company remains well positioned to drive growth through its diversified product portfolio, improving yields, declining credit costs, and operating leverage-led RoA expansion. While consistent improvement in the RoA trajectory will remain a key monitorable, the company's disciplined underwriting approach, strengthening risk management framework, and improving business mix provide comfort on the sustainability of AUM growth and profitability trajectory.
- We model ~43% AUM CAGR and 116% PAT CAGR over FY26-FY28E and expect PFL to deliver RoA/RoE of 2.4%/~16% in FY28E. Reiterate our BUY rating with a TP of INR570 (based on 3.0x Mar'28E BVPS).

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

Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	11,853	14,022	16,597	18,936	21,184	23,641	26,360	29,301	61,408	1,00,487	20,924	1
Interest Expenses	5,461	6,378	7,387	8,441	9,217	10,378	11,914	13,169	27,667	44,677	9,369	-2
Net Interest Income	**6,393**	**7,644**	**9,209**	**10,495**	**11,968**	**13,264**	**14,446**	**16,132**	**33,741**	**55,809**	**11,555**	**4**
YoY Growth (%)	*11.0*	*36.7*	*50.0*	*72.0*	*87.2*	*73.5*	*56.9*	*53.7*	*43.0*	*65.4*	*80.8*	
Other Income	1,287	1,405	1,588	2,268	2,185	2,298	2,791	2,773	6,548	10,046	2,788	-22
Total Income	**7,679**	**9,050**	**10,798**	**12,763**	**14,153**	**15,561**	**17,237**	**18,904**	**40,290**	**65,856**	**14,344**	**-1**
YoY Growth (%)	*33.9*	*40.3*	*60.6*	*78.5*	*84.3*	*72.0*	*59.6*	*48.1*	*49.6*	*63.5*	*86.8*	
Operating Expenses	4,434	5,184	5,520	5,816	6,307	7,127	7,697	8,665	20,955	29,795	6,223	1
Operating Profit	**3,245**	**3,866**	**5,277**	**6,947**	**7,846**	**8,435**	**9,540**	**10,239**	**19,335**	**36,060**	**8,120**	**-3**
YoY Growth (%)	*-24.90*	*36.1*	*38.4*	*108.7*	*141.77*	*118.2*	*80.8*	*47.4*	*36.4*	*86.5*	*150.2*	
Provisions & Loan Losses	2,411	2,877	3,275	3,537	3,733	3,920	3,959	3,937	12,099	15,550	3,713	1
Profit before Tax	**834**	**989**	**2,002**	**3,411**	**4,113**	**4,515**	**5,581**	**6,302**	**7,236**	**20,510**	**4,407**	**-7**
Exceptional items									0	**0**	0	
Tax Provisions	208	247	500	863	1,036	1,138	1,395	1,559	1,818	5,128	1,102	-6
PAT (excl. exceptional)	**626**	**742**	**1,502**	**2,548**	**3,077**	**3,377**	**4,186**	**4,743**	**5,418**	**15,383**	**3,305**	**-7**
PAT (incl. exceptional)	**626**	**742**	**1,502**	**2,548**	**3,077**	**3,377**	**4,186**	**4,743**	**5,418**	**15,383**	**3,305**	**-7**
YoY Growth (%)	-79	-116	702	309	392	355	179	86	-651	184	428	
Key Parameters (Calc., %)												
Yield on loans	13.4	13.7	14.0	14.2	14.4	14.5	14.6	14.6				
Cost of funds	7.7	7.7	7.6	7.5	7.5	7.6	7.6	7.6				
Spread	5.7	6.0	6.4	6.7	6.8	6.9	7.0	7.0				
NIM on loans	7.2	7.5	7.8	7.8	8.1	8.1	8.0	8.1				
C/I ratio	57.7	57.3	51.1	45.6	44.6	45.8	44.7	45.8				
Credit cost	2.7	2.76	2.71	2.60	2.3	2.23	2.05	1.87				
Tax rate	25.0	25.0	25.0	25.3	25.2	25.2	25.0	24.7				
Balance Sheet Parameters												
Disbursements (INR b)	**106.5**	**123.6**	**131.5**	**132.8**	**138.5**	**156.9**	**177.6**	**199.5**				
Growth (%)	43.9	95.7	84.0	41.7	30.0	27.0	35.0	50.2				
AUM (INR b)	**413**	**477**	**550**	**603**	**671**	**735**	**806**	**880**				
Growth (%)	53.0	68.0	77.6	69.4	62.5	54.1	46.5	45.8				
AUM mix (%)												
Focused	99.0	99.0	100.0	100.0								
Discontinued (Legacy and DA)	1.0	1.0	0.0	0.0								
Asset Quality Parameters												
GS 3 (INR m)	7,120	7,110	7,850	8,180								
GS 3 (%)	1.84	1.59	1.51	1.44								
NS 3 (INR m)	3,280	3,580	4,100	4,170								
NS 3 (%)	0.85	0.81	0.80	0.74								
PCR (%	53.9	49.7	47.8	49.0								

E: MOFSL estimates

CONFERENCE CALL

Highlights from the management commentary

Guidance

- PFL targets to grow its AUM at a CAGR of ~35-40% over the next two years.
- The company remains focused on expanding RoA to ~3.0-3.5% by Jun'28, supported by higher NIMs, improving disbursement yields, structurally lower credit costs and better operating leverage.
- Credit costs are expected to remain on a structural downtrend (over the next few quarters), aided by a calibrated product mix, disciplined underwriting and strengthening collections.
- The company will continue to prioritize customer segments with lower risk and more stable repayment behavior while remaining disciplined on growth across individual products. Management indicated that growth will remain quality-led, with the flexibility to moderate growth in any product where risk calibration warrants a cautious approach.
- The company plans to expand its gold loan franchise by adding ~400 branches in FY27, largely across Tier-II and Tier-III cities.

Business updates and opening remarks

- Growth in the retail loan exposure at the industry level was driven primarily by gold loans, unsecured personal loans and consumer durable financing.
- Despite global uncertainties and concerns around crude oil supply, cumulative GST collections for 1QFY27 increased 8.4% YoY, reflecting resilient formal economic activity, stable consumer demand and healthy business momentum.
- Management believes long-term growth is driven not merely by higher volumes but also by improving profitability per unit through a better product mix and operating efficiency. The company has built a diversified portfolio where each product is exposed to distinct borrower segments, collateral profiles and macro drivers, helping smoothen credit losses across economic cycles.

Growth and business momentum

- AUM grew ~11% QoQ, supported by continued momentum across retail lending products.
- Newly launched products contributed 26% of disbursements in 1QFY27 (compared with 24% in 4QFY26), and have achieved sufficient scale to deliver predictable earnings going forward.
- Investments in new businesses continue to translate into healthy traction, while improving disbursement yields reinforce the strength of the company's business model.

Product updates

- Gold loan operations are now live across 460 branches. PFL plans to expand its gold loan franchise into Uttar Pradesh, Andhra Pradesh, Telangana and Madhya Pradesh while strengthening its presence in existing markets.
- Gold loan branches are increasingly evolving into multi-product hubs, enabling cross-selling opportunities across the retail franchise.
- Consumer durable financing continues to scale up efficiently with a network of over 17,300 dealer points across 339 locations as of Jun'26. Consumer durable financing continues to add nearly 50,000 customers every month, while productivity across the gold loan branch network continues to improve.
- CV business continues to scale up well despite volatility in fuel prices, supported by the onboarding of over 1,100 channel partners across key markets.

- Prime PL continued to witness strong momentum, with average monthly disbursements of around INR5.4b during 1QFY27. ~38% of Prime PL disbursements were processed through a fully straight-through digital journey during the quarter.
- The company has deliberately slowed expansion in shopkeeper loans, while all other businesses continue to perform well.

Asset quality and risk management

- Credit cost declined ~11bp QoQ to ~2.4%, and management expects the structural improvement to continue.
- The 6-MOB 30+ dpd continues to improve gradually and currently stands at 0.64%.
- Collection efficiency remains healthy at ~99.6%, with no emerging stress trends observed across the portfolio.
- Management indicated that the loans given to salaried customers in the IT sector remain stable with no signs of incremental stress or higher bounce rates.
- PFL remains focused on strengthening internal risk systems, cohort monitoring and product design to ensure resilience across economic cycles.
- Portfolio-level PCR continues to reflect the evolving product mix, with higher contribution from lower-risk businesses. As the proportion of gold loans and education loans in the loan mix increase, the overall PCR will reduce.
- Gold loans continue to be originated at an LTV of 75%.

Profitability and operating efficiency

- Disbursement yields improved ~50bp QoQ, primarily driven by a favorable product mix.
- Opex-to-AUM ratio continued to decline, supported by increasing digital penetration, embedded AI capabilities and operating leverage.
- Management highlighted that quarterly opex may fluctuate depending on investment plans and the timing of branch additions.
- The company expects higher NIMs, rising disbursement yields, structurally lower credit costs and branch optimization to remain the key drivers of RoA expansion.

Technology and AI

- PFL has built all its businesses as digital-first and AI-native platforms, with AI embedded across sales, collections and servicing from inception.
- Management believes proprietary AI-led data capabilities enable identification of new customer cohorts that can be underwritten confidently, resulting in improving unit economics as the business scales up.
- Continued investments in AI, Generative AI and intelligent automation have transformed collection operations through AI-led customer prioritization, digital-first collections and automated workflows.
- AI-enabled preview collections have reduced collection costs by 15%, while post-NPA collection transformation has delivered 27% cost efficiencies through improved workforce productivity and automation.
- The GenAI-powered Pay Easy Bot engages customers immediately after payment failures and has achieved a 42% recovery rate, significantly reducing manual effort and field visit dependency.
- Management highlighted that each new AI agent enhances the broader technology ecosystem by creating reusable capabilities, governance frameworks

and organizational knowledge, thereby lowering implementation costs and accelerating future deployment.

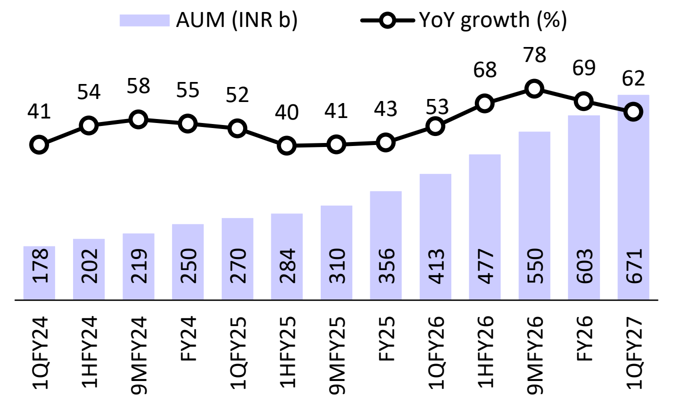
- AI capabilities are increasingly being used to identify early indicators of customer dissatisfaction, purchase intentions, income changes and occupation trends, which will power a customer-centric recommendation engine and improve product-per-customer metrics.
- AI adoption continued to deepen during the quarter, with token consumption increasing by around 18% QoQ, while operating costs remained largely stable.

Liabilities and Funding

- PFL continues to focus on long-term borrowings. NCD in the liability mix stood at ~32% as of Jun'26
- Liabilities remain well diversified, although management remains watchful of a modest increase in borrowing costs.
- The company raised equity capital of ~INR25b in Apr'26 and remains comfortably funded for the next 4-5 quarters.
- Management highlighted that digital loans remain appropriately priced, with customers willing to pay for the convenience of a 24x7 digital borrowing experience, thereby supporting structural profitability.

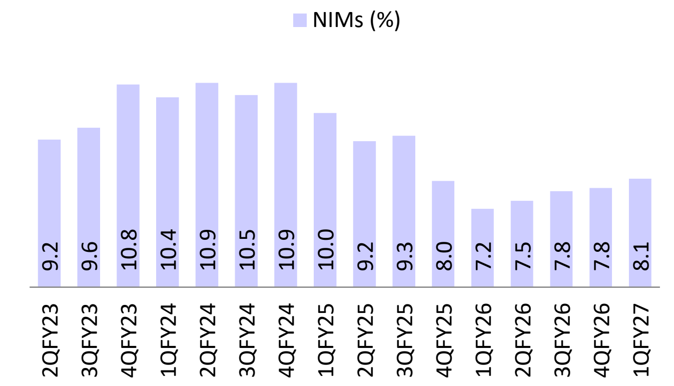
Story in charts

Exhibit 1: Healthy AUM growth of 62% YoY



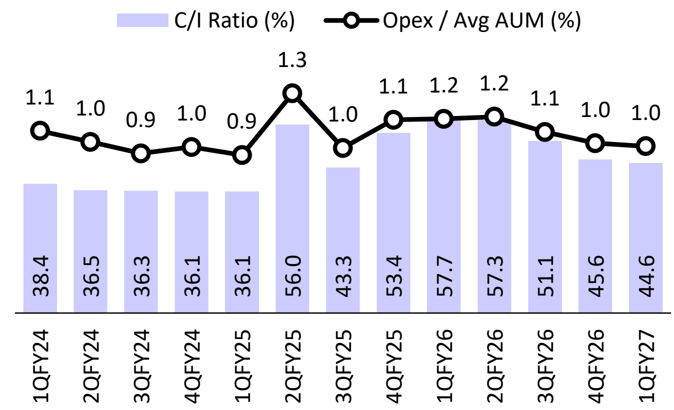
Source: MOFSL, Company

Exhibit 2: NIM (calc.) improved ~25bp QoQ (%)



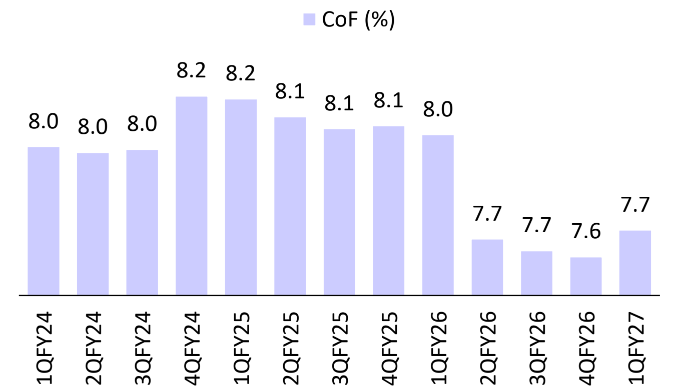
Source: MOFSL, Company

Exhibit 3: C/I declined to ~44.6% in 1QFY27



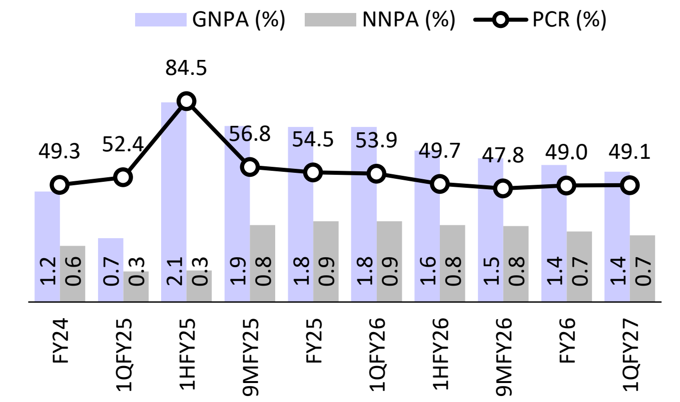
Source: MOFSL, Company

Exhibit 4: CoF (reported) increased ~10 bp QoQ (%)



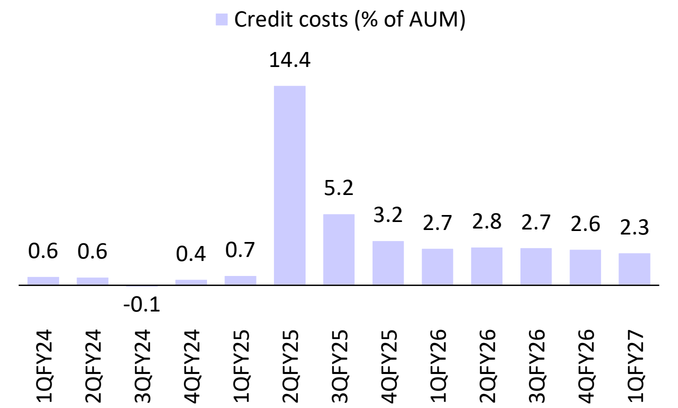
Source: MOFSL, Company

Exhibit 5: Asset quality remained stable QoQ



Source: MOFSL, Company

Exhibit 6: Credit costs declined to 2.3% in 1QFY27



Source: MOFSL, Company

Exhibit 7: We keep our FY27/FY28 EPS estimates broadly unchanged

INR B	Old Est.		New Est.		% change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
NII (incl. assignments)	54.5	82.1	56.1	81.8	2.9	-0.3
Other Income	10.2	12.6	10.0	12.3	-1.3	-2.0
Total Income	**64.7**	**94.7**	**66.1**	**94.1**	**2.2**	-0.5
Operating Expenses	30.2	41.3	29.8	40.8	-1.3	-1.3
Operating Profits	**34.5**	**53.4**	**36.3**	**53.4**	**5.3**	0.1
Provisions	13.8	19.3	15.7	19.2	13.1	-0.6
PBT	**20.7**	**34.0**	**20.7**	**34.2**	**0.0**	0.5
Tax	5.2	8.5	5.2	8.5	0.0	0.5
Normalized PAT	**15.5**	**25.5**	**15.5**	**25.6**	**0.0**	0.5
AUM	880	1,251	880	1,242	0.0	-0.7
Loans	841	1,209	842	1,201	0.0	-0.7
Borrowings	722	1,063	722	1,056	0.0	-0.7
NIM	7.4	7.7	7.6	7.7		
Credit Cost	1.9	1.9	2.2	1.9		
RoA	2.1	2.4	2.1	2.4		
RoE	**12.6**	**16.4**	**12.6**	**16.5**		

Financials and Valuation

Income Statement								(INR M)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Interest Income	17,570	14,586	18,265	29,041	38,745	61,408	1,00,767	1,48,905
Interest Expenses	8,746	5,093	5,953	9,551	15,151	27,667	44,677	67,102
Net Interest Income	**8,824**	**9,493**	**12,312**	**19,490**	**23,594**	**33,741**	**56,090**	**81,804**
Change (%)	-1.8	7.6	29.7	58.3	21.1	43.0	66.2	45.8
Non-interest income and Other Income	1,199	1,085	1,931	2,478	3,346	6,548	10,046	12,339
Net Total Income	**10,023**	**10,578**	**14,243**	**21,967**	**26,940**	**40,290**	**66,136**	**94,142**
Change (%)	-8.5	5.5	34.6	54.2	22.6	49.6	64.2	42.3
Total Operating Expenses	**4,563**	**6,046**	**8,139**	**8,074**	**12,769**	**20,955**	**29,795**	**40,751**
Change (%)	-23.5	32.5	34.6	-0.8	58.2	64.1	42.2	36.8
Employee Expenses	3,060	4,099	5,148	4,444	6,362	10,175	14,551	19,644
Depreciation	522	495	614	593	651	941	1,177	1,412
Other Operating Expenses	981	1,453	2,268	3,036	5,755	9,838	14,068	19,695
PPoP	**5,460**	**4,532**	**6,104**	**13,894**	**14,172**	**19,335**	**36,340**	**53,391**
Change (%)	9.6	-17.0	34.7	127.6	2.0	36.4	87.9	46.9
Total Provisions	**13,186**	**686**	**-1,445**	**720**	**15,526**	**12,099**	**15,663**	**19,225**
PBT	**-7,727**	**3,846**	**7,761**	**13,173**	**-1,354**	**7,236**	**20,677**	**34,166**
Exceptional items				12,212	0	0	0	0
Tax Provisions	-1,943	914	1,816	4,827	-371	1,818	5,169	8,542
PAT (excl. exceptional)	**-5,784**	**2,932**	**5,945**	**8,347**	**-983**	**5,418**	**15,508**	**25,625**
PAT (incl. exceptional)	**-5,784**	**2,932**	**5,945**	**20,559**	**-983**	**5,418**	**15,508**	**25,625**

Balance Sheet								(INR M)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Equity Share Capital	539	1,530	1,536	1,541	1,546	1,616	1,751	1,751
Reserves & Surplus	18,881	55,615	62,711	79,623	79,694	1,01,360	1,41,733	1,65,607
Net Worth	**19,421**	**57,145**	**64,247**	**81,164**	**81,240**	**1,02,976**	**1,43,483**	**1,67,357**
Borrowings	**79,487**	**67,734**	**1,12,092**	**1,52,157**	**2,58,806**	**4,80,983**	**7,21,637**	**10,55,889**
Change (%)								
Other liabilities	4,512	3,217	3,880	7,041	9,747	18,250	25,550	34,493
Total Liabilities	**1,03,420**	**1,28,097**	**1,80,218**	**2,40,362**	**3,49,793**	**6,02,209**	**8,90,671**	**12,57,739**
Loans	**85,653**	**1,06,784**	**1,52,295**	**2,20,464**	**3,26,950**	**5,59,515**	**8,41,577**	**12,00,597**
Change (%)	-23.4	24.7	42.6	44.8	48.3	71.1	50.4	42.7
Cash and Bank Balances	6,124	5,372	6,574	2,685	323	2,937	4,389	6,789
Fixed Assets	1,715	1,748	2,117	1,944	2,542	4,273	4,615	4,984
Investments	4,289	8,197	3,109	8,783	13,416	24,905	27,395	30,135
Other assets	5,638	5,996	16,123	6,486	6,562	10,580	12,695	15,234
Total Assets	**1,03,420**	**1,28,097**	**1,80,218**	**2,40,362**	**3,49,793**	**6,02,209**	**8,90,671**	**12,57,739**

E: MOFSL Estimates

AUM								
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
AUM (INR b)	102.5	117.7	161.4	250.0	356.3	603.5	880.0	1,242.2
YoY growth (%)	**-20**	**15**	**37**	**55**	**43**	**69**	**46**	**41**
Disbursements (INR b)	24.2	75.2	157.5	332.9	302.4	494.4	672.4	907.8
YoY growth (%)	**-52**	**210**	**109**	**111**	**-9**	**64**	**36**	**35**

E: MOFSL Estimates

Financials and Valuation

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)								
Avg. Yield on Loans	17.5	14.9	14.0	15.6	14.1	13.8	14.4	14.6
Avg Cost of Funds	9.7	6.9	6.6	7.2	7.4	7.5	7.4	7.6
Spread on loans	7.8	8.0	7.4	8.3	6.8	6.4	7.0	7.0
NIM (on AUM)	7.6	8.6	8.8	9.5	7.8	7.0	7.6	7.7
Profitability Ratios (%)								
RoE	-26.0	7.7	9.8	11.5	-1.2	5.9	12.6	16.5
RoA	-5.0	2.5	3.9	4.0	-0.3	1.1	2.1	2.4
Int. Expended / Int.Earned	49.8	34.9	32.6	32.9	39.1	45.1	44.3	45.1
Other Inc. / Net Income	12.0	10.3	13.6	11.3	12.4	16.3	15.2	13.1
Efficiency Ratios (%)								
Op. Exps. / Net Income	45.5	57.2	57.1	36.8	47.4	52.0	45.1	43.3
Opex/ Avg AUM	4.0	5.5	5.8	3.9	4.2	4.4	4.0	3.8
Empl. Cost/Op. Exps.	67.1	67.8	63.2	55.0	49.8	48.6	48.8	48.2
Asset-Liability Profile (%)								
Loans/Borrowings Ratio	1.1	1.6	1.4	1.4	1.3	1.2	1.2	1.1
Debt/Equity (x)	4.1	1.2	1.7	1.9	3.2	4.7	5.0	6.3
Assets/Equity (x)	5.3	2.2	2.8	3.0	4.3	5.8	6.2	7.5
Asset quality								
GNPA (INR m)	4,190	3,720	2,250	2,680	6,190	8,180	11,097	14,609
GNPA (%)	4.3	3.3	1.4	1.2	1.8	1.4	1.3	1.2
NNPA (INR m)	1,240	1,440	1,210	1,360	2,820	4,170	5,771	7,450
NNPA (%)	1.3	1.3	0.8	0.6	0.9	0.7	0.7	0.6
PCR (%)	70.4	61.3	46.2	49.3	54.5	49.0	48.0	49.0
Credit costs (%)	13.4	0.7	-1.1	0.4	5.5	2.7	2.2	1.9

Valuations	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Book Value (INR)	72	75	84	105	105	127	164	191
BV Growth (%)	-22.8	3.7	12.0	25.9	-0.2	21.3	28.6	16.6
Price-BV (x)	**6.6**	**6.4**	**5.7**	**4.5**	**4.5**	**3.8**	**2.9**	**2.5**
EPS (INR)	-21.5	3.8	7.7	10.8	-1.3	6.7	17.7	29.3
EPS Growth (%)	5,675.2	-117.9	102.0	39.9	-111.7	-627.1	164.2	65.2
Price-Earnings (x)	**-22.3**	**124.7**	**61.8**	**44.1**	**-375.7**	**71.3**	**27.0**	**16.3**
Dividend per share	0.0	0.4	2.0	2.0	0.0	0.0	2.0	3.0
Dividend Yield (%)	**0.0**	**0.1**	**0.4**	**0.4**	**0.0**	**0.0**	**0.4**	**0.6**

E: MOFSL Estimates

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Investment Rating	**Expected return (over 12-month)**
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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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