30 October 2027
2QFY27 Results Update | Sector: Financials

Spandana Sphoorty

Estimate change	
TP change	
Rating change	

Bloomberg	SPANDANA IN
Equity Shares (m)	89
M.Cap.(INRb)/(USDb)	21.1 / 0.2
52-Week Range (INR)	320 / 181
1, 6, 12 Rel. Per (%)	0/15/-4
12M Avg Val (INR M)	88

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	4.6	7.4	10.9
Total Income	5.6	9.1	13.0
PPoP	-2.0	2.8	5.8
PAT	-7.0	1.6	3.0
EPS (INR)	-87	18	34
EPS Gr. (%)	-	-	94
BV (INR)	240	280	314
Ratios (%)			
NIM	9.6	14.8	15.0
C/I ratio	136.7	69.0	55.4
Credit cost	15.1	1.5	2.4
RoA	-9.5	2.1	3.1
RoE	-29.4	6.8	11.5
Valuations			
P/E (x)	-	10.7	5.5
P/BV (x)	0.8	0.7	0.6

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	48.2	48.2	48.2
DII	5.8	5.7	6.1
FIIFIIFII	17.8	19.3	20.3
Others	28.3	26.9	25.5

FII includes depository receipts

CMP: INR189 TP: INR215 (+14%) Neutral

Balancing growth with strong control over opex and credit costs

Potential rural stress because of droughts warrants closer monitoring

- Spandana Sphoorty's 2QFY27 PAT grew ~54% QoQ to ~INR182m (in line). NII grew 70% YoY/20% QoQ to ~INR1.8b (in line).
- Opex declined ~21% YoY to ~INR1.5b (~8% lower than est). PPoP stood at ~INR515m (~31% beat). Credit costs stood at ~INR146m (est. of ~INR60m), resulting in annualized credit costs of 1.3% (PQ: -0.1% and PY: ~27%).
- Spandana is strengthening its collection and risk-management efforts to mitigate potential stress arising from drought and El Nino-related disruptions. The company is adopting a calibrated sourcing strategy in vulnerable geographies, with tighter onboarding norms, particularly for new-to-credit and new-to-Spandana borrowers. Out of the 127 branches in Maharashtra, 18 were categorized as critical, based on their risk profiles, warranting focused collection and risk-management interventions. Spandana has ~INR6b of its portfolio in Karnataka and Maharashtra, of which ~96% is current and ~3% is classified as NPA. We expect Spandana to deliver credit costs of ~1.5%/2.4% for FY27E/FY28E.
- Spandana's outlook remains cautiously optimistic, with management prioritizing calibrated and sustainable growth while strengthening portfolio quality. The INR100b AUM target by Mar'28 will be driven by its core JLG franchise, alongside the gradual scale-up of its secured micro-LAP business. Continued emphasis on tighter underwriting, disciplined sourcing, enhanced collection efficiency and stronger branch-level execution is expected to support asset quality, contain credit costs and improve profitability.
- We raise our FY27 EPS estimate by ~11%, factoring in lower-than-estimated operating expenses. We expect Spandana to deliver a CAGR of 45% each in disbursements/AUM over FY26-FY28, leading to RoA/RoE of 3.1%/12% in FY28. Reiterate our Neutral rating with a TP of INR215 (based on 0.6x Sep'28E BV).

Measured growth backed by core JLG strength and improving scale

- AUM grew ~31% YoY/10% QoQ to ~INR53.6b. Disbursement grew ~59% YoY/ ~8% QoQ to INR14.8b.
- Total borrower count grew ~3% QoQ to 1.14m. Loan officers (net) declined by ~100 during the quarter to ~6,650. Portfolio originated since Apr'25 constitutes ~96% of MFI portfolio.
- Spandana is targeting AUM of ~INR100b by Mar'28, with growth expected to remain highly calibrated. After the merger with its subsidiary Criss Financial, the combined balance sheet will have a 60-70% share of core JLG business, with micro-LAP gradually scaling up to ~8-10% and individual loans contributing ~1-2%.
- Growth will be supported by improved field productivity, reactivation of dropped-out borrowers (which contributed ~11% of quarterly disbursements in 2Q) and stronger branch-level execution. Criss Financial aims to scale up its AUM from ~INR3b to INR10b in the next 2-3 years, leveraging its presence across six states. We expect Spandana to deliver an AUM CAGR of ~45% for FY26-28E.

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

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Improving funding costs drive sustainable NIM expansion

- Reported yields improved ~25bp QoQ to ~24.9%, while CoF declined ~50bp QoQ to ~12.3%, resulting in ~80bp QoQ improvement in spreads to 12.6%.
- Incremental CoF declined by ~70bp QoQ to ~10.6% (PQ: 11.3%). Reported NIM improved ~110bp QoQ to ~13.6%. We expect Spandana to deliver NIM of ~14.8%-15.0% for FY27E-FY28E.

Improving portfolio quality with strong CE and lower delinquencies

- GNPA declined ~1pp QoQ to ~2.5%, whereas NNPA declined ~20bp QoQ at ~0.5%. S3 PCR stood at ~80%. Gross Stage 2 declined ~20bp QoQ to ~0.5%.
- Gross collection efficiency (including arrears) improved to 97.9% (PQ: 96.6%) and net collection efficiency improved to 97.3% (PQ: 95.9%). X-bucket collection efficiency stood at 99.6% in Sep'26 (similar levels as in Jun'26). PAR 30+ improved to 3.1% in Sep'26 from 4.4% in Jun'26.
- Spandana's asset quality has improved meaningfully, with collection efficiency improving to ~99.6% (from lows of 96.2%) and GNPA improving to ~2.6% (from its peak of ~5%), supported by stronger underwriting and collection efforts. Management believes that borrowers' repayment capacity could be temporarily affected by weather-related disruptions; however, their diversified income sources, including allied activities and multiple occupations, should help mitigate the impact. It expects initial indicators to emerge in Nov'26, with better visibility by Dec'26-Jan'27, and believes the current challenges are temporary.

Highlights from the management commentary

- Management believes that natural calamities have historically not caused any prolonged structural damage to the microfinance industry, as borrowers have demonstrated resilience through such events.
- Micro-LAP loans have an LTV of ~60%, which may extend to 65% in select cases, with pricing in the range of ~19-22%.

Valuation and view

- Spandana's quarterly performance was characterized by strong AUM growth, improving margins, lower funding costs and a significant improvement in asset quality and collection efficiency. The company has ambitious growth and profitability targets, supported by its focus on calibrated expansion and operational improvements. However, sustaining the asset quality recovery amid potential weather-related disruptions to borrowers' repayment capacity, along with collection efficiency and credit cost trends, will remain key monitorables over the coming quarters.
- We raise our FY27 EPS estimate by ~11%, factoring in lower than estimated operating expenses. We expect SPANDANA to deliver a CAGR of 45% each in disbursements/AUM over FY26-28, leading to RoA/RoE of 3.1%/12% in FY28. Reiterate our Neutral rating with a TP of INR215 (based on 0.6x Sep'28E BV).

Quarterly Performance (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	2,837	2,246	2,252	2,318	2,802	3,181	3,500	3,969	9,653	13,452	3,195	0
Interest Expenses	1,538	1,199	1,087	1,260	1,321	1,406	1,561	1,753	5,084	6,040	1,420	-1
Net Interest Income	**1,300**	**1,048**	**1,164**	**1,058**	**1,482**	**1,776**	**1,939**	**2,216**	**4,569**	**7,412**	**1,775**	**0**
YoY Growth (%)	*-70.1*	*-70.0*	*-57.5*	*-48.5*	*14.0*	*69.5*	*66.6*	*109.4*	*-63.8*	*62.2*	*69.4*	
Other Income	204	149	204	453	230	223	482	764	1,010	1,698	228	-2
Total Income	**1,504**	**1,196**	**1,368**	**1,511**	**1,711**	**1,998**	**2,421**	**2,979**	**5,580**	**9,110**	**2,003**	**0**
YoY Growth (%)	*-68.5*	*-73.3*	*-60.2*	*-35.3*	*13.8*	*67.0*	*76.9*	*97.1*	*-62.6*	*63.3*	*67.4*	
Operating Expenses	2,091	1,886	2,038	1,612	1,549	1,483	1,555	1,698	7,627	6,285	1,610	-8
Operating Profit	**-587**	**-690**	**-670**	**-100**	**163**	**515**	**865**	**1,281**	**-2,048**	**2,824**	**393**	**31**
YoY Growth (%)	*-120.5*	*-130.3*	*-185.4*	*-139.9*	*-127.7*	*-174.7*	*-229.1*	*-1,375.9*	*-133.7*	*-237.9*	*-157.0*	
Provisions & Loan Losses	4,222	2,582	584	-181	-13	146	250	361	7,207	744	60	143
Profit before Tax	**-4,809**	**-3,271**	**-1,255**	**80**	**176**	**370**	**615**	**920**	**-9,255**	**2,081**	**333**	**11**
Tax Provisions	-1,207	-780	-305	28	57	187	154	122	-2,263	520	153	
Net Profit	**-3,602**	**-2,492**	**-950**	**53**	**119**	**182**	**462**	**798**	**-6,992**	**1,561**	**180**	**2**
YoY Growth (%)	*-747*	*15*	*-78*	*-101*	*-103*	*-107*	*-149*	*1,414*	*-32*	*-122*	*-107*	
Key Parameters (%)												
Yield on loans	23.0	23.2	25.4	25.1	27.1	27.0	27.2	27.3				
Cost of funds	12.3	12.6	12.3	13.0	12.8	12.5	12.6	12.7				
Spread	10.6	10.6	13.1	12.1	14.3	14.5	14.6	14.5				
NIM	10.5	10.8	13.1	11.5	14.3	15.1	15.1	15.2				
Credit cost	34.2	26.7	6.6	-2.0	-0.1	1.2	1.9	2.5				
Cost to Income Ratio (%)	139.1	157.6	149.0	106.6	90.5	74.2	64.2	57.0				
Tax Rate (%)	25.1	23.8	24.3	34.3	32.3	50.6	25.0	13.3				
Performance ratios (%)												
AUM/Loan Officer (INR m)	5.2	4.7	4.8	6.2	7.2	8.1						
Borrowers/Branch	1,186	910	774	789	769	793						
Borrowers/Loan Officer	131	116	105	107	109	115						
Balance Sheet Parameters												
AUM (INR B)	**49.6**	**40.9**	**39.5**	**44.2**	**48.9**	**53.6**	**60.0**	**67.6**				
Change YoY (%)	-57.7	-61.2	-55.8	-35.2	-1.4	31.2	52.1	52.9				
Disbursements (INR B)	**2.8**	**9.3**	**11.9**	**15.4**	**13.7**	**14.8**	**16.9**	**18.7**				
Change YoY (%)	-87.7	-38.3	-17.7	321.6	389.6	58.6	42.0	21.2				
Borrowings (INR B)	**43.1**	**32.9**	**37.9**	**39.4**	**42.9**	**47.2**						
Change YoY (%)	-52.4	-58.1	-43.9	-30.3	-0.3	43.6						
Borrowings/Loans (%)	86.8	80.5	95.9	89.2	87.8	88.1						
Debt/Equity (x)	1.9	1.5	1.8	1.9	2.0	2.0						
Asset Quality (%)												
GS 3 (INR M)	**2,510**	**2,170**	**1,590**	**1,540**	**1,690**	**1,320**						
G3 %	5.5	5.6	4.2	3.8	3.6	2.5						
NS 3 (INR M)	**530**	**450**	**340**	**300**	**320**	**260**						
NS3 %	1.3	1.3	1.0	0.8	0.7	0.5						
PCR (%)	**78.9**	**79.3**	**78.6**	**80.5**	**81.1**	**80.3**						
ECL (%)	9.0	7.5	5.4	4.0	3.7	2.8						
Return Ratios - YTD (%)												
ROA (Rep)	-18.9	-16.1	-6.4	0.3	0.7	1.1						
ROE (Rep)	-58.6	-44.1	-17.5	1.0	2.2	3.3						

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- Spandana aims to reach AUM of INR100b by Mar'28, with growth expected to remain calibrated.
- Management expects standalone RoA to improve to ~3.5-4%, translating into RoE of around ~14-15% at 4x gearing.
- Credit costs are expected to remain in the range of ~2.5-3%, with efforts underway to minimize the impact of stress in certain states.
- The company expects the MFI sector to return to growth, although expansion is likely to remain calibrated.

Business updates and portfolio performance

- Oct'26 business performance remained steady, with disbursements and recoveries holding up well. While additional collection efforts were required in certain pockets of Maharashtra, there were no significant signs of stress across the portfolio as of Oct-end.
- The company is not looking to slow down or pause growth but is adopting a more cautious approach through tighter checks and balances while onboarding customers.
- Customer acquisition has been increasing QoQ, supported by improved field productivity and the reactivation of dropout borrowers. Reactivated borrowers contributed around ~11% of disbursements during the quarter.
- Around ~96% of the MFI portfolio has been originated under the strengthened underwriting framework and revised risk guardrails.
- The CoF stood at ~10.6% including the CGS scheme and 10.8% excluding the scheme.

Asset quality and underwriting

- Spandana has strengthened its underwriting principles and customer onboarding processes, resulting in a significant improvement in collection efficiency to ~99.6% from a low of 96.2%. GNPA has moderated to ~2.6% from its peak of ~5%, reflecting the improvement in portfolio quality and collection efforts.
- Management believes that borrowers continue to demonstrate a willingness to repay, although some EMI delays may arise. Customers generally make repayments if they can identify alternative sources of income. Borrowers are increasingly aware that repayment defaults could restrict access to future institutional credit, which is strengthening repayment discipline.
- The company's technical write-off policy is based on 455 days.

Maharashtra and weather-related risks

- Karnataka and Maharashtra are the two states where the company could experience some stress from El Nino-related developments. However, the combined portfolio in these states is around INR6b, of which ~96% is current and ~3% is classified as GNPA.
- In Maharashtra, the company has categorized its 127 branches based on risk profiles and identified 18 branches as critical, which are receiving special attention through targeted collection and risk-management strategies.

- The company is adopting a calibrated sourcing strategy in higher-risk branches by temporarily avoiding onboarding new-to-credit customers and tightening norms for new-to-Spandana borrowers.
- Management believes that natural calamities have historically not caused any prolonged structural damage to the microfinance industry, as borrowers have demonstrated resilience through such events.
- MFI borrowers are not necessarily directly dependent on agriculture, with many engaged in allied activities or multiple income-generating occupations. The impact of weather-related developments should become clearer through initial indicators in Nov'26, with better visibility expected by Dec'26-Jan'27.
- Management remains confident that the current challenges are temporary and believes the sector can recover as borrowers identify alternative income sources.

Business structure and product strategy

- Spandana intends to operate three distinct lending businesses post-merger: JLG loans as the core business, individual loans with stronger underwriting, and Micro-LAP as a secured lending portfolio.
- In the merged entity, JLG loans will continue to contribute ~60-70% of the overall portfolio, while Micro-LAP could account for ~8-10% and individual loans around 1-2%. JLG lending will remain the dominant business.
- The company does not lend to customers below the poverty line.
- The FOIR limit is capped at ~50%, reflecting the company's disciplined approach to borrower affordability.

Criss Financial

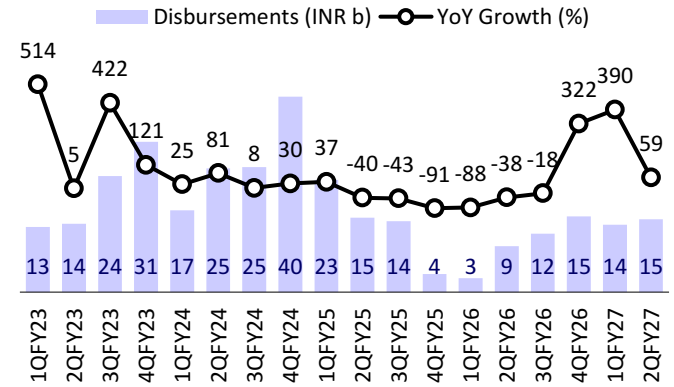
- Spandana plans to scale its secured Micro-LAP business as a separate lending vertical, with dedicated branches and a differentiated operating model.
- The company currently operates 86 exclusive LAP branches and plans to rationalize this network to around 70-75 branches.
- LAP loans are expected to carry an LTV of ~60%, which may extend to 65% in select cases, with pricing in the range of ~19-22%.
- The company intends to maintain a diversified lending portfolio, with Micro-LAP serving as a secured lending vertical alongside its core JLG business.
- Criss Financial (CFL) is currently present in Rajasthan, MP, Andhra Pradesh, Telangana, and Tamil Nadu, with an AUM of around INR3b. The company aims to scale the CFL portfolio to INR10b over the next two to three years.

Leadership and Organizational Restructuring

- Spandana is strengthening its leadership team and implementing a leaner organizational structure, initially across select geographies. This is a differentiated operating model compared with the traditional structures prevalent in the microfinance industry.
- The restructuring of the field organization is aimed at improving accountability, strengthening execution and enhancing productivity across branches.

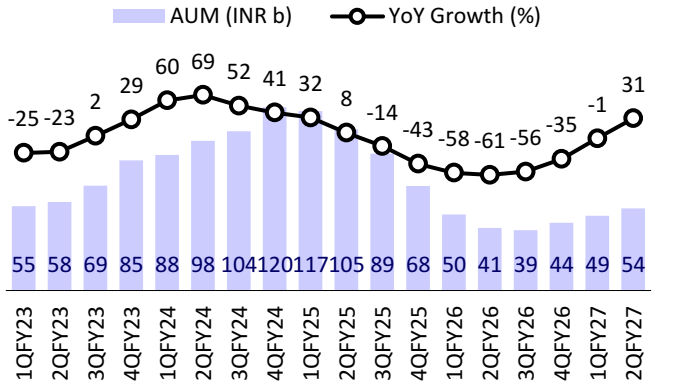
Story in charts

Exhibit 1: Disbursements grew ~59% YoY



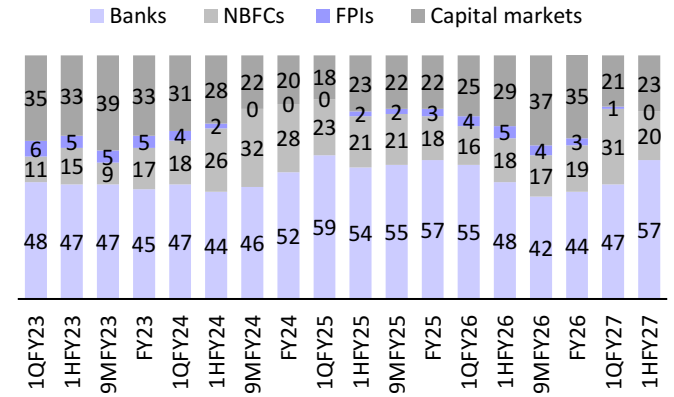
Source: MOFSL, Company

Exhibit 2: AUM grew ~31% YoY



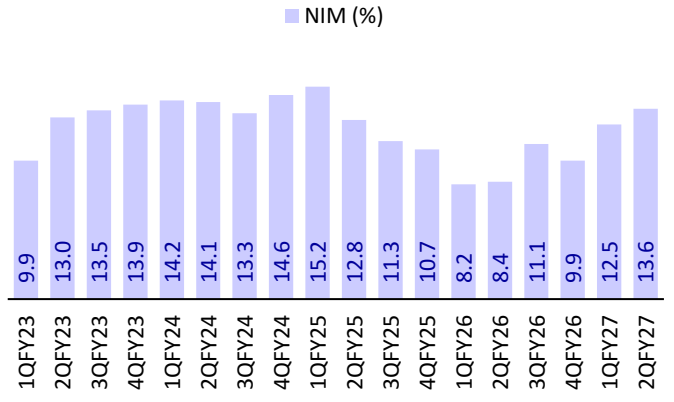
Source: MOFSL, Company

Exhibit 3: Share of banks rose ~10pp QoQ (%)



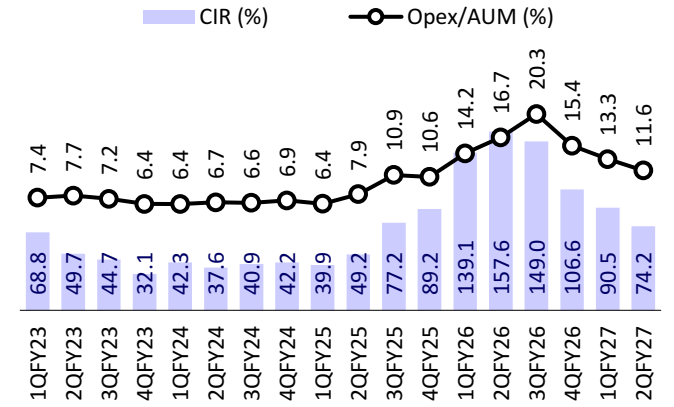
Source: MOFSL, Company

Exhibit 4: Reported NIM expanded ~110bp QoQ (%)



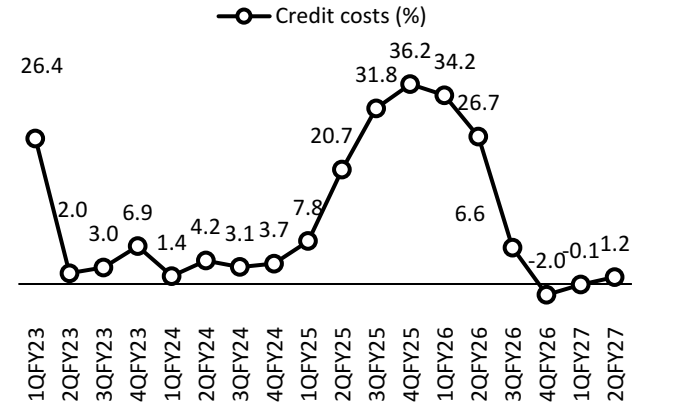
Source: MOFSL, Company

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



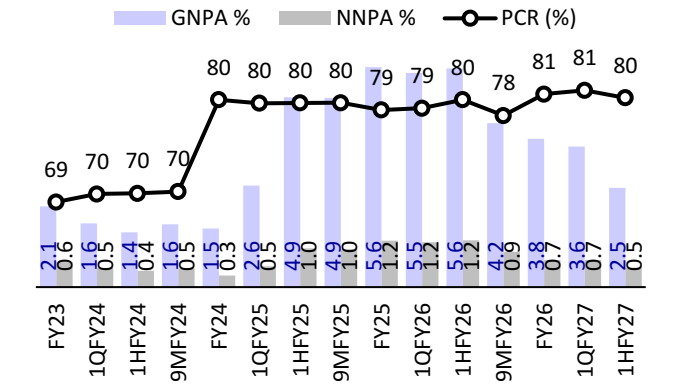
Source: MOFSL, Company

Exhibit 6: Credit costs stood at ~1.2% in 2QFY27



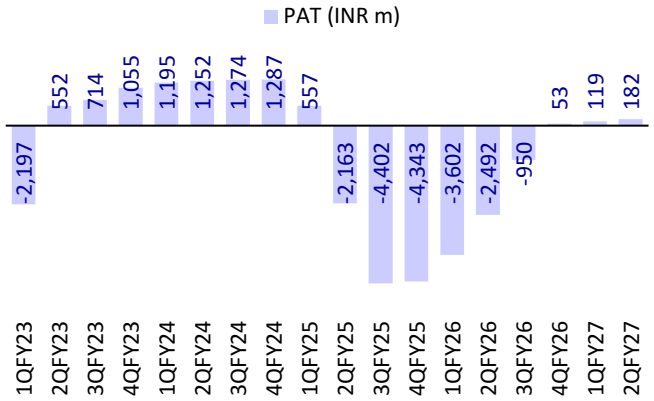
Source: MOFSL, Company

Exhibit 7: GS3 declined ~110bp QoQ



Source: MOFSL, Company

Exhibit 8: 2QFY27 PAT stood at ~INR182m

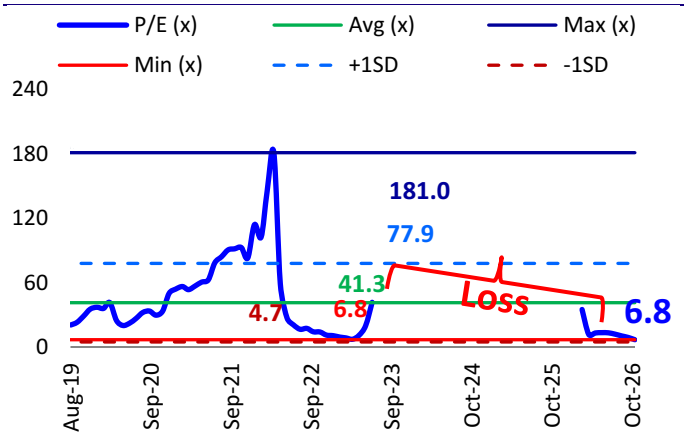


Source: MOFSL, Company

Exhibit 9: We increase our FY27E EPS by ~11% to factor in lower operating expenses

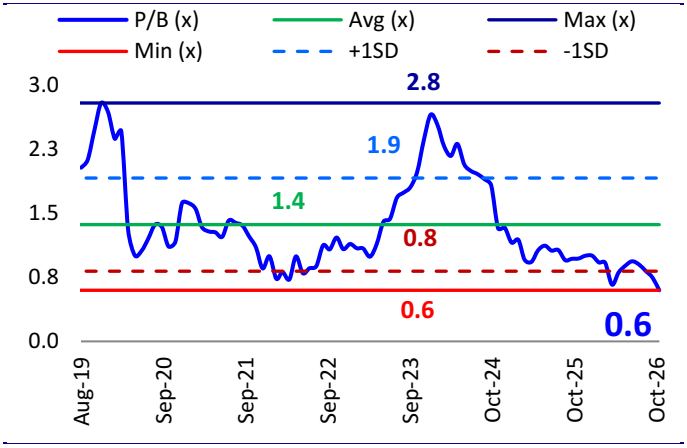
INR B	Old Est.		New Est.		% change	
	FY27	FY28	FY27	FY28	FY27	FY28
NII	7.5	11.0	7.4	10.9	-1.0	-0.3
Other Income	1.8	2.2	1.7	2.1	-3.6	-5.7
Total Income	**9.3**	**13.2**	**9.1**	**13.0**	**-1.5**	**-1.2**
Operating Expenses	6.8	7.5	6.3	7.2	-8.1	-3.1
Operating Profits	**2.4**	**5.7**	**2.8**	**5.8**	**17.2**	**1.3**
Provisions	0.5	1.7	0.7	1.8	38.7	1.8
PBT	**1.9**	**4.0**	**2.1**	**4.0**	**11.0**	**1.1**
Tax	0.5	1.0	0.5	1.0	-	-
PAT	**1.4**	**3.0**	**1.6**	**3.0**	**11.0**	**1.1**
AUM	68	90	68	93	0.0	3.6
Borrowings	58	75	58	78	0.1	3.7
RoA	1.9	3.2	2.1	3.1	10.9	-0.6
RoE	6.1	11.4	6.8	11.5	10.6	0.4

Exhibit 10: One year forward P/E



Source: MOFSL, Company

Exhibit 11: One year forward P/B



Source: MOFSL, Company

Financials and valuations

Income Statement (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	13,627	13,365	12,775	22,381	21,943	9,653	13,452	19,563	25,448
Interest Expenses	4,232	5,401	4,579	9,268	9,323	5,084	6,040	8,630	11,213
Net Interest Income	**9,395**	**7,964**	**8,196**	**13,113**	**12,621**	**4,569**	**7,412**	**10,933**	**14,235**
Change (%)	15.6	-15.2	2.9	60.0	-3.8	-63.8	62.2	47.5	30.2
Other Operating Income	1,199	1,263	1,233	1,625	1,608	586	1,253	1,638	1,752
Other Income	230	172	763	1,102	689	424	445	467	490
Total Income	**10,824**	**9,399**	**10,192**	**15,840**	**14,918**	**5,580**	**9,110**	**13,039**	**16,478**
Change (%)	-2.8	-13.2	8.4	55.4	-5.8	-62.6	63.3	43.1	26.4
Total Operating Expenses	**2,369**	**3,625**	**4,570**	**6,540**	**8,843**	**7,627**	**6,285**	**7,223**	**8,108**
Change (%)	7.1	53.0	26.1	43.1	35.2	-13.7	-17.6	14.9	12.3
Employee Expenses	1,715	2,284	3,057	4,732	6,318	5,327	4,315	4,962	5,558
Depreciation	76	92	109	204	227	162	110	121	133
Other Operating Expenses	577	1,249	1,404	1,604	2,298	2,138	1,860	2,139	2,417
Operating Profit	**8,456**	**5,774**	**5,621**	**9,300**	**6,075**	**-2,048**	**2,824**	**5,816**	**8,370**
Change (%)	-5.2	-31.7	-2.6	65.4	-34.7	-133.7	-237.9	105.9	43.9
Total Provisions	**6,451**	**4,806**	**5,443**	**2,594**	**19,863**	**7,207**	**744**	**1,777**	**2,271**
% Loan loss provisions to Avg loans ratio	10.8	7.7	8.2	2.8	23.8	15.1	1.5	2.4	2.4
PBT	**2,004**	**969**	**178**	**6,706**	**-13,788**	**-9,255**	**2,081**	**4,039**	**6,099**
Tax Provisions	550	270	54	1,699	-3,436	-2,263	520	1,010	1,525
Tax Rate (%)	27.4	27.9	30.5	25.3	24.9	24.5	25.0	25.0	25.0
PAT	**1,455**	**698**	**124**	**5,007**	**-10,352**	**-6,992**	**1,561**	**3,029**	**4,574**
Change (%)	-58.7	-52.0	-82.3	3,940.0	-306.7	-32.5	-122.3	94.1	51.0

Balance Sheet (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	643	691	710	713	713	800	887	887	887
Reserves & Surplus	26,848	30,185	30,280	35,733	25,617	20,494	23,968	26,997	31,571
Non-controlling interest	20	24	2	3	2	2	2	2	2
Net Worth	**27,511**	**30,899**	**30,992**	**36,449**	**26,333**	**21,296**	**24,856**	**27,886**	**32,460**
Borrowings	**53,733**	**37,721**	**60,743**	**94,246**	**56,556**	**39,427**	**57,838**	**78,072**	**97,133**
Change (%)	77.6	-29.8	61.0	55.2	-40.0	-30.3	46.7	35.0	24.4
Other Liabilities	4,526	2,143	2,091	3,130	2,046	1,741	1,904	2,083	2,280
Total Liabilities	**85,769**	**70,763**	**93,826**	**1,33,825**	**84,935**	**62,464**	**84,598**	**1,08,041**	**1,31,873**
Cash and Bank	13,810	12,022	10,045	18,941	18,438	12,747	11,803	12,257	13,916
Investments	23	24	1,894	1,118	1,098	1,135	925	1,327	1,651
Loans	**69,330**	**55,184**	**77,598**	**1,10,143**	**57,084**	**38,605**	**61,595**	**83,858**	**1,05,350**
Change (%)	39.3	-20.4	40.6	41.9	-48.2	-32.4	59.6	36.1	25.6
Fixed Assets	380	313	249	300	342	216	240	264	290
Other Assets	2,225	3,220	4,040	3,323	7,974	9,761	10,034	10,335	10,666
Total Assets	**85,769**	**70,763**	**93,826**	**1,33,825**	**84,935**	**62,464**	**84,598**	**1,08,041**	**1,31,873**

E: MOFSL Estimates

Financials and valuations

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
AUM	**81,570**	**65,810**	**85,110**	**1,19,730**	**68,190**	**44,200**	**67,577**	**92,714**	**1,16,309**
Change (%)	**19**	**-19**	**29**	**41**	**-43**	**-35**	**53**	**37**	**25**
Disbursements	**60,990**	**33,740**	**81,320**	**1,06,900**	**56,050**	**39,410**	**64,041**	**83,254**	**1,02,402**
Change (%)	**-21**	**-45**	**141**	**31**	**-48**	**-30**	**63**	**30**	**23**

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Spreads Analysis (%)									
Avg. Yield on Loans	22.9	21.5	19.2	23.8	26.2	20.2	26.9	26.9	26.9
Avg Cost of Funds	10.1	11.8	9.3	12.0	12.4	10.6	12.4	12.7	12.8
Spread of loans	12.8	9.7	9.9	11.9	13.9	9.6	14.4	14.2	14.1
NIM (on loans)	15.8	12.8	12.3	14.0	15.1	9.6	14.8	15.0	15.0
Profitability Ratios (%)									
RoE	5.4	2.4	0.4	14.8	-33.0	-29.4	6.8	11.5	15.2
RoA	2.0	0.9	0.2	4.4	-9.5	-9.5	2.1	3.1	3.8
Int. Expended / Int.Earned	31.1	40.4	35.8	41.4	42.5	52.7	44.9	44.1	44.1
Other Inc. / Net Income	13.2	15.3	19.6	17.2	15.4	18.1	18.6	16.1	13.6
Efficiency Ratios (%)									
Op. Exps. / Net Income	21.9	38.6	44.8	41.3	59.3	136.7	69.0	55.4	49.2
Empl. Cost/Op. Exps.	72.4	63.0	66.9	72.4	71.4	69.8	68.7	68.7	68.5
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	1.3	1.5	1.3	1.2	1.0	1.0	1.1	1.1	1.1
Assets/Equity	3.1	2.3	3.0	3.7	3.2	2.9	3.4	3.9	4.1
Asset Quality (%)									
GNPA (INR m)	4,095	11,489	1,775	1,905	3,915	1,540	1,671	1,953	2,255
GNPA (%)	5.6	18.7	2.2	1.7	6.2	3.8	2.6	2.3	2.1
NNPA (INR m)	2,193.8	6,442.7	549.1	385.1	827.1	300.0	300.9	429.7	496.0
NNPA (%)	3.1	11.4	0.7	0.3	1.4	0.8	0.5	0.5	0.5
PCR (%)	46.4	43.9	69.1	79.8	78.9	80.5	82.0	78.0	78.0
Credit costs	10.8	7.7	8.2	2.8	23.8	15.1	1.48	2.44	2.40

Valuations	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Book Value (INR)	427	447	437	511	369	240	280	314	366
BV Growth (%)	5	5	-2	17	-28	-35	17	12	16
P/BV	**0.4**	**0.4**	**0.4**	**0.4**	**0.5**	**0.8**	**0.7**	**0.6**	**0.5**
EPS (INR)	22.6	10.1	1.7	70.2	-145.2	-87.4	17.6	34.2	51.6
EPS Growth (%)	-59	-55	-83	3,922	-307	-40	-120	94	51
P/E	**8.4**	**18.7**	**108.2**	**2.7**	**-1.3**	**-2.2**	**10.7**	**5.5**	**3.7**
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

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.