

# Poonawalla Fincorp

Estimate changes	↔
TP change	↓
Rating change	↔

Bloomberg	POONAWAL IN
Equity Shares (m)	768
M.Cap.(INRb)/(USDb)	378.7 / 4.5
52-Week Range (INR)	520 / 318
1, 6, 12 Rel. Per (%)	4/17/26
12M Avg Val (INR M)	1054

## Financials Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Net Income	22.0	30.8	40.2
PPoP	13.9	21.6	29.7
PAT	10.3	14.5	19.7
EPS (INR)	13.3	18.8	25.6
EPS Gr. (%)	72.2	40.8	36.4
BV/Share	106	122	142

## Ratios

NIM on AUM (%)	9.5	9.2	9.3
C/I ratio (%)	36.7	30.0	26.1
RoAA (%)	4.9	4.9	4.9
RoE (%)	14.1	16.5	19.4

## Valuations

P/E (X)	36.7	26.1	19.1
P/BV (X)	4.6	4.0	3.4

## Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	62.1	62.1	62.1
DII	5.8	5.6	6.1
FII	8.3	7.8	7.1
Others	23.8	24.6	24.6

FII Includes depository receipts

**CMP: INR489** **TP: INR570 (+17%)** **BUY**

## Operating profit in line; earnings beat due to lower tax rate

**NIM expands ~5bp QoQ; Strong AUM growth of ~55% YoY**

- Poonawalla Fincorp (PFL)'s 4QFY24 NII grew 48% YoY to ~INR5.6b (in line), while its PPoP surged 103% YoY to ~INR4.1b (in line). PFL's 4QFY24 PAT jumped 84% YoY/25% QoQ to ~INR3.3b (9% beat), while its FY24 normalized PAT grew 75% YoY to ~INR10.3b.
- Opex rose 12% YoY to ~INR2.3b (~9% above estimate), with the C/I ratio being broadly stable QoQ at ~36% (PY: ~51%). Provisions stood at INR240m (vs. estimated credit costs of ~INR180m).
- PFL is committed to boosting productivity through digitization and is preparing for growth by introducing new products such as co-branded credit cards (to be launched in the next 2-3 weeks).
- PFL has laid down a robust foundation for sustainable profitability through initiatives that will lead to lower operating costs (as a % of AUM), higher business volumes, and robust asset quality. We model a ~37%/39% CAGR for AUM/PAT over FY24-FY26 and expect PFL to deliver an RoA/RoE of ~4.9%/~19.4% in FY26. **Reiterate BUY with a TP of INR570 (premised on 4x FY26E BVPS).**

## Healthy momentum in disbursements; AUM rises 55% YoY

- AUM grew 55% YoY and 14% QoQ to ~INR250b through market share gains in its existing product suite. Discontinued AUM (including legacy/DA) contributed ~6% to the AUM mix. The share of unsecured loans increased to ~51% of the AUM mix (PQ: ~48%).
- PFL reported 4QFY24 disbursements of INR96.9b, which grew 52% YoY. It continued to focus on accelerated customer acquisitions by constantly working on broadening the customer funnel through the digital model. This has been driving down the customer acquisition costs (CAC).

## NIM expands 5bp QoQ despite a sequential rise in CoF

- Reported NIM rose ~5bp QoQ to ~11.1% (PQ: ~11%).
- The cost of borrowings (CoB) increased ~20bp QoQ to ~8.2%. With a credit rating of AAA/Stable and focus on NCDs and CPs for future borrowings, the management anticipates a decline in the cost of borrowings.
- We model NIMs of 9.2%/9.3% for FY25/FY26.

## Highlights from the management commentary

- The company has received regulatory approval for credit cards and it will be launching the same within the next 2-3 weeks. It has partnered with IndusInd Bank for a co-branded credit card. PFL will be sourcing the credit cards and will receive one-time commissions. Revenue sharing will be as per the regulatory guidelines.
- The company will strive to maintain its long-term guidance of 35-40% AUM growth. PAT growth is likely to be ~30-35%. GNPA will be between 1.3% and 1.8%, while NNPA will be between 0.5% and 0.9%. The RoA will be between 4.0% and 4.5%.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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**Asset quality remains pristine**

- Asset quality improved with GS3/NS3 at 1.2%/0.6% and the PCR on S3 loans rose ~2pp QoQ to ~49%.
- We model credit costs of 0.9%/1.0% over FY25/FY26.

**Valuation and view**

- Consumer and small business finance, the segments targeted by PFL, have a huge market opportunity. We believe that the company has levers to maintain its NIM of >9% over FY25-FY26E.
- Strong leadership teams across functions, realignment of customer and product segments, and focus on leveraging technology/analytics position PFL well to build scale and deliver superior risk-adjusted returns. We **Reiterate BUY with a TP of INR570 (premised on 4x FY26E BVPS)**.
- **Key downside risks:** a) inability to execute its articulated strategy despite a new management team and investments in technology and processes; and b) aggressive competitive landscape leading to pressure on spreads and margins and/or deterioration in asset quality.

**Quarterly Performance**

(INR m)

Y/E March	FY23				FY24E				FY23	FY24	4QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	3,857	4,179	4,605	5,529	6,560	6,901	7,144	8,436	18,265	28,996	7,941	6
Interest Expenses	1,187	1,441	1,593	1,732	2,348	2,155	2,237	2,811	5,953	9,503	2,575	9
<b>Net Interest Income</b>	<b>2,670</b>	<b>2,738</b>	<b>3,012</b>	<b>3,798</b>	<b>4,212</b>	<b>4,746</b>	<b>4,907</b>	<b>5,625</b>	<b>12,312</b>	<b>19,493</b>	<b>5,366</b>	<b>5</b>
YoY Growth (%)	26.3	12.0	23.6	52.0	77.8	73.3	62.9	48.1	29.7	58.3	41.3	
Other Income	434	627	588	282	563	539	594	782	1,931	2,478	735	
<b>Total Income</b>	<b>3,103</b>	<b>3,365</b>	<b>3,600</b>	<b>4,080</b>	<b>4,775</b>	<b>5,285</b>	<b>5,501</b>	<b>6,407</b>	<b>14,243</b>	<b>21,970</b>	<b>6,101</b>	<b>5</b>
YoY Growth (%)	34.6	25.1	33.2	41.7	70.3	57.1	52.8	57.0	34.6	54.3	49.5	
Operating Expenses	1,926	2,107	2,043	2,064	1,834	1,929	1,998	2,313	8,139	8,074	2,121	9
<b>Operating Profit</b>	<b>1,178</b>	<b>1,257</b>	<b>1,558</b>	<b>2,016</b>	<b>2,941</b>	<b>3,356</b>	<b>3,502</b>	<b>4,094</b>	<b>6,104</b>	<b>13,897</b>	<b>3,980</b>	<b>3</b>
YoY Growth (%)	16.8	2.8	35.6	75.0	185.0	167.0	124.8	103.1	34.7	127.7	97.4	
Provisions & Loan Losses	-164	-482	-452	-347	266	281	-65	239	-1,445	720	182	31
<b>Profit before Tax</b>	<b>1,550</b>	<b>1,740</b>	<b>2,010</b>	<b>2,367</b>	<b>2,676</b>	<b>3,075</b>	<b>3,568</b>	<b>3,855</b>	<b>7,761</b>	<b>13,177</b>	<b>3,798</b>	<b>1</b>
Exceptional items						6,560				6,560		
Tax Provisions	313	438	506	560	674	775	916	538	1,816	2,907	744	-28
<b>PAT (excl. exceptional)</b>	<b>1,237</b>	<b>1,302</b>	<b>1,504</b>	<b>1,807</b>	<b>2,002</b>	<b>2,300</b>	<b>2,651</b>	<b>3,317</b>	<b>5,945</b>	<b>10,270</b>	<b>3,054</b>	<b>9</b>
<b>PAT (incl. exceptional)</b>	<b>1,237</b>	<b>1,302</b>	<b>1,504</b>	<b>1,807</b>	<b>2,002</b>	<b>8,861</b>	<b>2,651</b>	<b>3,317</b>	<b>5,945</b>	<b>16,830</b>	<b>3,054</b>	<b>9</b>
YoY Growth (%)	148.2	75.8	87.5	102.7	86.0	76.7	76.3	83.6	102.8	72.8	69.0	
<b>Key Parameters (Calc., %)</b>												
Yield on loans	13.9	14.1	14.6	15.7	16.3	15.8	15.3	16.3	14.0	15.6		
Cost of funds	7.0	7.2	7.5	7.9	8.0	7.2	7.5	8.2	6.6	7.2		
Spread	6.9	6.9	7.1	7.8	8.3	8.6	7.8	8.1	7.4	8.4		
NIM on loans	9.7	9.2	9.6	10.8	10.4	10.9	10.5	10.9	8.8	9.5		
C/I ratio	62.1	62.6	56.7	50.6	38.4	36.5	36.3	36.1	57.1	36.7		
Credit cost	-0.1	-1.5	-1.3	-0.9	0.6	0.6	-0.1	0.4	-1.1	0.4		
Tax rate	20.2	25.2	25.2	23.6	25.2	17.7	25.7	13.9	23.4	22.1		
<b>Balance Sheet Parameters</b>												
<b>Disbursements (INR b)</b>	<b>29.0</b>	<b>31.1</b>	<b>33.7</b>	<b>63.7</b>	<b>70.6</b>	<b>78.1</b>	<b>87.3</b>	<b>96.9</b>	<b>158</b>	<b>199</b>		
Growth (%)	95.5	42.0	157.2	150.9	169.1	151.0	159.2	52.1	109.4	111.3		
<b>AUM (INR b)</b>	<b>126</b>	<b>132</b>	<b>139</b>	<b>161</b>	<b>178</b>	<b>202</b>	<b>219</b>	<b>250</b>	<b>161</b>	<b>178</b>		
Growth (%)	21.5	16.8	27.6	37.2	60.4	53.6	57.6	54.9	37.2	60.4		
<b>AUM mix (%)</b>												
Focused	81.9	88.3	91.4	94.1	96.3	89.0	91.7	94.1	94.1	96.3		
Discontinued (Legacy and DA)	18.1	11.7	8.6	5.9	3.7	11.0	8.3	5.9	5.9	3.7		
<b>Asset Quality Parameters</b>												
GS 3 (INR m)	3,270	2,240	2,230	2,250	2,450	2,660	2,750	2,680	2,250	2,450		
GS 3 (%)	2.7	1.8	1.7	1.4	1.4	1.4	1.3	1.2	1.4	1.4		
NS 3 (INR m)	1,340	1,180	1,170	1,210	1,310	1,400	1,450	1,360	1,210	1,310		
NS 3 (%)	1.1	0.9	0.9	0.8	0.8	0.7	0.7	0.6	0.8	0.8		
PCR (%)	59.0	47.3	47.5	46.2	46.5	47.4	47.3	49.3	46.2	46.5		

E: MOFSL estimates



## Highlights from the management commentary

### Financial update

- Surpassed INR250b milestone in AUM
- CoF stood at 8.17%, up 18bp QoQ, and it continues to be the lowest cost fund raiser in the industry
- Able to pass on the increase in costs to the customer, thus NIM increased 4bp QoQ
- Majority of the loan book on lending side is fixed while borrowings are on variable rates. Thus, NIMs would improve going forward.
- Surplus liquidity was at INR39.3b.
- LCR was at ~131%.
- Opex/AUM stood at ~4% in 4QFY24
- NIM stood at 11.06%, up 4bp QoQ.

### Customer Acquisition & Customer service

- It is constantly working on broadening customer funnel through digital model.
- Now focused on enhancing paperless journey for all products just like consumer and personal finance.
- Adopted phygital approach to acquire customers.
- In addition to the app, it is actively using the whatsapp channel for full loan journey along with customer service.
- Developed multiple customer touch points such as whatsapp channel (which addresses more than 70% customer requests), branches etc.
- Customer query is addressed within a minimum time period.

### Collection

- Built digital infrastructure for collection in addition to a strong in-house workforce of more than 400 employees.
- More than 95% collections are through digital models.
- Technology framework is in place.
- Continues to invest in the latest collection solutions.

### People

- Progressing efforts to build healthy workplace with good culture
- Focus on employee wellness and getting recognized as the best place to work in India.

### Technology

- Adding more digitization in the area of customer service
- Investing in HR tech.
- Continues to recalibrate portfolio mix to have an optimized portfolio mix.
- Growth remained broad based across all core products.
- Approach to further penetrate the existing geographies rather than widening the reach.

### Asset quality

- Continues to strengthen the credit underwriting models.
- Expect further improvement in GNPA and NNPA.
- New book is performing better than expectation.
- Opex/AUM stood at ~4% of which 0.64% is ESOP charge.
- Expect further improvement in terms of Opex.

### Long-term guidance

- Guided for AUM growth of ~35-40%, PAT growth of ~30-35%, GNPA between 1.3%-1.8%, NNPA between 0.5%-0.9%, RoA between 4-4.5%

- NIM guidance remained unchanged with NIM above 11%.
- Expect the CoF to further decline

### Borrowings

- Started borrowing via CPs and short-term limits; focus on NCDs and CPs for future borrowings.
- Received CRISIL/AAA rating last year.

### Fundamental pillars

- Changed the product range, target market segment.
- Adopted prudent rate policies.
- Consolidated branches and manpower. Enhanced employee productivity and shifted to branch light model.

### Regulatory controls

- Regulatory changes have been beneficial in the long run.
- More focused on compliance, governance and risk culture that would aid in tightening the regulatory environment.

### Net worth reconciliation

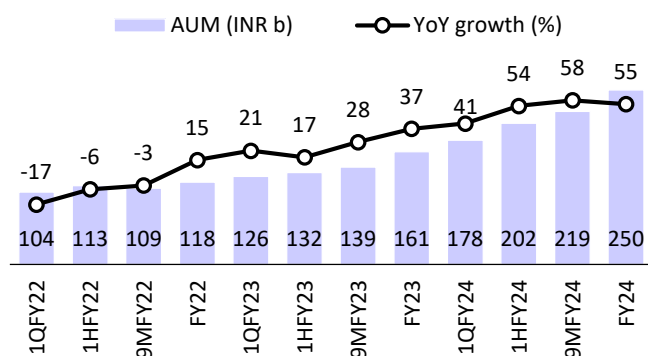
- Opening net worth stood at INR80.8b. ESOP conversion was INR500m, Interim dividend was INR1.54b. ESOP trust treasury share consolidation of INR1.9b and 4QFY24 profit stood at INR3.32b. Closing net worth was INR81.1b

### Co-branded credit cards

- Received regulatory approval. Launching the credit card in the next 2-3 weeks. Tie-up with IndusInd Bank. PFL will be sourcing the customers and will receive one-time pay out. Revenue sharing will be as per the regulatory guidelines.
- Strategy in place for sourcing

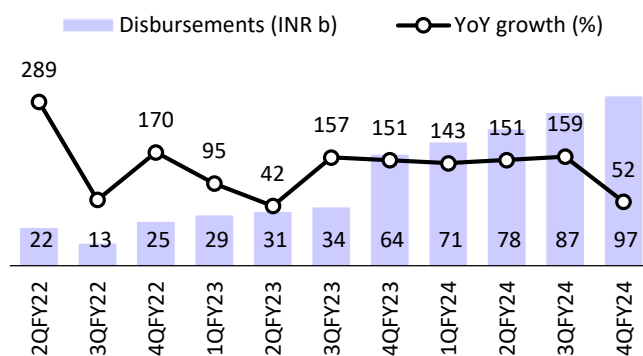
## Story in charts

Exhibit 1: Healthy AUM growth at 55% YoY (%)



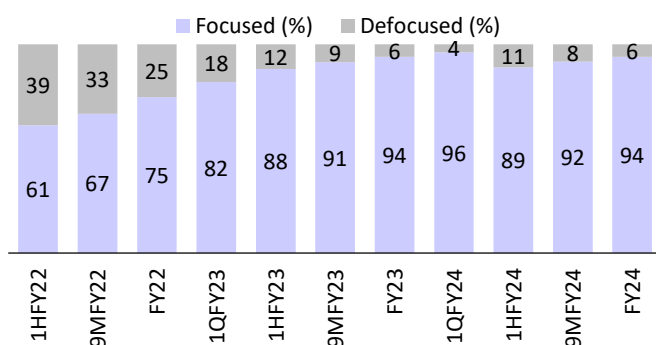
Source: MOFSL, Company

Exhibit 2: PFL disbursements grew ~52% YoY



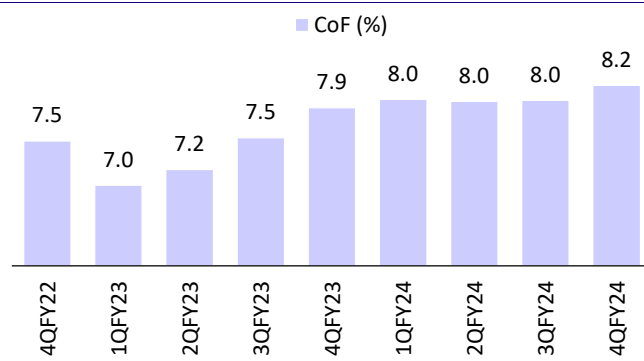
Source: MOFSL, Company

Exhibit 3: Focused products exhibiting healthy loan growth



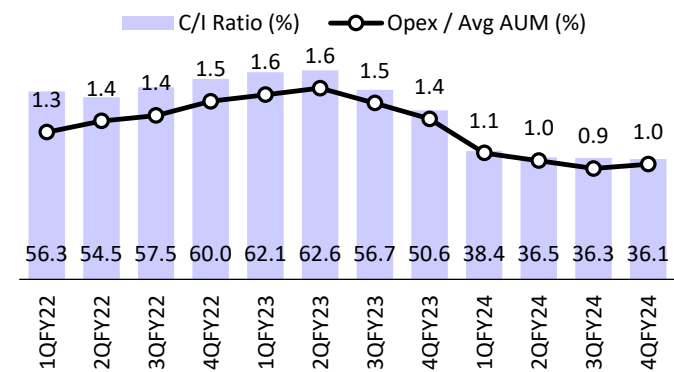
\*Note: Change in classification from 2QFY24; Source: MOFSL, Company

Exhibit 4: CoF increased ~20bp to 8.2% (%)



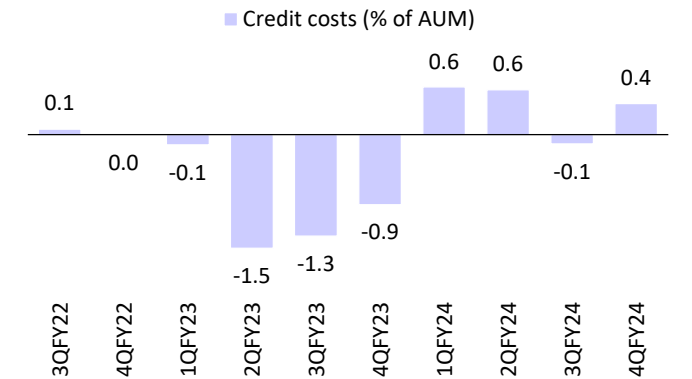
Source: MOFSL, Company

Exhibit 5: Cost ratios largely stable (%)



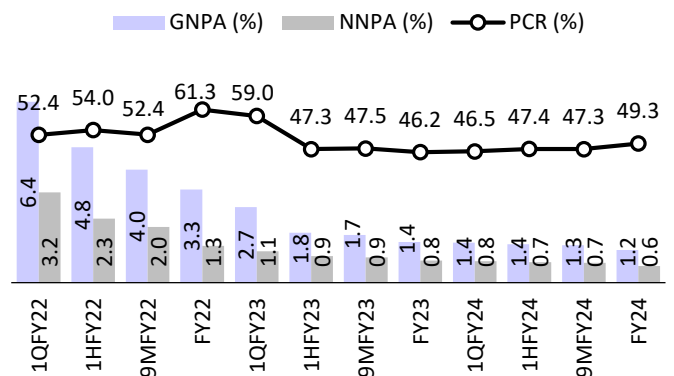
Source: MOFSL, Company

Exhibit 6: Credit costs stood at 40bp for 4QFY24 (%)



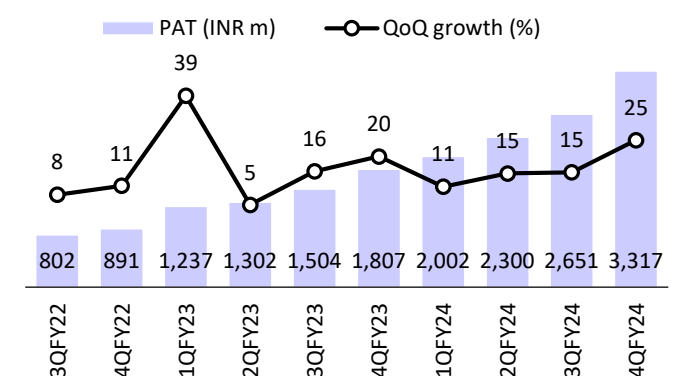
Source: MOFSL, Company

Exhibit 7: Asset quality improved sequentially (%)



Source: MOFSL, Company

Exhibit 8: 4QFY24 PAT grew ~25% QoQ (%)



Source: MOFSL, Company

Exhibit 9: Our FY25/FY26 estimates are largely unchanged

INR B	Old Est.			New Est.			% Change		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
NII (incl. assignments)	19.2	27.4	36.7	19.5	27.5	36.0	1.4	0.3	-1.9
Other Income	2.4	3.2	4.0	2.5	3.3	4.2	1.9	4.3	4.7
<b>Total Income</b>	<b>21.7</b>	<b>30.6</b>	<b>40.7</b>	<b>22.0</b>	<b>30.8</b>	<b>40.2</b>	<b>1.4</b>	<b>0.7</b>	<b>-1.3</b>
Operating Expenses	7.9	9.0	10.2	8.1	9.3	10.5	2.4	2.5	2.5
<b>Operating Profits</b>	<b>13.8</b>	<b>21.6</b>	<b>30.5</b>	<b>13.9</b>	<b>21.6</b>	<b>29.7</b>	<b>0.9</b>	<b>0.0</b>	<b>-2.5</b>
Provisions	0.7	2.9	4.4	0.7	2.7	3.9	8.6	-7.0	-9.7
<b>PBT</b>	<b>13.1</b>	<b>18.7</b>	<b>26.1</b>	<b>13.2</b>	<b>18.9</b>	<b>25.8</b>	<b>0.5</b>	<b>1.1</b>	<b>-1.3</b>
Tax	3.1	4.4	6.1	2.9	4.4	6.1	-6.5	0.2	-1.3
<b>Normalized PAT</b>	<b>10.0</b>	<b>14.3</b>	<b>20.0</b>	<b>10.3</b>	<b>14.5</b>	<b>19.7</b>	<b>2.6</b>	<b>1.3</b>	<b>-1.3</b>
AUM	248	334	459	250	350	466	0.8	4.7	1.6
Loans	225	321	442	220	327	445	-1.9	2.1	0.6
Borrowings	146	231	331	152	242	336	4.0	4.7	1.6
NIM	9.4	9.4	9.6	9.5	9.2	9.3			
Credit Cost	0.3	1.0	1.1	0.4	0.9	1.0			
RoA	4.8	4.9	5.0	4.9	4.9	4.9			
<b>RoE</b>	<b>13.6</b>	<b>16.0</b>	<b>19.4</b>	<b>14.1</b>	<b>16.5</b>	<b>19.4</b>			

## Financials and Valuation

Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	20,365	20,228	17,570	14,586	18,265	28,996	43,275	59,066
Interest Expenses	10,176	11,240	8,746	5,093	5,953	9,503	15,752	23,097
<b>Net Interest Income</b>	<b>10,189</b>	<b>8,988</b>	<b>8,824</b>	<b>9,493</b>	<b>12,312</b>	<b>19,493</b>	<b>27,524</b>	<b>35,969</b>
Change (%)	10.8	-11.8	-1.8	7.6	29.7	58.3	41.2	30.7
Non-interest income and Other Income	2,308	1,962	1,199	1,085	1,931	2,478	3,311	4,221
<b>Net Total Income</b>	<b>12,497</b>	<b>10,951</b>	<b>10,023</b>	<b>10,578</b>	<b>14,243</b>	<b>21,970</b>	<b>30,835</b>	<b>40,189</b>
Change (%)	15.1	-12.4	-8.5	5.5	34.6	54.3	40.3	30.3
<b>Total Operating Expenses</b>	<b>6,018</b>	<b>5,968</b>	<b>4,563</b>	<b>6,046</b>	<b>8,139</b>	<b>8,074</b>	<b>9,259</b>	<b>10,479</b>
Change (%)	9.0	-0.8	-23.5	32.5	34.6	-0.8	14.7	13.2
Employee Expenses	3,804	3,741	3,060	4,099	5,148	4,444	4,933	5,426
Depreciation	502	716	522	495	614	593	652	718
Other Operating Expenses	1,712	1,487	981	1,453	2,268	3,036	3,674	4,335
<b>PPoP</b>	<b>6,479</b>	<b>4,982</b>	<b>5,460</b>	<b>4,532</b>	<b>6,104</b>	<b>13,897</b>	<b>21,576</b>	<b>29,710</b>
Change (%)	21.4	-23.1	9.6	-17.0	34.7	127.7	55.3	37.7
<b>Total Provisions</b>	<b>2,450</b>	<b>4,640</b>	<b>13,186</b>	<b>686</b>	<b>-1,445</b>	<b>720</b>	<b>2,673</b>	<b>3,930</b>
<b>PBT</b>	<b>4,029</b>	<b>342</b>	<b>-7,727</b>	<b>3,846</b>	<b>7,761</b>	<b>13,177</b>	<b>18,902</b>	<b>25,780</b>
Exceptional items						6,560	0	0
Tax Provisions	1,278	442	-1,943	914	1,816	2,907	4,442	6,058
<b>PAT (excl. exceptional)</b>	<b>2,751</b>	<b>-100</b>	<b>-5,784</b>	<b>2,932</b>	<b>5,945</b>	<b>10,270</b>	<b>14,460</b>	<b>19,722</b>
<b>PAT (incl. exceptional)</b>	<b>2,751</b>	<b>-100</b>	<b>-5,784</b>	<b>2,932</b>	<b>5,945</b>	<b>16,830</b>	<b>14,460</b>	<b>19,722</b>

Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	539	539	539	1,530	1,536	1,541	1,541	1,541
Reserves & Surplus	25,019	24,614	18,881	55,615	62,711	80,130	92,278	1,08,147
<b>Net Worth</b>	<b>25,558</b>	<b>25,153</b>	<b>19,421</b>	<b>57,145</b>	<b>64,247</b>	<b>81,671</b>	<b>93,819</b>	<b>1,09,688</b>
<b>Borrowings</b>	<b>1,17,497</b>	<b>1,00,595</b>	<b>79,487</b>	<b>67,734</b>	<b>1,12,092</b>	<b>1,52,157</b>	<b>2,41,630</b>	<b>3,35,796</b>
Change (%)								
Other liabilities	6,820	3,803	4,512	3,217	3,880	7,041	11,970	17,955
<b>Total Liabilities</b>	<b>1,49,876</b>	<b>1,29,552</b>	<b>1,03,420</b>	<b>1,28,097</b>	<b>1,80,218</b>	<b>2,40,869</b>	<b>3,47,419</b>	<b>4,63,439</b>
<b>Loans</b>	<b>1,31,379</b>	<b>1,11,749</b>	<b>85,653</b>	<b>1,06,784</b>	<b>1,52,295</b>	<b>2,20,464</b>	<b>3,27,327</b>	<b>4,44,773</b>
Change (%)	8.1	-14.9	-23.4	24.7	42.6	44.8	48.5	35.9
Cash and Bank Balances	9,327	6,484	6,124	5,372	6,574	2,685	4,864	1,449
Fixed Assets	1,871	2,267	1,715	1,748	2,117	1,944	2,138	2,309
Investments	3,024	4,024	4,289	8,197	3,109	8,783	4,000	4,000
Other assets	4,275	5,028	5,638	5,996	16,123	6,992	9,090	10,908
<b>Total Assets</b>	<b>1,49,876</b>	<b>1,29,552</b>	<b>1,03,420</b>	<b>1,28,097</b>	<b>1,80,218</b>	<b>2,40,869</b>	<b>3,47,419</b>	<b>4,63,439</b>

E: MOFSL Estimates

## Financials and Valuation

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Spreads Analysis (%)</b>								
Avg. Yield on Loans	15.8	16.3	17.5	14.9	14.0	15.3	15.2	15.1
Avg Cost of Funds	8.9	10.3	9.7	6.9	6.6	7.3	7.5	7.5
Spread on loans	6.9	6.0	7.8	8.0	7.4	8.0	7.7	7.6
NIM (on AUM)	7.3	6.7	7.6	8.6	8.8	9.5	9.4	9.6
<b>Profitability Ratios (%)</b>								
RoE	12.6	-0.4	-26.0	7.7	9.8	13.5	16.0	19.8
RoA	1.9	-0.1	-5.0	2.5	3.9	4.8	4.9	5.0
Int. Expended / Int. Earned	50.0	55.6	49.8	34.9	32.6	32.7	34.1	36.5
Other Inc. / Net Income	18.5	17.9	12.0	10.3	13.6	11.3	10.4	9.8
<b>Efficiency Ratios (%)</b>								
Op. Exps. / Net Income	48.2	54.5	45.5	57.2	57.1	36.5	29.5	24.8
Opex/ Avg AUM	4.3	4.5	4.0	5.5	5.8	3.9	3.1	2.5
Empl. Cost/Op. Exps.	63.2	62.7	67.1	67.8	63.2	56.5	54.7	53.2
<b>Asset-Liability Profile (%)</b>								
Loans/Borrowings Ratio	1.1	1.1	1.1	1.6	1.4	1.5	1.4	1.3
Debt/Equity (x)	4.6	4.0	4.1	1.2	1.7	1.7	2.5	3.0
Assets/Equity (x)	5.9	5.2	5.3	2.2	2.8	2.8	3.7	4.2
<b>Asset quality</b>								
GNPA (INR m)			4,190	3,720	2,250	2,806	3,674	4,980
GNPA (%)			4.3	3.3	1.4	1.2	1.1	1.1
NNPA (INR m)			1,240	1,440	1,210	1,459	1,837	2,241
NNPA (%)			1.3	1.3	0.8	0.6	0.6	0.5
PCR (%)			70.4	61.3	46.2	48.0	50.0	55.0
Credit costs (%)	1.9	3.8	13.4	0.7	-1.1	0.3	1.0	1.1

Valuations	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Book Value (INR)	95	93	72	75	84	108	124	145
BV Growth (%)	24.2	-1.7	-22.8	3.7	12.0	29.1	14.4	17.5
<b>Price-BV (x)</b>	<b>5.2</b>	<b>5.3</b>	<b>6.8</b>	<b>6.6</b>	<b>5.9</b>	<b>4.6</b>	<b>4.0</b>	<b>3.4</b>
EPS (INR)	10.2	-0.4	-21.5	3.8	7.7	13.0	18.5	26.6
EPS Growth (%)	20.3	-103.6	5,675.2	-117.9	102.0	67.5	42.7	43.6
<b>Price-Earnings (x)</b>	<b>48.2</b>	<b>-1,324.6</b>	<b>-22.9</b>	<b>128.4</b>	<b>63.6</b>	<b>37.9</b>	<b>26.6</b>	<b>18.5</b>
Dividend per share	0.0	0.0	0.0	0.4	2.0	3.0	5.0	7.0
<b>Dividend Yield (%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>0.6</b>	<b>1.0</b>	<b>1.4</b>

E: MOFSL Estimates

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NOTES



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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

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