

Equitas Holdings

Estimate change	↑
TP change	↔
Rating change	↔

CMP: INR109 **TP: INR150 (+37%)** **Buy**

Growth momentum to accelerate

Improvement in its asset quality outlook; CASA mix improves to 52%

- EQUITAS reported a 6% YoY growth in PAT to INR1.2b in 4QFY22, led by higher NII growth and flat employee expenses, resulting in an overall improvement of 14% YoY in PPOP. However, elevated provisioning of INR1.2b (+27% YoY) restricted PAT growth.
- Business growth picked up, with a 5% QoQ and a 15% YoY jump in AUM to INR206b, led by robust tractions across most segments. Housing Finance posted a strong 25% QoQ growth. The management remains upbeat on growth in advances and has guided at a 30-35% growth in FY23. The momentum in deposits sustained, with a 6% sequential growth.
- On the asset quality front, slippages were elevated, although a healthy recovery and upgrades, along with higher write-offs, resulted in a decline of 37bp/4bp QoQ in GNPA/NNPA ratio to 4.2%/2.5%. Restructuring book stands elevated at INR15b (~7.7% of loans). However, most of the stress assets within this book have already slipped into NPA. Collection efficiency is back to pre-COVID levels and lends comfort on recovery trends. We increase our FY23/FY24 PAT estimate by 9.4%/5.5% and estimate a RoA/RoE of 1.8%/13.9% for FY24. **We maintain our Buy rating.**

Bloomberg	EQUITAS IN
Equity Shares (m)	342
M.Cap.(INRb)/(USD\$)	37.3 / 0.5
52-Week Range (INR)	145 / 80
1, 6, 12 Rel. Per (%)	2/-8/15
12M Avg Val (INR M)	194

Financials & Valuations (INR b)

Y/E March	FY22	FY23E	FY24E
NII	20.4	24.3	29.9
OP	8.7	10.5	13.6
NP	2.8	4.6	6.7
NIM (%)	8.2	8.3	8.3
EPS (INR)	8.2	13.5	19.6
BV/Sh. (INR)	124.2	133.9	148.4
ABV/Sh. (INR)	114.4	122.7	135.8

Ratios

RoE (%)	7.3	10.5	13.9
RoA (%)	1.1	1.5	1.8

Valuations

P/E(X)	13.3	8.1	5.6
P/BV (X)	0.9	0.8	0.7
P/ABV (X)	1.0	0.9	0.8

Shareholding pattern (%)

As On	Mar-22	Dec-21	Sep-21
Promoter	0.0	0.0	0.0
DII	31.9	35.7	37.8
FII	28.6	27.9	27.0
Others	39.5	36.4	35.2

FII Includes depository receipts

Healthy growth in PPOP led by NII; provisioning remains high

- PAT grew 6% YoY to INR1.2b (strong beat) in 4QFY22, led by NII growth and flat employee expenses, resulting in a 14% growth in PPOP. This was offset by a 27% increase in provisioning.
- NII saw robust growth (up 23% YoY and 2% QoQ) at INR5.5b (in line), with a marginal expansion (2bp QoQ) in NIM to 9.12%. Other income fell ~17% YoY to INR1.5b (in line).
- OPEX grew 10% YoY, driving a sharp decline in the C/I ratio to 59.5% (v/s 66.7% in 3QFY22). A muted growth of 2% YoY (-13% QoQ) in employee cost aided this. As a result, PPOP grew 14% YoY and 26% QoQ to INR2.8b (22% beat).
- Total AUM grew 15% YoY and 4.6% QoQ to INR206b, led by healthy traction across segments. Housing loans (+25% QoQ) grew the fastest. Property Finance/Microfinance/Vehicle business grew 7%/6%/4% QoQ. The demand outlook for all segments remains strong, and the management guided at a loan growth of 30-35% in FY23. The share of MFI AUM stood at 19% (v/s 18.8% in 3QFY22).
- Disbursements in 4QFY22 stood at INR32.8b (up 29% YoY and 15% QoQ). This has been the highest ever quarterly disbursement posted by the bank. Strong growth in Microfinance (+48% YoY), Vehicles (+30%), and Small Business loans (+26%) led to this robust growth.

- Deposits grew 16% YoY and 6% QoQ to INR190b, supported by a 76% YoY and 9% QoQ growth in CASA, while TD declined by 16% YoY, but rose 3% QoQ. CASA ratio improved to 52% v/s 50.8% in 3QFY22.
- On the asset quality front, GNPA ratio improved by 37bp QoQ to 4.24%, supported by write-offs and strong recovery and upgrades even as slippages were elevated. NNPA ratio saw a marginal 4bp QoQ improvement to 2.47%. As a result, PCR moderated to 42.7% v/s 46.8% in 3QFY22. The total restructuring book stood at INR15b (~7.7% of loans) v/s 9% in 3QFY22. However, most of the stress within this book has slipped into NPA.
- Collection efficiency remains healthy and is back at pre-COVID levels. This has sustained in Apr'22 as well.

Highlights from the management commentary

- With asset quality back in place, a robust growth outlook, a strong management team, and a high CASA ratio positions the bank well for the future.
- The management is confident of advances growth of 30-35% in FY23, led by momentum across all business segments.
- By 4QFY23 (exit quarter), it should cross 2% RoA. The bank endeavors to meet this number in FY23 as well.
- Cost-to-asset ratio should move in a downward direction from here on.
- Credit cost for FY23 should be 1.5%. This should taper down to 1.1-1.2% over the medium term.

Valuation and view

EQUITAS reported a robust quarter, with a steady AUM growth, led by healthy traction across segments. While operating performance was strong, elevated provisioning led to a muted growth in PAT. Growth in deposits was supported by healthy traction in SA and CA deposits. Operating performance improved, led by a sharp decline in cost ratios. On the asset quality front, collection efficiency remains healthy, resulting in stable asset quality. Restructured book remains elevated ~7.7% of loans. However, most of the stress has already slipped into NPA. Progress on amalgamation remains a key overhang. We estimate a FY24 RoA/RoE of 1.8%/13.9%. **We maintain our Buy rating with an unchanged TP of INR150/share (1.1x FY24E ABV).**

Quarterly performance (INR m)

Y/E March	FY21				FY22				FY21	FY22	FY22E 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Interest Income	4,043	4,613	4,839	4,486	4,610	4,838	5,411	5,525	17,980	20,385	5,541	0
Change (YoY %)	19.9	31.6	26.1	5.8	14.0	4.9	11.8	23.2	20.2	13.4	23.5	
Other Income	297	545	1,545	1,784	1,010	1,521	1,339	1,481	4,181	5,376	1,563	-5
Total Income	4,339	5,158	6,384	6,270	5,620	6,359	6,749	7,006	22,160	25,761	7,104	-1
Operating Expenses	2,919	3,053	3,551	3,771	4,002	4,370	4,502	4,167	13,294	17,041	4,772	-13
Operating Profit	1,420	2,105	2,833	2,498	1,618	1,989	2,247	2,839	8,866	8,719	2,332	22
Change (YoY %)	18.8	60.5	78.8	32.6	13.9	-5.5	-20.7	13.6	48.4	-1.7	-6.7	
Provisions	683	748	1,343	970	1,475	1,421	784	1,232	3,753	4,938	965	28
Profit before Tax	737	1,358	1,490	1,529	142	568	1,463	1,607	5,113	3,781	1,367	18
Tax	160	328	383	400	23	156	382	412	1,270	974	330	25
Net Profit	577	1,030	1,107	1,129	119	412	1,081	1,195	3,842	2,807	1,038	15
Change (YoY %)	1.1	108.1	17.6	162.4	-79.3	-60.0	-2.3	5.9	57.7	-26.9	-8.1	
Operating Parameters												
AUM (INR b)	156	167	174	179	178	190	197	206	179	206	207	0
Deposits (INR b)	118	129	159	164	171	181	179	190	164	190	187	1
Loans (INR b)	144	159	168	168	167	178	183	194	168	194	189	3
AUM Growth (%)	27	26	19	17	15	13	13	15	17	15	15	-9
Deposit Growth (%)	29	29	51	52	45	40	13	16	52	16	14	161
Loan Growth (%)	20	23	23	23	16	12	9	15	23	15	12	299
Asset Quality												
Gross NPA (%)	2.9	2.5	2.3	3.7	4.8	4.8	4.6	4.2	3.7	4.2	4.5	-25
Net NPA (%)	1.5	1.0	0.7	1.6	2.4	2.5	2.5	2.5	1.6	2.5	2.3	15
PCR (%)	48.8	50.2	66.2	58.6	51.2	50.1	46.8	42.7	58.6	42.7	49.4	-665

Quarterly snapshot

Profit & Loss, INR m	FY20				FY21				FY22				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Net Interest Income	3,372	3,505	3,836	4,240	4,043	4,613	4,839	4,486	4,610	4,838	5,411	5,525	23	2
Other Income	592	639	857	736	297	545	1,545	1,784	1,010	1,521	1,339	1,481	-17	11
Total Income	3,963	4,145	4,693	4,976	4,339	5,158	6,384	6,270	5,620	6,359	6,749	7,006	12	4
Operating Expenses	2,768	2,833	3,108	3,092	2,919	3,053	3,551	3,771	4,002	4,370	4,502	4,167	10	-7
Employee	1,694	1,696	1,839	1,870	1,945	1,878	2,049	2,042	2,217	2,275	2,404	2,086	2	-13
Others	1,074	1,137	1,270	1,223	974	1,175	1,502	1,729	1,786	2,095	2,098	2,081	20	-1
Operating Profit	1,196	1,312	1,584	1,884	1,420	2,105	2,833	2,498	1,618	1,989	2,247	2,839	14	26
Provisions	308	454	405	1,300	683	748	1,343	970	1,475	1,421	784	1,232	27	57
PBT	888	858	1,180	584	737	1,358	1,490	1,529	142	568	1,463	1,607	5	10
Taxes	317	363	239	154	160	328	383	400	23	156	382	412	3	8
PAT	571	495	941	430	577	1,030	1,107	1,129	119	412	1,081	1,195	6	11
Balance Sheet (INR b)														
Deposits	91	100	105	108	118	129	159	164	171	181	179	190	16	6
Loans	120	130	137	137	144	159	168	168	167	178	183	194	15	6
AUM	123	133	146	154	156	167	174	179	178	190	197	206	15	5
Loan mix (%)		8%	6%	0%	5%	11%	5%	0%	-1%	7%	3%	6%		
MFI	25.5	24.1	24.0	23.5	23.2	21.8	20.1	18.1	17.5	18.1	18.8	19.0	92	20
Vehicles	24.7	24.4	24.6	24.5	24.3	24.7	24.6	25.3	24.5	24.6	24.6	24.5	-77	-11
Small Business loans	40.2	40.7	40.6	40.9	41.6	42.1	43.1	44.5	44.9	45.3	45.3	46.2	176	93
MSE Finance	2.3	3.3	3.9	4.4	4.6	5.6	5.7	6.6	6.8	6.2	6.1	5.7	-93	-41
Corporate loans	4.5	5.2	5.2	5.3	5.0	4.4	5.2	4.4	5.1	4.8	4.1	3.7	-69	-47
Others	2.8	2.3	1.8	1.5	1.3	1.4	1.3	1.3	1.1	1.0	1.1	1.0	-29	-13
Asset Quality (INR b)														
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(INR b)														
	FY20				FY21				FY22				Change (bp)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
GNPA	3.3	3.8	4.2	4.2	4.2	4.0	3.9	6.4	8.2	8.8	8.6	8.4	30	-3
NNPA	1.9	2.3	2.6	2.3	2.1	2.0	1.3	2.7	4.0	4.4	4.6	4.8	80	4
Slippages	0.8	1.1	1.3	0.9	0.2	0.2	0.4	5.1	3.7	3.4	2.7	4.1	-21	53
Asset Quality Ratios														
GNPA (%)	2.7	2.9	3.0	2.7	2.9	2.5	2.3	3.7	4.8	4.8	4.6	4.2	51	-37
NNPA (%)	1.5	1.6	1.7	1.5	1.5	1.0	0.7	1.6	2.4	2.5	2.5	2.5	89	-4
PCR (Calc., %)	44.0	38.8	38.9	45.2	48.8	50.2	66.2	58.6	51.2	50.1	46.8	42.7	-1,586	-409
Credit Cost	1.2	1.6	1.3	4.1	2.1	2.1	3.5	2.5	3.8	3.4	1.8	2.6	8	83
Business Ratios (%)														
Loan/Deposit	131.7	129.3	130.6	127.2	122.1	123.5	105.9	102.8	97.8	98.6	102.4	102.2	-55	-18
CASA	24.5	22.4	20.9	20.5	20.0	25.2	25.0	34.2	39.7	45.3	50.8	52.0	1,775	120
Cost to-Income	69.8	68.3	66.2	62.1	67.3	59.2	55.6	60.2	71.2	68.7	66.7	59.5	-67	-723
Cost-to-assets	6.8	6.7	7.0	6.5	5.8	5.6	5.9	6.0	6.4	6.9	7.1	6.4	36	-68
Tax Rate	35.7	42.3	20.2	26.4	21.7	24.1	25.7	26.2	16.3	27.5	26.1	25.6	-51	-46
Profitability Ratios (%)														
Cost of Funds	8.2	8.3	8.0	7.8	7.6	7.4	7.3	7.2	6.9	6.8	6.5	6.2	-100	-27
Margin	8.9	8.8	9.2	9.5	8.6	9.0	8.5	7.6	7.9	8.1	9.1	9.1	155	2
RoA	1.5	1.2	2.1	0.9	1.2	1.9	1.8	1.8	0.2	0.7	1.7	1.8	3	13
RoE	10.3	8.5	14.9	6.3	8.3	14.4	14.3	13.5	1.4	4.8	12.3	12.2	-131	-6



Highlights from the management commentary

Operating environment and business

- The management continues to work towards building a stable and a scalable bank.
- With asset quality back in place, a robust growth outlook, a strong management team, and a high CASA ratio positions the bank well for the future.
- The board has appointed two senior managers as ED, subject to RBI approval. The bank has promoted its current CTO to CIO and Deputy CTO to CTO. This will help to improve the bank's focus on its digital lending platform and on other products and services.

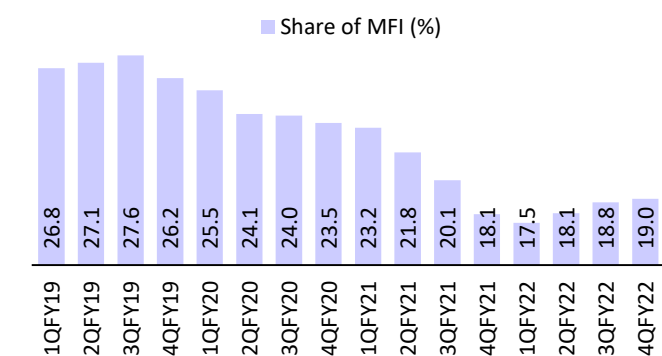
- It raised funds via a QIP in 4QFY22.
- The growth in advances in FY22 is similar to its guidance at 15%.
- The bank saw the highest ever quarterly disbursement in 4QFY22:
 - It clocked the highest ever disbursements in Vehicle Finance.
 - Small Business Loans were the fastest-growing segment.
- The management expects strong growth in the Used CV and Small Business segment.
- The Microfinance book will gradually constitute 15% of total advances.
- The product mix will shape up in a way that there is no compromise on margin and profitability, as the bank lends more to formal customers.
- Yields:
 - The drop in yields was due to some lending to formal customers at a lower yield.
 - The management expects yields to stabilize as growth picks up back to pre-COVID levels.
- The bank's digital initiatives are doing well and boosting the pace of customer addition. Close to 7% of its savings balance accrues from these digitally sourced accounts.
- The bank is creating a platform to cross-sell to existing clients.
- Third-party distribution has seen traction, with growth in revenue and profit.
- Guidance:
 - The management is confident of advances growth of 30-35% in FY23, led by momentum across all business segments.
 - By 4QFY23 (exit quarter), it should cross 2% RoA. The bank endeavors to meet this number in FY23 as well.
 - Cost-to-asset ratio should move in a downward direction from here on.

Asset quality

- The management is confident of returning back to lower slippages and credit cost.
- **Guidance:**
 - Credit cost for FY23 should be 1.5%. This should taper down to 1.1-1.2% over the medium term.
 - It aims to achieve a PCR of 60% over the medium term. At the individual level, it has strengthened its provision requirements. PCR is optically lower due to write-off of assets with 100% provision.
- Credit cost for the non-restructured book is back to pre-COVID levels and stood at 1.25%.
- The total restructured book stood at INR15b in 4QFY22. Of this, 73% is secured.
- As mentioned in 3QFY22, billing for the entire restructured book started in 3Q.
- All possible stress accounts, within restructured, have already slipped into NPA.
- Some weakness was seen in Erode and Tirupur districts in the Microfinance business.
- Some customers are paying an EMI, while others are paying more than an EMI to get back to normal levels soon.

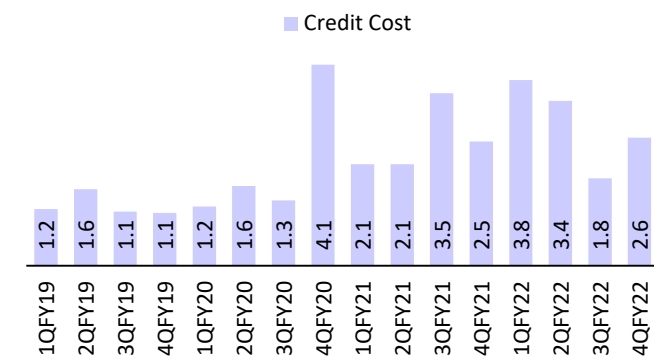
Key exhibits

Exhibit 1: MFI share stood at 19% v/s 18.8% in 3QFY22



Source: MOFSL, Company

Exhibit 2: Credit cost trend over the past few quarters



Source: MOFSL, Company

Valuation and view

- The non-MFI businesses such as Small Business and Commercial Vehicle loans are likely to be the key growth drivers. Considering the under-penetration in both these segments, EQUITAS can continue to grow the same at healthy rates over FY22-24E.
- EQUITAS is making strong progress on the liability front, with a focus on mass affluent customers. It is offering higher SA rates (on deposits above INR0.1m) to improve its Retail deposits. Its CASA ratio improved to 52%.
- **Maintain Buy with a TP of INR150/share:** EQUITAS reported a robust quarter, with a steady AUM growth, led by healthy traction across segments. While operating performance was strong, elevated provisioning led to a muted growth in PAT. Growth in deposits was supported by healthy traction in SA and CA deposits. Operating performance improved, led by a sharp decline in cost ratios. On the asset quality front, collection efficiency remains healthy, resulting in stable asset quality. Restructured book remains elevated ~7.7% of loans. However, most of the stress has already slipped into NPA. Progress on amalgamation remains a key overhang. We estimate a FY24 RoA/RoE of 1.8%/13.9%. **We maintain our Buy rating with an unchanged TP of INR150/share (1.1x FY24E ABV).**

Exhibit 3: DuPont Analysis

	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Interest Income	18.3	14.1	14.4	15.1	14.5	13.4	13.6	14.0
Interest Expense	7.5	5.8	6.6	6.6	6.3	5.5	5.6	6.1
Net Interest Income	10.86	8.24	7.87	8.53	8.17	7.89	7.99	7.95
Fee income	1.11	1.47	1.93	1.59	1.70	2.08	1.90	1.84
Trading and others	0.34	0.00	0.00	0.02	0.20	0.00	0.19	0.15
Other Income	1.45	1.47	1.93	1.61	1.90	2.08	2.09	1.99
Total Income	12.31	9.70	9.81	10.14	10.07	9.97	10.08	9.94
Operating Expenses	7.81	8.07	6.89	6.73	6.04	6.60	6.64	6.32
Employees	5.08	4.80	3.77	4.05	3.60	3.48	3.46	3.24
Others	2.73	3.26	3.13	2.68	2.44	3.12	3.18	3.08
Operating Profit	4.50	1.64	2.91	3.41	4.03	3.38	3.44	3.62
Core operating Profit	4.16	1.64	2.91	3.39	3.82	3.38	3.25	3.47
Provisions	1.31	1.42	0.70	1.41	1.71	1.91	1.41	1.24
NPA	1.25	0.22	0.70	0.00	1.97	1.91	1.32	1.17
Others	0.06	1.20	0.00	1.41	-0.26	0.00	0.09	0.08
PBT	3.20	0.22	2.21	2.00	2.32	1.46	2.03	2.38
Tax	1.17	0.17	0.77	0.61	0.58	0.38	0.51	0.60
RoA	2.02	0.05	1.44	1.39	1.75	1.09	1.52	1.78
Leverage (x)	4.4	5.1	6.5	7.0	7.2	6.8	6.9	7.8
RoE	8.9	0.2	9.3	9.7	12.5	7.3	10.5	13.9

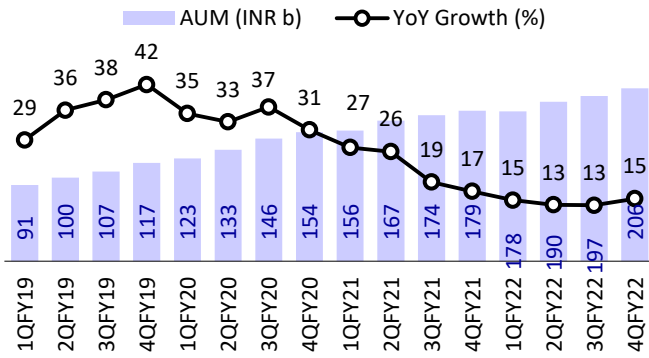
Exhibit 4: Change in our estimates

INR b	Old estimate		Revised estimate		Change (%)/bp	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Net Interest Income	24.0	29.4	24.3	29.9	1.1	1.9
Other Income	6.6	8.0	6.3	7.5	-4.3	-5.9
Total Income	30.7	37.3	30.6	37.4	-0.1	0.2
Operating Expenses	20.3	23.7	20.2	23.8	-0.5	0.2
Operating Profit	10.4	13.6	10.5	13.6	0.7	0.1
Provisions	4.7	5.1	4.3	4.7	-9.8	-8.8
PBT	5.7	8.5	6.2	8.9	9.4	5.5
Tax	1.4	2.1	1.6	2.3	9.4	5.5
PAT	4.2	6.3	4.6	6.7	9.4	5.5
Loans	226	285	252	315	11.2	10.3
Deposits	228	292	243	303	6.4	3.9
Credit Cost (%)	2.2	1.9	1.8	1.6	-40	-35
RoA (%)	1.4	1.8	1.5	1.8	11	3
RoE (%)	11.3	15.4	10.5	13.9	-84	-151
EPS	12.4	18.6	13.5	19.6	9.4	5.5
BV	113.6	127.5	133.9	148.4	17.8	16.3
ABV	104.1	117.7	122.7	135.8	17.9	15.4

Source: MOFSL, Company

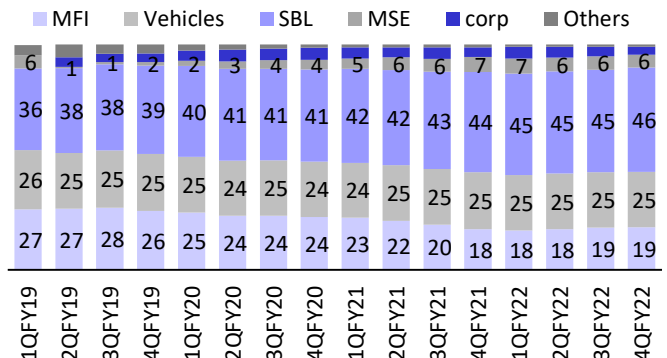
Story in charts

Exhibit 5: AUM up 14.9% YoY and 4.6% QoQ to INR206b



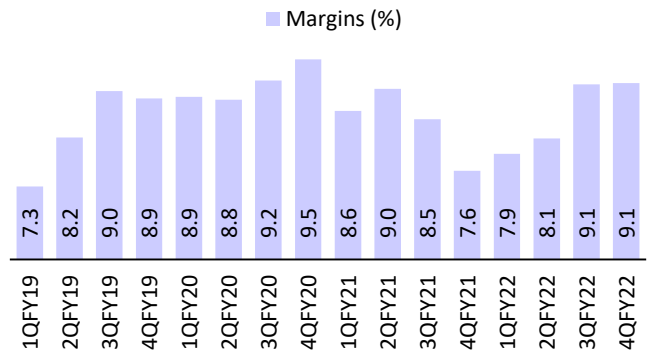
Source: MOFSL, Company

Exhibit 6: Share of Small Business loans stands at 46%



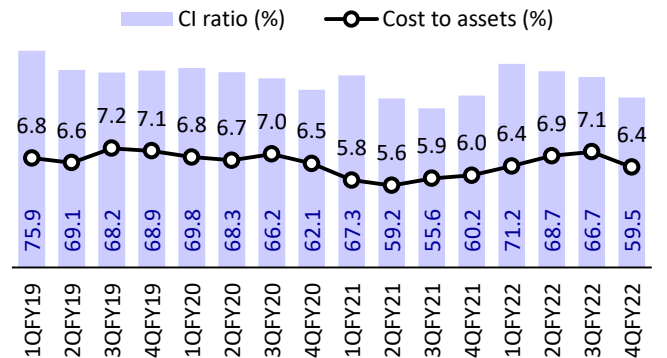
Source: MOFSL, Company

Exhibit 7: Margin expands marginally by 2bp QoQ to 9.1%



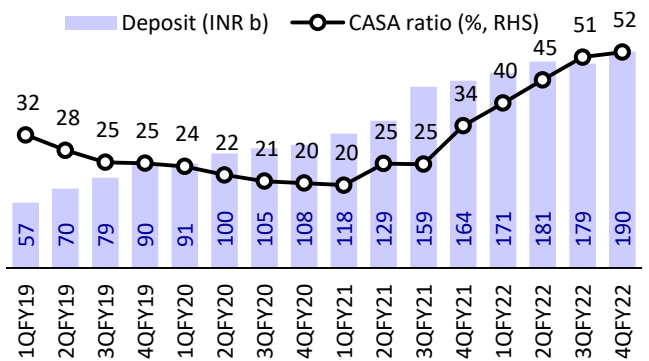
Source: MOFSL, Company

Exhibit 8: C/I ratio moderates to 59.5% v/s 66.7% in 3QFY22



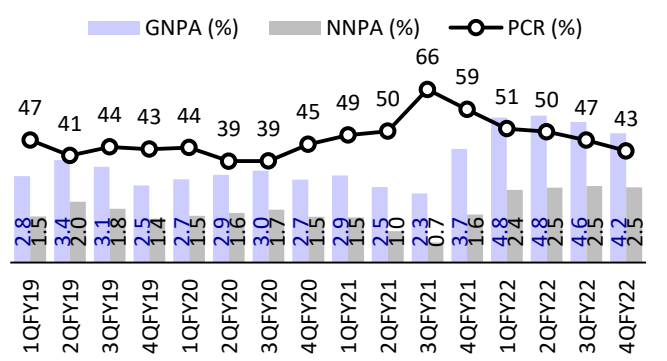
Source: MOFSL, Company

Exhibit 9: CASA ratio improves to 52% due to strong CASA growth (up 9% QoQ and 76% YoY)



Source: MOFSL, Company

Exhibit 10: GNPA ratio declines by 37bp QoQ to 4.2%, while NNPA ratio increases by 4bp to 2.5%; PCR moderates to 43%



Source: MOFSL, Company

Financials and valuations

Income Statement								(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	14,426	16,120	21,119	26,454	31,944	34,597	41,430	52,719
Interest Expense	5,871	6,691	9,602	11,501	13,965	14,211	17,137	22,786
Net Interest Income	8,555	9,428	11,517	14,953	17,980	20,385	24,293	29,933
Growth (%)	42.4	10.2	22.2	29.8	20.2	13.4	19.2	23.2
Non-Interest Income	1,140	1,677	2,829	2,824	4,181	5,376	6,343	7,485
Total Income	9,695	11,106	14,346	17,777	22,160	25,761	30,636	37,418
Growth (%)	42.8	14.5	29.2	23.9	24.7	16.2	18.9	22.1
Operating Expenses	6,150	9,233	10,085	11,801	13,294	17,041	20,180	23,796
Pre-Provision Profit	3,545	1,873	4,261	5,976	8,866	8,719	10,456	13,622
Growth (%)	11.0	-47.2	127.5	40.2	48.4	-1.7	19.9	30.3
Core PPOP	3,279	1,873	4,261	5,942	8,419	8,719	9,890	13,056
Growth (%)	6.6	-42.9	127.5	39.4	41.7	3.6	13.4	32.0
Provisions (excl. tax)	1,029	1,621	1,024	2,466	3,753	4,938	4,272	4,675
PBT	2,516	252	3,237	3,509	5,113	3,781	6,184	8,946
Tax	922	198	1,132	1,073	1,270	974	1,557	2,252
Tax Rate (%)	36.6	78.5	35.0	30.6	24.8	25.8	25.2	25.2
PAT	1,594	54	2,106	2,436	3,842	2,807	4,627	6,695
Growth (%)	-4.7	-96.6	3,775.3	15.7	57.7	-26.9	64.8	44.7

Balance Sheet								
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	3,378	3,404	3,415	3,418	3,418	3,418	3,418	3,418
Reserves and Surplus	18,928	19,359	19,129	24,024	30,546	39,044	42,353	47,291
Net Worth	22,306	22,763	22,543	27,441	33,963	42,462	45,771	50,709
Deposits	18,850	47,190	90,067	1,07,884	1,63,920	1,89,508	2,42,570	3,03,213
Growth (%)		150.3	90.9	19.8	51.9	15.6	28.0	25.0
of which CASA Dep.	3,320	16,340	22,720	22,082	56,138	98,550	1,29,047	1,65,251
Growth (%)		392.2	39.0	-2.8	154.2	75.5	30.9	28.1
Borrowings	46,579	58,877	39,730	51,349	41,653	26,164	34,013	40,816
Other Liabilities and Prov.	6,264	6,118	5,286	6,471	7,548	11,385	15,939	19,924
Total Liabilities	93,999	1,34,948	1,57,627	1,93,145	2,47,085	2,69,519	3,38,294	4,14,662
Current Assets	10,642	11,940	12,606	25,368	33,787	21,325	20,467	24,770
Investments	18,959	38,569	23,445	23,425	37,052	44,498	51,173	58,849
Growth (%)	15,831.9	103.4	-39.2	-0.1	58.2	20.1	15.0	15.0
Loans	58,351	78,001	1,15,950	1,37,472	1,68,482	1,93,742	2,51,865	3,14,831
Growth (%)	15.1	33.7	48.7	18.6	22.6	15.0	30.0	25.0
Fixed Assets	3,288	3,304	2,373	2,128	1,851	2,004	2,305	2,651
Other Assets	2,759	3,133	3,253	4,752	5,914	7,949	12,484	13,561
Total Assets	93,999	1,34,947	1,57,627	1,93,145	2,47,085	2,69,519	3,38,294	4,14,662
Total AUM	71,760	82,390	1,17,043	1,53,660	1,79,250	2,05,970	2,47,164	2,96,597
Growth (%)	17.2	14.8	42.1	31.3	16.7	14.9	20.0	20.0

Asset Quality	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
GNPA (INR m)	2,065	2,125	2,957	4,173	6,427	8,372	10,000	11,884
NNPA (INR m)	1,015	1,315	1,864	2,286	2,662	4,795	5,497	6,130
GNPA Ratio	3.6	2.7	2.5	3.0	3.7	4.2	3.9	3.7
NNPA Ratio	1.8	1.7	1.6	1.7	1.6	2.5	2.2	1.9
Slippage Ratio	6.9	5.1	3.3	3.2	3.9	7.7	4.0	2.5
Credit Cost	1.8	1.7	0.8	1.6	2.1	2.2	1.8	1.6
PCR (Excl. Tech. write-off)	50.8	38.1	36.9	45.2	58.6	42.7	45.0	48.4

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Yield and Cost Ratio (%)								
Avg. Yield on Earning Assets	19.5	14.9	15.1	15.6	15.0	13.9	14.2	14.6
Avg. Yield on loans	25.9	20.6	18.8	19.1	19.0	17.3	17.0	17.1
Avg. Yield on Investments	2.0	7.2	8.3	6.7	7.3	6.0	6.5	7.0
Avg. Cost of Int. Bear. Liab.	10.5	7.8	8.1	8.0	7.7	6.7	7.0	7.3
Interest Spread	9.0	7.1	6.9	7.7	7.4	7.1	7.2	7.3
NIM (on IEA)	11.5	8.7	8.2	8.8	8.4	8.2	8.3	8.3

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	309.6	165.3	128.7	127.4	102.8	102.2	103.8	103.8
CASA Ratio	17.6	34.6	25.2	20.5	34.2	52.0	53.2	54.5
Cost/Assets	6.5	6.8	6.4	6.1	5.4	6.3	6.0	5.7
Cost/Total Income	63.4	83.1	70.3	66.4	60.0	66.2	65.9	63.6
Cost/Core income	65.2	83.1	70.3	66.5	61.2	66.2	67.1	64.6
Int. Expense/Int. Income	40.7	41.5	45.5	43.5	43.7	41.1	41.4	43.2
Fee Income/Total Income	9.0	15.1	19.7	15.7	16.8	20.9	18.9	18.5
Non-Int. Inc./Total Income	11.8	15.1	19.7	15.9	18.9	20.9	20.7	20.0
Empl. Cost/Total Expense	65.0	59.6	54.7	60.1	59.5	52.7	52.1	51.2
Investment/Deposit Ratio	100.6	81.7	26.0	21.7	22.6	23.5	21.1	19.4

Profitability Ratios and Valuation

RoE	8.9	0.2	9.3	9.7	12.5	7.3	10.5	13.9
RoA	2.0	0.0	1.4	1.4	1.7	1.1	1.5	1.8
Book Value (INR)	66.0	66.9	66.0	80.3	99.4	124.2	133.9	148.4
Growth (%)	32.9	1.3	-1.3	21.6	23.8	25.0	7.8	10.8
Price-to-BV (x)		1.6	1.7	1.4	1.1	0.9	0.8	0.7
Adjusted BV (INR)	63.9	64.2	62.2	75.6	93.9	114.4	122.7	135.8
Price-to-ABV (x)		1.7	1.8	1.4	1.2	1.0	0.9	0.8
EPS (INR)	5.2	0.2	6.2	7.1	11.2	8.2	13.5	19.6
Growth (%)	-15.5	-96.9	3,754.5	15.5	57.6	-26.9	64.8	44.7
Price-to-Earnings (x)	20.8	682.2	17.7	15.3	9.7	13.3	8.1	5.6

Explanation of Investment Rating	
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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