

Spandana Sphoorty

Estimate change 

TP change 

Rating change 

CMP: INR1152

TP: INR1400 (+22%)

Buy

Muted operating performance; asset quality deteriorates

NIM declined ~85bp QoQ; Teething issues in transition from monthly to weekly

- PAT grew 79% YoY to ~INR1.27b (in line) in 3QFY24, driven by other income despite elevated high credit costs. 9MFY24 PAT stood at INR3.7b (vs. INR932m loss in 9MFY23). In 3QFY24, NII was up 46% YoY but flat QoQ at ~INR3.2b (in line).
- PPop declined 7% QoQ to INR2.4b because of lower assignment income of ~INR200m (vs. INR420m in 2QFY24). Spandana continued to pursue customer acquisition-led growth with the addition of ~340K customers (down 3% QoQ). The total borrower count rose ~10% QoQ to 2.96m.
- Spandana has refined its processes by adopting the right tools and technologies. The new management team has fortified governance and risk controls and scaled up multiple technology-related initiatives to further refine the JLG processes.
- Spandana trades at 1.6x Mar'26E P/BV, with RoA/RoE of 4.6%/17% in FY26E. Given the strong opportunity in the microfinance sector, we think Spandana is poised for a further rerating if it executes well on its stated goal of quality growth. **Maintain BUY with a TP of INR1,400 (premised on 2.0x FY26E BV).**

Customer acquisition along with strategic shifts will drive growth

- AUM grew ~52% YoY to ~INR104b. Disbursements rose ~8% YoY and 1% QoQ to INR25.4b. Oct'23 disbursements were impacted because of company's focus on collections after rolling out 'Project Parivartan'.
- The management excluded Haryana from its list of focus states. It will focus on Bihar, Rajasthan, Uttar Pradesh, West Bengal, Tamil Nadu, and Gujarat. We expect the AUM CAGR of ~31% over FY23-26.

NIM compression due to yield decline and improvement in leverage

- Reported yields declined ~40bp QoQ to ~24.1%. It included interest reversals of INR60m from forwards flows into the NPA bucket. CoF declined ~25bp QoQ to ~12.3%, resulting in a ~10bp QoQ decline in spreads to 11.7%.
- The management shared that it has not cut lending rates but is voluntarily offering lower interest rates to its higher vintage customers. There has been no formal communication from the RBI regarding lending rates.
- NIM declined ~85bp QoQ to ~13.3%, largely driven by an increase in finance costs due to improvements in leverage. We estimate NIM to decline to 13.6%/13.5% in FY25/FY26 (vs. FY24E: 14%).

Highlights from the management commentary

- It has guided for FY25 AUM of ~INR150b, with credit costs of <2%, RoA of >4.5% and RoE of 17-18%.
- Customers are mature and understand that there is nothing called a loan waiver. Central elections should not disrupt collections in the MFI sector.
- The management has guided for stressed pool of ~INR600m from the legacy book (pre-Apr'21) over the next 2-3 quarters.

Bloomberg	SPANDANA IN
Equity Shares (m)	71
M.Cap.(INRb)/(USDb)	82.3 / 1
52-Week Range (INR)	1243 / 470
1, 6, 12 Rel. Per (%)	14/49/81
12M Avg Val (INR M)	161

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
NII	12.6	16.1	20.2
Total Income	15.8	19.3	23.6
PPoP	9.4	11.3	13.8
PAT	5.1	6.4	8.1
EPS (INR)	72	90	114
EPS Gr. (%)	4,024	24	27
BV (INR)	509	598	712

Ratios (%)

NIM	14.0	13.6	13.5
C/I ratio	40.5	41.6	41.4
Credit cost	2.8	2.3	2.0
RoA	4.7	4.6	4.6
RoE	15.2	16.2	17.3

Valuations

P/E (x)	16.0	12.9	10.1
P/BV (x)	2.3	1.9	1.6

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	59.9	60.4	63.0
DII	13.4	13.0	9.0
FIIFII	19.1	18.7	19.6
Others	7.6	7.9	8.4

FII Includes depository receipts

'Project Parivartan' led to the deterioration in asset quality

- GS3 rose to 1.6% from 1.4% in 2Q. ~56% of GNPA pool was attributable to the Parivartan branches. NS3 stood at ~0.5% (up ~5bp QoQ). PCR remained stable at ~70%. The management expects teething issues from Project Parivartan to be resolved in the next 3-4 months.
- Gross collection efficiency (including arrears) declined to 99.9% (vs. 100.3% in 2Q) and net collection efficiency stood at 97.2% (vs. 97.7% in 2Q).
- Annualized credit costs in 3QFY24 stood at 3.1% (vs. ~4.2% in 2QFY24 and ~3.0% 3QFY23). Credit costs (new book) stood at ~1.4% in 9MFY24 and credit costs for direct assignment, ARC sales and legacy cases contributed another ~1.5% to credit costs. As a result, credit costs stood at ~2.9% in 9MFY24. We model credit costs of 2.8%/2.3%/2.0% in FY24/FY25/FY26.

Valuation and view

- The new management has successfully navigated various disruptions and consequent asset quality stress. With strengthened processes, Spandana is now ready to capitalize on the strong opportunity in the MFI sector and deliver an AUM CAGR of ~31% over FY23-FY26E.
- We estimate Spandana to deliver FY26 RoA/RoE of 4.6%/17%, aided by: a) operating leverage resulting in decline in operating cost ratios, and b) decline in credit costs from FY25 onward.
- **Key downside risks:** 1) Poor execution on asset quality could increase the credit cost; and 2) Inability to retain talent in the senior/middle management teams.

SPANDANA: Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24E	3QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	2,440	2,765	3,377	4,193	4,929	5,436	5,663	6,050	12,775	22,078	5,969	-5
Interest Expenses	968	914	1,207	1,490	1,995	2,277	2,502	2,664	4,579	9,439	2,665	-6
Net Interest Income	1,472	1,851	2,170	2,703	2,934	3,159	3,161	3,386	8,196	12,640	3,305	-4
YoY Growth (%)	-41.9	-7.7	14.5	76.8	99.3	70.6	45.7	25.3	2.9	54.2	52.3	
Other Income	149	337	373	1,137	344	966	905	918	1,995	3,133	626	45
Total Income	1,621	2,188	2,543	3,840	3,277	4,125	4,067	4,304	10,192	15,773	3,931	3
YoY Growth (%)	-44.4	-11.2	20.6	100.9	102.2	88.5	59.9	12.1	8.4	54.8	54.6	
Operating Expenses	1,114	1,088	1,136	1,232	1,386	1,549	1,662	1,790	4,570	6,387	1,690	-2
Operating Profit	506	1,100	1,406	2,608	1,891	2,576	2,405	2,514	5,621	9,386	2,241	7
YoY Growth (%)	-77.6	-35.2	13.6	351.3	273.5	134.1	71.0	-3.6	-2.6	67.0	59.3	
Provisions & Loan Losses	3,517	258	446	1,222	286	901	701	647	5,443	2,535	450	56
Profit before Tax	-3,011	843	960	1,386	1,605	1,675	1,703	1,867	178	6,851	1,791	-5
Tax Provisions	-814	291	247	330	411	423	429	477	54	1,740	460	-7
Net Profit	-2,197	552	714	1,055	1,195	1,252	1,274	1,390	124	5,111	1,331	-4
YoY Growth (%)	-501.0	-194.1	58.3	269.0	-154.4	126.9	78.5	31.7	-82.3	4,023.7	86.4	
Key Parameters (%)												
Yield on loans	18.3	21.0	22.7	23.5	24.7	25.5	24.8	24.2				
Cost of funds	11.1	10.5	10.9	10.6	12.8	12.9	12.7	13.0				
Spread	7.2	10.5	11.8	12.9	11.9	12.6	12.0	11.2				
NIM	11.0	14.0	14.6	15.2	14.7	14.8	13.8	13.5				
Credit cost	26.4	2.0	3.0	6.9	1.4	4.2	3.1	2.6				
Cost to Income Ratio (%)	68.8	49.7	44.7	32.1	42.3	37.6	40.9	41.6				
Tax Rate (%)	27.0	34.5	25.7	23.8	25.6	25.3	25.2	25.5				
Performance ratios (%)												
AUM/Branch (INR m)	53	55	61	69	68	70	66					
AUM/Loan Officer (INR m)	9.0	9.1	10.2	10.9	10.8	11.5	12.4					
Borrowers/Branch	1,907	1,946	2,009	1,842	1,850	1,798	1,906					
Borrowers/Loan Officer	257	258	257	226	226	213	231					
Balance Sheet Parameters												
AUM (INR B)	55.1	57.8	68.5	85.1	88.5	97.8	104.0	117.7				
Change YoY (%)	-25.4	-23.4	2.3	29.3	60.5	69.2	51.8	38.3				
Disbursements (INR B)	13.3	13.9	23.6	30.5	16.6	25.1	25.4	36.1				
Change YoY (%)	513.9	5.3	422.3	120.5	25.5	80.7	7.7	18.1				
Borrowings (INR B)	32.4	37.6	52.0	66.1	68.7	0.0	0.0					
Change YoY (%)	-37.3	-26.6	7.5	59.8	112.3	-100.0	-100.0					
Borrowings/Loans (%)	58.7	65.0	75.9	77.6	77.6	0.0	0.0					
Debt/Equity (x)	1.1	1.3	1.7	2.0	2.0	2.3	2.3					
Asset Quality (%)												
GS 3 (INR M)	3,670	4,260	3,640	1,660	1,370	1,270	1,550					
G3 %	6.7	7.4	5.3	2.1	1.6	1.4	1.6					
NS 3 (INR M)	1,770	2,220	1,730	510	410	380	460					
NS3 %	3.4	4.0	2.6	0.7	0.5	0.4	0.5					
PCR (%)	51.8	47.9	52.5	69.3	70.1	70.1	70.3					
ECL (%)	5.0	4.8	4.0	2.9	2.5	2.4	2.6					
Return Ratios - YTD (%)												
ROA (Rep)	-13.2	3.4	3.8	4.8	5.0	4.8	4.5					
ROE (Rep)	-29.7	7.8	9.8	13.9	15.1	15.2	14.9					

E: MOFSL Estimates



Highlights from the management commentary

Business Update

- Spandana has crossed the AUM milestone of INR100b, with its AUM as of Dec'23 standing at INR104b.
- 3QFY24 PPOP stood at INR2.4b, down 7% QoQ because of lower income of INR200m from direct assignments (vs. INR420m in 2QFY24).
- ICRA and CRISIL have upgraded the credit rating outlook on Spandana from A (Stable) to A (Positive).
- There is some disruption in the environment in Punjab and Haryana. Haryana has been dropped from the list of focus states. It will now focus on Bihar, Rajasthan, Uttar Pradesh, West Bengal, Tamil Nadu, and Gujarat.
- Spandana has not cut its lending rates. The company is already in the process of reducing interest rates for customers who are in the sixth/seventh cycles. There has been no formal communication from the regulator to reduce yields.

Guidance

- Management guides for sustainable NIM of 13.5%.
- It wants to make the organization and distribution model scalable and expects to end FY25 with AUM of ~INR150b, a credit loss of <2%, and RoA of >4.5%.
- Guides for ~25% AUM growth in FY25 vs. industry growth of 22-23%. Guides for RoE of 17-19%. Maximum growth will come from the six focus states and AUM contribution from top 3 states will decline to 35-36% (v/s ~42%). Targets to scale up to AUM of INR280b by FY28.
- Does not expect any significant rise in cost ratios because of the transition to the weekly model (vs. monthly model now).
- Stress of ~INR600m from the legacy book (pre-Apr'21) which will come over the next 2-3 quarters.

Project Parivartan

- Launched Project Parivartan across 730 branches (AUM of ~INR55b) which covered 1.6m customers.
- Before Project Parivartan, repayments were monthly, the collection cycle was from 1st to 10th of the month, and disbursements were focused from 11th to 20th of the month. Under Project Parivartan, customer repayments have been changed from date of the month to the day of the week.
- In Oct'23, disbursements were INR4b-4.5b below expectations but normalized in Nov-Dec'23.
- About 49k borrowers who are part of the SMA bucket are under Project Parivartan (~61% of the customers in the respective bucket).
- Confident that within 3-4 months, it would have regularized the situation. Temporary inconvenience for a better tomorrow.

Asset Quality

- GS3 rose to 1.6% (vs. 1.4% in 2Q) and ~56% contributed by the Parivartan branches. There could be pain for one more quarter because of Project Parivartan. NS3 stood at ~0.5% (up ~5bp QoQ).
- Gross slippages stood at INR1.13b in 9MFY24 (~1.1% of the AUM) and INR660m in 3QFY24. PCR stood at ~70%.

- Net CE was 97.2%
- Parivartan branches customers in GNPA bucket accounted for INR870m (out of INR1.55b). In the SMA bucket, Parivartan branches accounted for ~INR1.47b (out of total SMA loans of INR2.49b).
- ~INR560m which slipped into the GNPA bucket because of Project Parivartan. Forward flows into the NPA bucket led to interest income reversals of ~INR60m in 3QFY24.
- BAU credit cost was ~1.4% in 9MFY24. The company also provided for DA, ARC and legacy cases during the year, which contributed another ~1.5% in credit costs. As a result, credit costs stood at ~2.9% in 9MFY24.
- Recoveries of ~INR720m from the written-off pool in 9MFY24 and expects recoveries of ~INR1b in FY24. Targets recoveries of INR1.5b (including from the SR pool) in FY25.

Branch Openings

- Opened 72 branches in 3Q and the total branch count rose to 1,574 (including 375 weekly branches). Includes ~80 branches opened for LAP and MSME loans in the subsidiary Criss Financial.
- AUM of ~INR5.74b in the weekly branches which had a collection efficiency of ~99.7% in 3QFY24.
- Opened 375 branches during the year, which have weekly repayments and contributed ~16% to disbursements in 3QFY24. Expects ~40-45% contribution from monthly branches to disbursements in FY25.

Customer Acquisitions

- Focus on new customer acquisition is absolutely supreme. Added 340k new customers in 3QFY24. Acquired 950k customers in 9MFY24.
- Total customers stood at 2.96m, up 32% YoY and 10% QoQ.

AUM Growth and Mix

- AUM grew 52% YoY/6% QoQ to INR104b.
- Geographical concentration risk - Maximum contribution from any state should not be more than 11-13% by FY28. Currently, there are two states - Odisha and MP - which have a higher contribution to the AUM mix.

Assets & Liabilities

- Weighted average CoB stood at ~12.3% and Spandana targets to reducing it to <12%.
- The company has introduced shorter-tenor loans of 12 to 18 months. The period of average maturity of assets has declined. The average duration of liabilities stood at ~12 months and for assets at ~10 months.

Elections

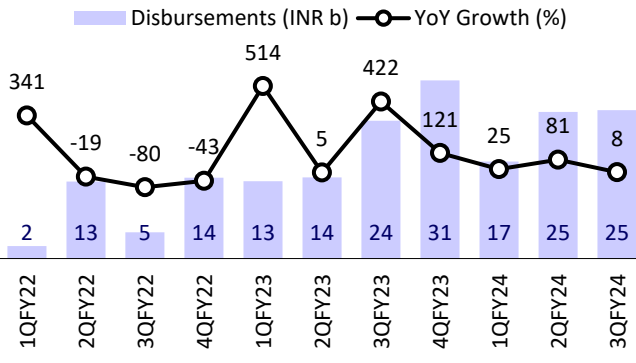
- Stable economic environment - political machinery, judiciary, regulatory have all been very supportive.
- Customers are mature and understand that there is nothing called a loan waiver. Central elections should not disrupt collections in the MFI sector.

Others

- It will continue to make progress on customer acquisition-led growth and is moving all the branches toward the monthly repayment model. The JLG model works better in a weekly model. The weekly model is the first to come out of a crisis as seen in past events like demonetization and Covid.
- The company had a higher cash balance in 3Q, which resulted in higher investment income.
- The ticket size is one of the measures to look at an institution's lending business, but it is not necessarily the best measure. However, Spandana looks at the indebtedness of customers. Spandana's maximum cycle ticket size is ~INR80k and has no plans to increase it.
- Philosophy of muted ticket sizes and shorter lending tenors. The company introduced 12-month and 18-month tenors and ~83% of the total loans are in the 24-month tenor. In new branches, which have the weekly repayment model, ~88% of loans have the 12-month and 18-month tenors, while ~12% have the 24-month tenor.
- For incremental disbursements in 3QFY24, ~30% of customers were unique to Spandana, ~30% had one other lender, ~25% had two other lending relationships, and ~14% had loans from four or more lenders.

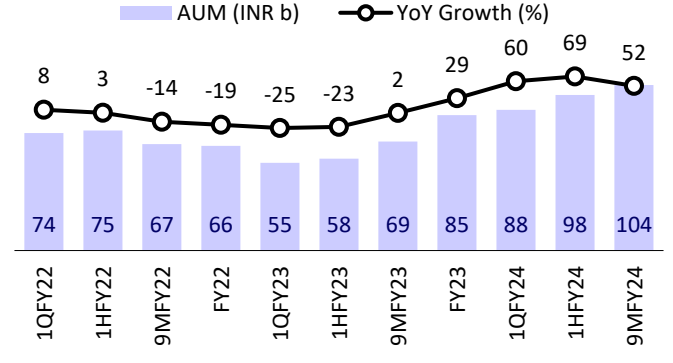
Story in charts

Exhibit 1: Disbursements grew 8% YoY...



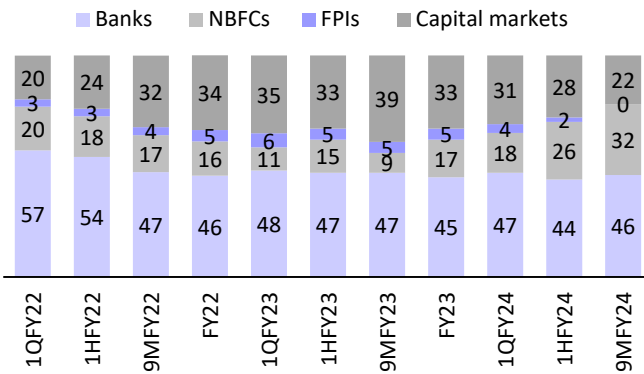
Source: MOFSL, Company

Exhibit 2: ...driving 52% YoY growth in AUM



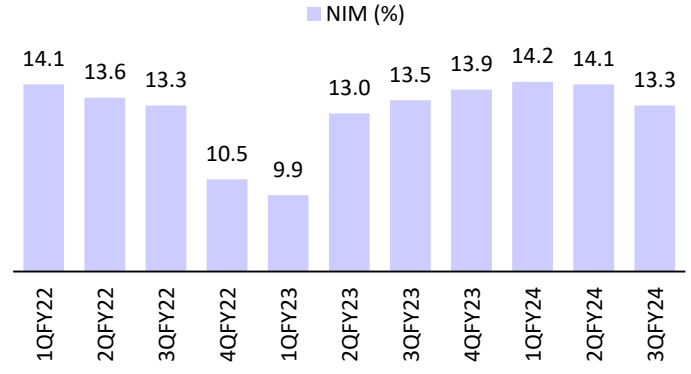
Source: MOFSL, Company

Exhibit 3: Share of NBFCs increased in the borrowing mix (%)



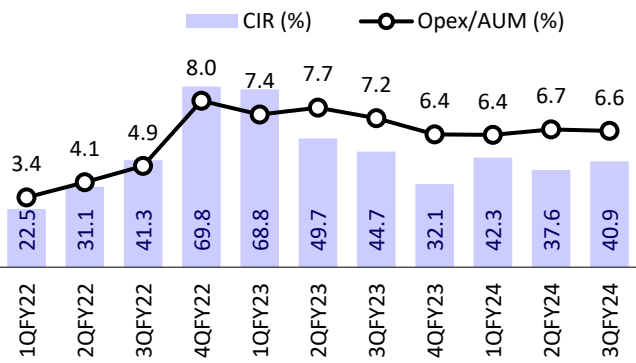
Source: MOFSL, Company

Exhibit 4: Reported NIM contracted ~85bp QoQ (%)



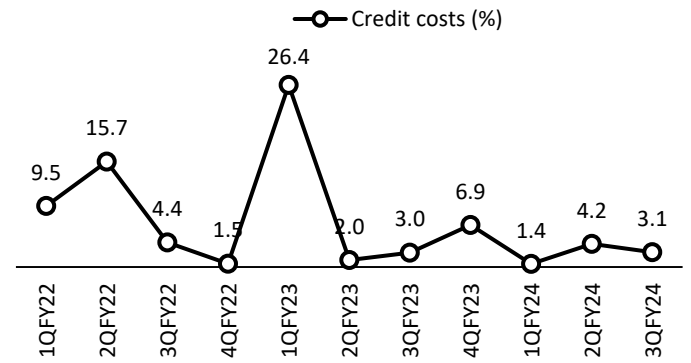
Source: MOFSL, Company

Exhibit 5: Opex/AUM declined ~10bp QoQ (%)



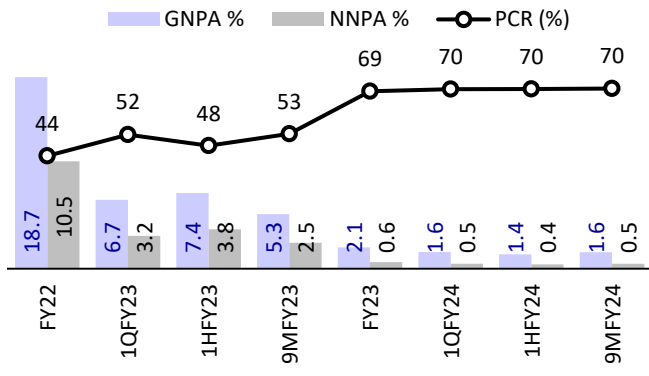
Source: MOFSL, Company

Exhibit 6: Annualized credit costs stood at ~3.1%



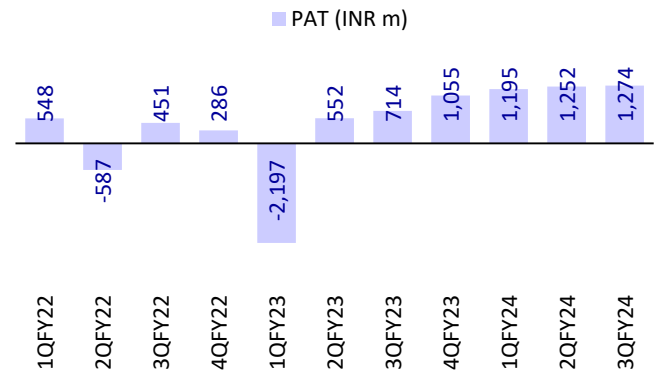
Source: MOFSL, Company

Exhibit 7: GS3 rose ~20bp QoQ to 1.6% (%)



Source: MOFSL, Company

Exhibit 8: 3QFY24 PAT grew ~79% YoY to ~INR1.27b



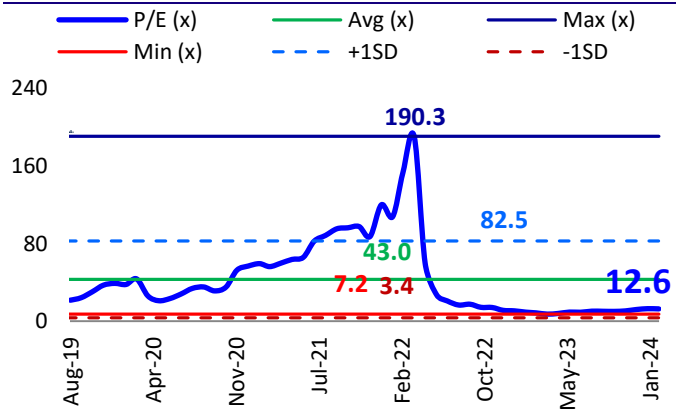
Source: MOFSL, Company

Exhibit 9: Cut our FY24/FY25 EPS estimates by 2%/3% to factor in NIM compression and higher credit costs

INR B	Old Est.			New Est.			% change		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
NII	12.9	17.2	21.6	12.6	16.1	20.2	-2.2	-6.7	-6.3
Other Income	2.6	2.4	2.3	3.1	3.2	3.3	18.7	35.3	42.5
Total Income	15.6	19.6	23.9	15.8	19.3	23.6	1.4	-1.6	-1.5
Operating Expenses	6.5	8.1	9.9	6.4	8.0	9.8	-1.2	-1.1	-1.0
Operating Profits	9.1	11.5	14.1	9.4	11.3	13.8	3.2	-1.9	-1.9
Provisions	2.1	2.7	3.5	2.5	2.7	3.0	22.6	2.4	-14.7
PBT	7.0	8.8	10.6	6.9	8.6	10.8	-2.5	-3.2	2.3
Tax	1.8	2.3	2.7	1.7	2.2	2.8	-3.6	-3.2	2.3
PAT	5.2	6.6	7.9	5.1	6.4	8.1	-2.1	-3.2	2.3
AUM	121	157	199	118	151	191	-2.6	-3.8	-3.9
Borrowings	86	113	144	85	110	139	-1.4	-2.8	-3.6
RoA	4.8	4.7	4.4	4.7	4.6	4.6	-1.5	-1.6	4.9
RoE	15.5	16.6	16.9	15.2	16.2	17.3	-1.9	-2.7	2.8

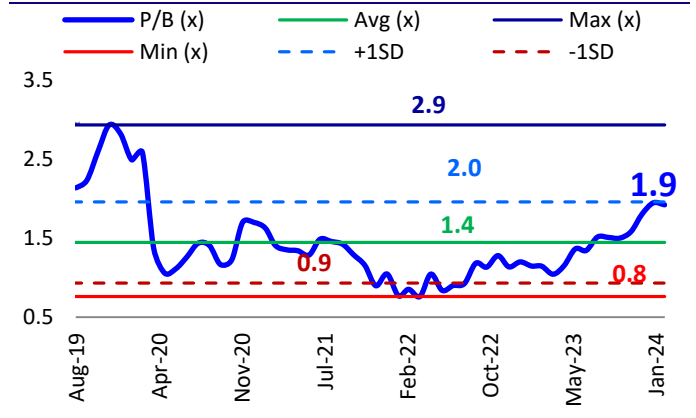
Source: MOFSL, Company

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	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	5,730	9,979	11,692	13,627	13,365	12,775	22,078	28,505	35,916
Interest Expenses	2,318	3,579	3,563	4,232	5,401	4,579	9,439	12,448	15,683
Net Interest Income	3,413	6,400	8,129	9,395	7,964	8,196	12,640	16,057	20,233
Change (%)	110.9	87.5	27.0	15.6	-15.2	2.9	54.2	27.0	26.0
Other Operating Income	143	452	2,661	1,199	1,263	1,233	2,065	1,964	1,925
Other Income	2	54	342	230	172	763	1,068	1,281	1,410
Total Income	3,557	6,907	11,132	10,824	9,399	10,192	15,773	19,303	23,568
Change (%)	67.7	94.1	61.2	-2.8	-13.2	8.4	54.8	22.4	22.1
Total Operating Expenses	1,084	1,719	2,211	2,369	3,625	4,570	6,387	8,027	9,757
Change (%)	13.7	58.5	28.7	7.1	53.0	26.1	39.8	25.7	21.6
Employee Expenses	759	1,310	1,707	1,715	2,284	3,057	4,647	6,041	7,491
Depreciation	57	70	88	76	92	109	181	209	240
Other Operating Expenses	269	339	416	577	1,249	1,404	1,559	1,777	2,026
Operating Profit	2,473	5,188	8,920	8,456	5,774	5,621	9,386	11,276	13,811
Change (%)	111.7	109.8	71.9	-5.2	-31.7	-2.6	67.0	20.1	22.5
Total Provisions	-354	453	2,736	6,451	4,806	5,443	2,535	2,717	2,967
% Loan loss provisions to Avg loans ratio	-1.7	1.2	5.9	10.8	7.7	8.2	2.8	2.3	2.0
PBT	2,827	4,735	6,185	2,004	969	178	6,851	8,559	10,844
Tax Provisions	948	1,616	2,666	550	270	54	1,740	2,200	2,787
Tax Rate (%)	33.5	34.1	43.1	27.4	27.9	30.5	25.4	25.7	25.7
PAT	1,879	3,119	3,518	1,455	698	124	5,111	6,359	8,057
Change (%)	255.0	66.0	12.8	-58.7	-52.0	-82.3	4,023.7	24.4	26.7

Balance Sheet									(INR M)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	298	596	643	643	691	710	710	710	710
Reserves & Surplus	13,609	18,298	25,616	26,848	30,185	30,280	35,391	41,751	49,808
Non-controlling interest	0	9	13	20	24	2	2	2	2
Net Worth	13,906	18,904	26,272	27,511	30,899	30,992	36,103	42,463	50,520
Borrowings	23,314	29,677	30,253	53,733	37,721	60,743	84,583	1,09,917	1,39,018
Change (%)	149.8	27.3	1.9	77.6	-29.8	61.0	39.2	30.0	26.5
Other Liabilities	422	736	3,248	4,526	2,143	2,091	2,296	2,521	2,770
Total Liabilities	37,642	49,317	59,774	85,769	70,763	93,826	1,22,983	1,54,901	1,92,307
Cash and Bank	2,078	3,518	2,571	13,810	12,022	10,045	13,732	15,704	17,298
Investments	1	1	4,875	23	24	1,894	1,269	1,649	2,085
Loans	30,896	42,678	49,767	69,330	55,184	77,598	1,03,150	1,32,430	1,67,491
Change (%)	158.6	38.1	16.6	39.3	-20.4	40.6	32.9	28.4	26.5
Fixed Assets	85	268	339	380	313	249	274	301	331
Other Assets	4,583	2,853	2,221	2,225	3,220	4,040	4,558	4,817	5,102
Total Assets	37,642	49,317	59,774	85,769	70,763	93,826	1,22,983	1,54,901	1,92,307

E: MOFSL Estimates

Financials and valuations

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
AUM	31,662	43,720	68,290	81,570	65,810	85,110	1,17,745	1,51,178	1,91,163
Change (%)	144	38	56	19	-19	29	38	28	26
Disbursements	38,577	49,157	77,222	60,990	33,740	81,320	1,03,276	1,31,161	1,63,951
Change (%)	87	27	57	-21	-45	141	27	27	25
Ratios									
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Spreads Analysis (%)									
Avg. Yield on Loans	26.8	27.1	25.3	22.9	21.5	19.2	24.4	24.2	24.0
Avg Cost of Funds	14.2	13.5	11.9	10.1	11.8	9.3	13.0	12.8	12.6
Spread of loans	12.6	13.6	13.4	12.8	9.7	9.9	11.4	11.4	11.4
NIM (on loans)	15.9	17.4	17.6	15.8	12.8	12.3	14.0	13.6	13.5
Profitability Ratios (%)									
RoE	16.2	19.0	15.6	5.4	2.4	0.4	15.2	16.2	17.3
RoA	6.6	7.2	6.5	2.0	0.9	0.2	4.7	4.6	4.6
Int. Expended / Int.Earned	40.4	35.9	30.5	31.1	40.4	35.8	42.8	43.7	43.7
Other Inc. / Net Income	4.1	7.3	27.0	13.2	15.3	19.6	19.9	16.8	14.2
Efficiency Ratios (%)									
Op. Exps. / Net Income	30.5	24.9	19.9	21.9	38.6	44.8	40.5	41.6	41.4
Empl. Cost/Op. Exps.	70.0	76.2	77.2	72.4	63.0	66.9	72.8	75.3	76.8
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	1.3	1.4	1.6	1.3	1.5	1.3	1.2	1.2	1.2
Assets/Equity	2.7	2.6	2.3	3.1	2.3	3.0	3.4	3.6	3.8
Asset Quality (%)									
GNPA (INR m)	8,654	3,628	180	4,095	11,489	1,775	1,598	2,007	2,582
GNPA (%)	21.9	7.8	0.4	5.6	18.7	2.2	1.5	1.5	1.5
NNPA (INR m)	57.9	5.5	34.6	2,193.8	6,442.7	549.1	479.5	521.9	568.0
NNPA (%)	0.2	0.0	0.1	3.1	11.4	0.7	0.5	0.4	0.3
PCR (%)	99.3	99.8	80.8	46.4	43.9	69.1	70.0	74.0	78.0
Credit costs	-1.7	1.2	5.9	10.8	7.7	8.2	2.8	2.3	2.0
Valuations									
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Book Value (INR)	467	317	408	427	447	437	509	598	712
BV Growth (%)	43	-32	29	5	5	-2	16	18	19
P/BV	2.5	3.6	2.8	2.7	2.6	2.6	2.3	1.9	1.6
EPS (INR)	63.2	52.3	54.7	22.6	10.1	1.7	72.0	89.6	113.5
EPS Growth (%)	239	-17	5	-59	-55	-83	4,024	24	27
P/E	18.2	22.0	21.1	50.9	114.0	659.8	16.0	12.9	10.1
Dividend	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

E: MOFSL Estimates

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