

Poonawalla Fincorp

Estimate changes

TP change

Rating change



Bloomberg	POONAWAL IN
Equity Shares (m)	778
M.Cap.(INRb)/(USD\$)	231 / 2.7
52-Week Range (INR)	520 / 287
1, 6, 12 Rel. Per (%)	-19/-47/-43
12M Avg Val (INR M)	1131

Financials Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Net Total Income	22.0	27.1	36.9
PPOP	14.0	14.2	21.5
PAT	10.3	1.5	11.2
EPS (INR)	13.4	1.9	14.6
EPS Gr. (%)	73.3	-85.8	-
Standalone BV (INR)	106	106	119

Ratios

NIM on AUM (%)	9.5	8.1	8.4
C/I ratio (%)	36.6	47.6	41.8
RoAA (%)	4.9	0.5	3.0
RoE (%)	14.2	1.8	12.9
Payout (%)	14.9	52.6	13.7

Valuations

P/E (x)	22.2	-	20.4
P/BV (x)	2.8	2.8	2.5
Div. Yield (%)	0.7	0.3	0.7

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	61.9	62.1	62.1
DII	10.6	6.8	7.0
FII	8.4	8.5	7.9
Others	19.1	22.6	23.0

FII Includes depository receipts

CMP: INR297 TP: INR350 (+18%)
BUY

Earnings miss due to one-time credit costs and higher opex

NIM contracts ~80bp QoQ; asset quality deteriorates due to the STPL segment

- Poonawalla Fincorp (PFL)'s 2QFY25 loss stood at ~INR4.7b (MOFSL: INR3b+). The company reported a loss in 2QFY25 mainly due to a one-time provision in STPL book of ~INR6.7b and a one-time opex of ~INR710m from investments in technology. PFL reported net loss ~INR1.8b in 1HFY25, and we expect 2HFY25 PAT to decline ~45% YoY.
- NII grew ~18% YoY to ~INR5.6b (8% miss), while its PPOP declined 17% YoY to ~INR2.8b (37% miss). Opex rose ~90% YoY to ~INR3.7b (~40% higher than estimates), with C/I ratio increasing QoQ to ~57% (PQ: 36% and PY: ~37%). Provisions stood at INR9.1b, including one-time provisions on the STPL book.
- Under the new management led by the MD/CEO, Mr. Arvind Kapil, the company has taken the credit costs for the stress in its short-term personal loans (STPL) portfolio. Essentially, this was a quarter of kitchen sinking under the new leadership team. Additionally, the company has calibrated its risk metrics and underwriting in this product segment, which led to monthly disbursements declining to one-fifth of its prior run-rate.
- While the steps undertaken under the new leadership exhibit prudence, the magnitude and velocity of change in the senior leadership team at PFL has been too 'fast and furious' over the last four months. Steps undertaken by the management are: 1) transforming from a digital to a phygital model (which will entail physical branch additions), and 2) investing in collection capabilities, risk management & analytics, and 3) introducing newer product segments. All of these steps are in the right direction, which will make the franchise stronger.
- The speed at which these changes are being made has made the outlook on AUM growth, NIM, opex, and credit costs clouded for the next one year. The company has articulated that it will invest in technology, distribution, collections, seasoned senior leadership, and setting up newer product segments, which will entail additional opex of INR500m per quarter over the next six quarters. Given the change in its product mix and the company's focus on secured product segments, we expect the structural moderation in NIM and elevated opex ratios to result in a compression in the RoA profile of the company.
- We cut our FY25/FY26E PAT by 89%/32% to factor in higher credit costs and elevated opex. We model a ~35%/20% AUM/PAT CAGR over FY24-FY27E and expect PFL to deliver an RoA/RoE of ~3%/~13% in FY26, which will improve to ~3.5%/18% in FY27. The clean-up of stressed STPL loans on the balance sheet indeed comes across as a disappointment. Recently, the external environment has been tough for the NBFC sector. The stock price has corrected by ~40% over the last six months. The near-term outlook will warrant a detailed understanding of the various pillars of execution, and we will look forward to more clarity before taking any rating action.

Reiterate BUY with a TP of INR350 (premised on 2.7x Sep'26E BVPS).

Healthy AUM growth; new products to be launched

- AUM grew ~40% YoY and ~5% QoQ to ~INR284b. The AUM mix consisted of ~33% MSME finance, ~28% personal and consumer finance, ~19% LAP, and ~15% pre-owned cars. The company will be adding two new business segments—gold loans and education loans – which are set to be launched in 1QFY26.
- Management guided for an AUM growth of ~30-40% AUM CAGR over the next five years. We model an AUM CAGR of ~35% over FY24-27E.

NIM contracts ~80bp QoQ due to ~50bp decline in yields

- NIM (calc.) declined ~80bp QoQ to ~9.2%, driven by decline in yields. Spreads (calc.) declined ~60bp QoQ despite CoB (calc.) remaining stable at ~8%.
- We model a NIM of ~8.1/8.4% in FY25/FY26E.

Asset quality deteriorates; credit costs elevated

- Asset quality deteriorated with GS3 rising ~140bp QoQ to ~2.1% (this was mainly from the STPL book) and NS3 remaining largely stable QoQ at ~0.3%. PCR on S3 loans was increased to ~84.5% (PQ: ~52% and PY: ~47%).
- We model credit costs of 4.5%/1.8% over FY25/FY26.

Highlights from the management commentary

- The company wants to broaden its product offerings to 10, including six new product offerings. Management shared that budgeting has been completed and the team is being onboarded.
- Calibrated its disbursements in the STPL book, and disbursements have declined to a monthly run-rate of ~INR2b (compared to ~INR12b run-rate earlier).
- PFL will open 400 new branches over the next one year, primarily in Tier 2 and Tier 3 cities. These new branches are expected to breakeven in 12-15 months.

Valuation and view

- The near-term outlook will warrant a detailed understanding of the various pillars of execution, and we will look forward to more clarity before taking any rating action. **Reiterate BUY with a TP of INR350 (premised on 2.7x Sep'26E BVPS).**
- **Key downside risks:** a) inability to execute its articulated strategy despite a new management team and investments in technology, distribution, and collections; and b) aggressive competitive landscape leading to pressure on spreads and margins and/or deterioration in asset quality.

Quarterly Performance (Standalone)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	2QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	6,560	6,901	7,144	8,436	8,962	9,107	9,790	10,703	29,061	38,563	9,679	-6
Interest Expenses	2,348	2,155	2,237	2,811	3,201	3,516	3,780	4,477	9,503	14,974	3,569	-1
Net Interest Income	4,212	4,746	4,907	5,625	5,761	5,592	6,011	6,226	19,558	23,589	6,110	-8
YoY Growth (%)	77.8	73.3	62.9	48.1	36.8	17.8	22.5	10.7	58.9	20.6	28.7	
Other Income	563	539	594	782	997	858	933	683	2,478	3,470	905	-5
Total Income	4,775	5,285	5,501	6,407	6,758	6,449	6,944	6,909	22,036	27,060	7,015	-8
YoY Growth (%)	70.3	57.1	52.8	57.0	35.1	22.0	26.2	7.8	54.7	22.8	32.7	
Operating Expenses	1,834	1,929	1,998	2,313	2,436	3,657	3,401	3,389	8,074	12,884	2,607	40
Operating Profit	2,941	3,356	3,502	4,094	4,321	2,792	3,543	3,520	13,962	14,176	4,408	-37
YoY Growth (%)	185.0	167.0	124.8	103.1	46.9	-16.8	1.2	-14.0	128.8	1.5	31.3	
Provisions & Loan Losses	266	281	-65	239	425	9,096	1,364	1,387	720	12,273	489	1,762
Profit before Tax	2,676	3,075	3,568	3,855	3,897	-6,305	2,178	2,133	13,242	1,903	3,919	-
Exceptional items		6,560				0			6,560	0	0	
Tax Provisions	674	775	916	538	980	-1,594	523	529	2,907	438	941	-
PAT (excl. exceptional)	2,002	2,300	2,651	3,317	2,916	-4,710	1,655	1,604	10,335	1,465	2,979	-
PAT (incl. exceptional)	2,002	8,861	2,651	3,317	2,916	-4,710	1,655	1,604	16,896	1,465	2,979	-
YoY Growth (%)	86.0	76.7	76.3	83.6	45.7	-	-37.6	-51.6	73.9	-85.8	29.5	
Key Parameters (Calc., %)												
Yield on loans	16.3	15.8	15.3	16.3	15.5	15.0			15.6	14.8		
Cost of funds	8.0	7.2	7.5	8.2	8.0	8.0			7.2	8.0		
Spread	8.3	8.6	7.8	8.1	7.6	7.0			8.4	6.9		
NIM on loans	10.4	10.9	10.5	10.9	10.0	9.2			9.5	8.1		
C/I ratio	38.4	36.5	36.3	36.1	36.1	56.7			36.6	47.6		
Credit cost	0.6	0.6	-0.1	0.4	0.7	13.1			0.4	4.5		
Tax rate	25.2	17.7	25.7	13.9	25.2	25.3			21.9	23.0		
Balance Sheet Parameters												
Disbursements (INR b)	70.6	78.1	87.3	96.9	74.0	82.0			199	246		
Growth (%)	169.1	151.0	159.2	52.1	16.1	5.0			111.3	8.0		
AUM (INR b)	178	202	219	250	270	284			178	202		
Growth (%)	60.4	53.6	57.6	54.9	59.7	40.5			60.4	53.6		
AUM mix (%)						5.3						
Focused	96.3	89.0	91.7	94.1	96.0	97.0			96.3	89.0		
Discontinued (Legacy and DA)	3.7	11.0	8.3	5.9	4.0	3.0			3.7	11.0		
Asset Quality Parameters												
GS 3 (INR m)	2,450	2,660	2,750	2,680	1,660	5,470			2,450	2,660		
GS 3 (%)	1.4	1.4	1.3	1.2	0.7	2.1			1.4	1.4		
NS 3 (INR m)	1,310	1,400	1,450	1,360	790	850			1,310	1,400		
NS 3 (%)	0.8	0.7	0.7	0.6	0.3	0.3			0.8	0.7		
PCR (%)	46.5	47.4	47.3	49.3	52.4	84.5			46.5	47.4		

E: MOFSL estimates



Highlights from the management commentary

Opening remarks:

- The new MD and CEO has spent more than 4.5 months and has gone through the entire operating strategy of the company.
- The vision of the company is to create a sustainable lending business
- To create sustainable and retail lending business that scales 5-6x in five years' time and much more confident as of now.
- Extremely bullish on the Indian retail macro. There is a significant value creation opportunity on the horizon.
- Requires significant investment in quality of people, strengthening distribution touch points, new business and strengthening quality across collections framework.
- All the top management has joined the organization in last 4 months. One of the CTOs will join in Dec'24 and the rest has already joined.
- The company wants to go deeper in our micro markets. This will enable us the company to get operating synergies and manage the brand better
- Need to expand offering, improved productivity of brand, improved cross sell ratios, further lower our customer acquisition cost, Hedge portfolio for diversification and bring granularity to our portfolio.

New product offerings

- The company wants to broaden its offerings to 10 products including six additional offerings. Budgets are done and people are getting hired
- The two new businesses which the company is adding are gold loans and education loans. These will be launched in 1QFY26.
- The company should be growing at a much faster rate.
- Consumer durables - the key pillar at growing our customer franchise, CD financing is growing at 25% in the market and there is immense penetration potential; to focus on younger customers
- Shopkeeper loans- formal financing penetration is less than 20%- it requires sharp credit policy
- Gold loans- Gold loan is INR7t+ market, the company will play in lower ticket size segments in tier 2 and tier 3-
- Personal loan- INR10t market growing at 26 YoY. Many customers are underserved and significant opportunities lie ahead
- The used commercial vehicle market is another opportunity as the commercial vehicle financing industry is at around ~INR1.9t and growing at 13%.
- Education loan - healthy household loans and this is a faster-growing segment and growing at 17% YoY.
- Will have 10-15 sub-segments in each product.
- In 4QFY25, the company will go live with revamped website and app will also provide meaningful service and features

New branches:

- All this will help the company to build well diversified business. The company will build over all these businesses over 4-6 quarter and has very positive upside. Currently the company has 101 branches and to open more 400 branches over the next year majorly in tier 2 and tier 3 cities. Breakeven of branches will be in 12-15 months.
- Investments in digital marketing will be incremental and company will incur INR500m per quarter for the next 4-6 quarters.

Risk management

- Capability standpoint- 1) strengthening collection 2) use of advanced analytics 3) bringing seasoned professionals to manage debt markets.
- All the 10 products that the company is kick-starting we spoke of have to be necessarily driven off the back of a solid risk management infrastructure and scientific decision. Hired seasoned professional to boost data science and team, improve scorecards from traditional to AI and ML models.
- Advance monitoring portfolio techniques will help in improving in credit cost by 20-30bp.
- Ramping up digital and performance marketing and 50-60% of the customers should repeat; franchise customers are the targets.
- Build AI based delinquency and collection management system and Integrated top tier tech to enhance work flow allocation

Business updates:

- On track to deliver AUM growth
- Mix of incremental business has changed; commercial lending business has scaled up
- Incremental business disbursements- BL and LAP is growing at ~50% and 65% QoQ, In LAP we have improved our pricing by 20-25bp and increased presence in more 40 cities.
- STPL business- It needed calibration and the company has curtailed disbursements and we are down to 1/5th in disbursements a month than what it was before.

Provision in STPL book

- STPL book - The increase in provision is warranted- the company is fairly confident this action will strengthen the balance sheet of the company.
- Credit assessment done for entire portfolio and adequately provisioned on the entire book.
- Risk calibration check on the entire portfolio to make adequate provisioning- check has been done properly.
- Out of exceptional provision made in FY23-24, the company is still carrying the exceptional provisioning INR2.6b last year.
- STPL book is ~INR68b, out of which book that pertains to period before calibrations was INR54b and entire book is well calibrated now.
- Disbursements which were INR12b monthly have been brought down to INR2b in September.
- Closing provision at the entity level is INR14b and incremental provision made is INR6.7b and exceptional provision of INR2.6b which was made earlier is still there in the balance sheet.

Guidance:

- Building long term franchise which will grow at 30-40% AUM growth for the next five years and the company remains prudent and calibrated in its risk management approach.

Financial highlights:

- AUM stood at INR284b despite moderation in STPL book
- Balance secured to unsecured mix with secured mix improving to 225bp

- One-time opex and ongoing investment in tech; people increased its opex in 2QFY25.
- One-time opex of INR710m and INR6.7b one-time provisioning for STPL book- reflects prudent risk management practices
- Higher gross NPA is on account of higher slippages in STPL book, PCR Improved from 56% to 84%
- Cost of borrowing was lower by 6bp QoQ despite tight liquidity environment.
- D/E is 2.2 times
- Surplus liquidity of INR57b as of Sep'24.
- The company is low leveraged and as a part of capital requirement there is enough headroom to increase the leverage and CAR is also high and hence there is no requirement for any fresh equity.
- Going to focus on more secured business and gold will also be a good ROA business for the company.

Story in charts

Exhibit 1: Healthy AUM growth at 40% YoY (%)

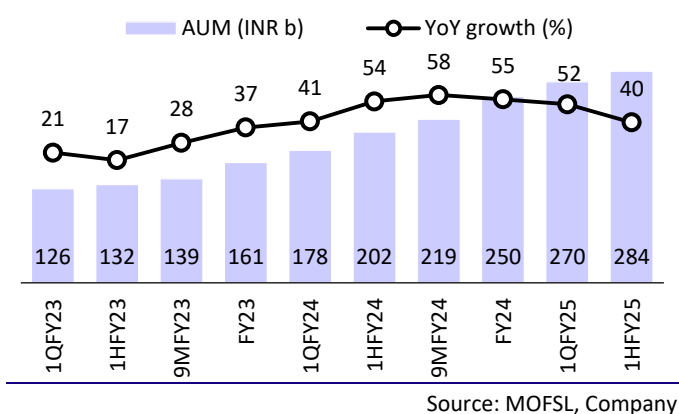


Exhibit 2: Disbursements grew ~5% YoY

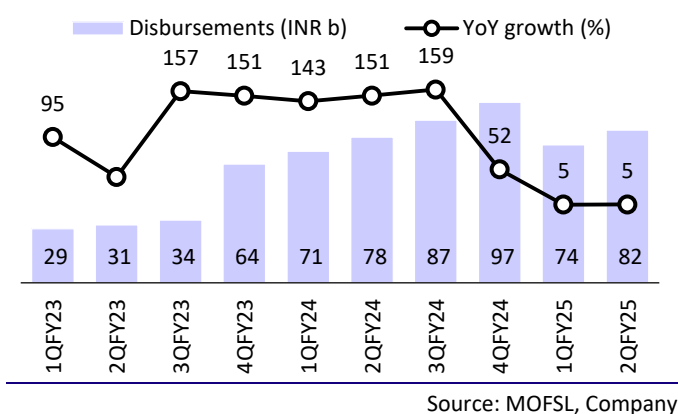
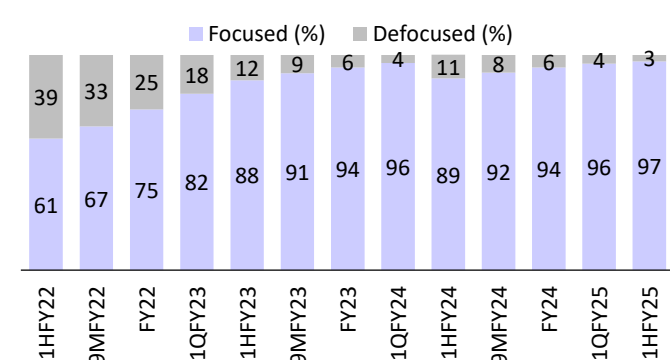
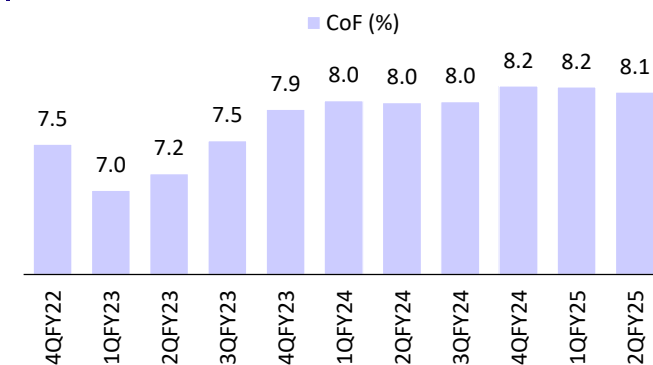


Exhibit 3: Focused products exhibiting healthy loan growth



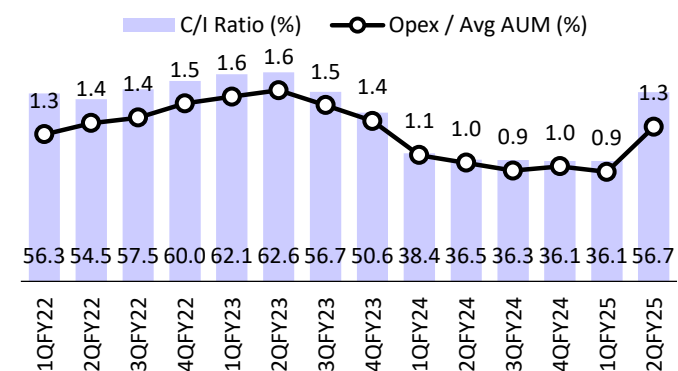
*Note: Change in classification from 2QFY24; Source: MOFSL, Company

Exhibit 4: CoF (reported) declined ~5bp QoQ to 8.1% (%)



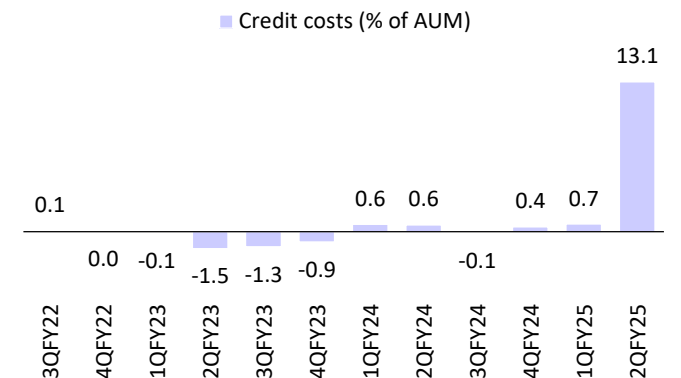
Source: MOFSL, Company

Exhibit 5: C/I stood at ~57% (%)



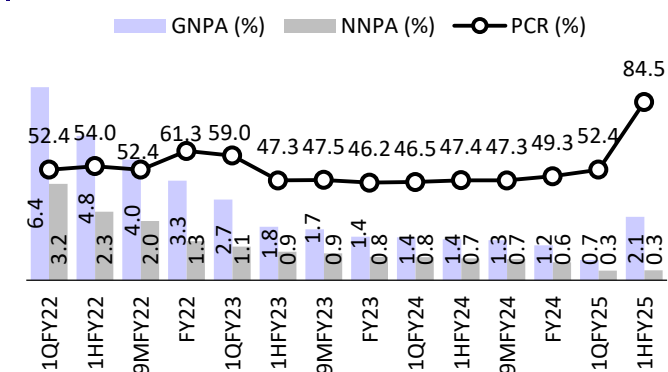
Source: MOFSL, Company

Exhibit 6: Credit costs stood at ~13% in 2QFY25 (%)



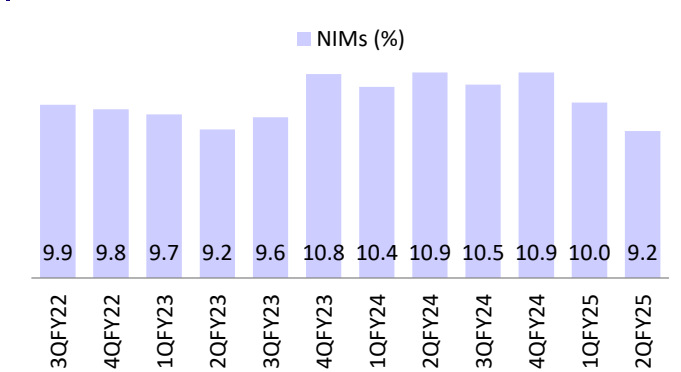
Source: MOFSL, Company

Exhibit 7: Asset quality deteriorated (%)



Source: MOFSL, Company

Exhibit 8: NIMs (calc.) contracted ~80bp QoQ (%)



Source: MOFSL, Company

Exhibit 9: We cut our FY25/FY26 estimates by 89%/31% to factor in higher provisions and elevated opex from investments in distribution, management team, and technology

INR b	Old Est.			New Est.			% change		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
NII (incl. assignments)	25.4	33.8	45.3	23.6	32.7	44.5	-7.3	-3.2	-1.7
Other Income	3.5	4.3	5.3	3.5	4.1	4.9	-0.3	-4.1	-8.2
Total Income	28.9	38.1	50.7	27.1	36.9	49.4	-6.4	-3.3	-2.4
Operating Expenses	10.5	12.6	15.1	12.9	15.4	18.0	23.0	22.2	19.4
Operating Profits	18.4	25.5	35.5	14.2	21.5	31.4	-23.1	-15.9	-11.6
Provisions	1.6	4.1	6.3	12.3	6.9	8.1	672.0	65.9	29.6
PBT	16.8	21.4	29.3	1.9	14.6	23.3	-88.7	-31.7	-20.5
Tax	3.9	4.9	6.7	0.4	3.4	5.4	-88.7	-31.7	-20.5
Normalized PAT	13.0	16.4	22.5	1.5	11.2	17.9	-88.7	-31.7	-20.5
AUM	328	445	594	330	451	609	0.5	1.4	2.4
Loans	301	418	558	299	419	567	-0.5	0.4	1.7
Borrowings	219	319	426	224	329	453	2.5	3.3	6.4
NIM	8.8	8.8	8.7	8.1	8.4	8.4			
Credit Cost	0.6	1.1	1.3	4.5	1.8	1.6			
RoA	4.6	4.3	4.4	0.5	3.0	3.5			
RoE	14.8	16.4	19.3	1.8	12.9	17.9			

Financials and Valuation

Income Statement								(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	20,365	20,228	17,570	14,586	18,265	29,061	38,563	54,605	75,464
Interest Expenses	10,176	11,240	8,746	5,093	5,953	9,503	14,974	21,861	30,918
Net Interest Income	10,189	8,988	8,824	9,493	12,312	19,558	23,589	32,744	44,546
Change (%)	10.8	-11.8	-1.8	7.6	29.7	58.9	20.6	38.8	36.0
Non-interest income and Other Income	2,308	1,962	1,199	1,085	1,931	2,478	3,470	4,136	4,897
Net Total Income	12,497	10,951	10,023	10,578	14,243	22,036	27,060	36,880	49,443
Change (%)	15.1	-12.4	-8.5	5.5	34.6	54.7	22.8	36.3	34.1
Total Operating Expenses	6,018	5,968	4,563	6,046	8,139	8,074	12,884	15,428	18,046
Change (%)	9.0	-0.8	-23.5	32.5	34.6	-0.8	59.6	19.7	17.0
Employee Expenses	3,804	3,741	3,060	4,099	5,148	4,444	6,889	8,128	9,348
Depreciation	502	716	522	495	614	593	682	764	856
Other Operating Expenses	1,712	1,487	981	1,453	2,268	3,036	5,314	6,536	7,843
PPoP	6,479	4,982	5,460	4,532	6,104	13,962	14,176	21,452	31,397
Change (%)	21.4	-23.1	9.6	-17.0	34.7	128.8	1.5	51.3	46.4
Total Provisions	2,450	4,640	13,186	686	-1,445	720	12,273	6,861	8,124
PBT	4,029	342	-7,727	3,846	7,761	13,242	1,903	14,591	23,273
Exceptional items						6,560	0	0	0
Tax Provisions	1,278	442	-1,943	914	1,816	2,907	438	3,356	5,353
PAT (excl. exceptional)	2,751	-100	-5,784	2,932	5,945	10,335	1,465	11,235	17,920
PAT (incl. exceptional)	2,751	-100	-5,784	2,932	5,945	16,896	1,465	11,235	17,920

Balance Sheet								(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	539	539	539	1,530	1,536	1,541	1,541	1,541	1,541
Reserves & Surplus	25,019	24,614	18,881	55,615	62,711	80,130	80,054	90,518	1,06,897
Net Worth	25,558	25,153	19,421	57,145	64,247	81,671	81,595	92,060	1,08,439
Borrowings	1,17,497	1,00,595	79,487	67,734	1,12,092	1,52,157	2,24,072	3,29,373	4,53,365
Change (%)									
Other liabilities	6,820	3,803	4,512	3,217	3,880	7,041	11,970	17,955	26,932
Total Liabilities	1,49,876	1,29,552	1,03,420	1,28,097	1,80,218	2,40,869	3,17,637	4,39,388	5,88,735

Loans	1,31,379	1,11,749	85,653	1,06,784	1,52,295	2,20,464	2,98,961	4,19,219	5,66,912
Change (%)	8.1	-14.9	-23.4	24.7	42.6	44.8	35.6	40.2	35.2
Cash and Bank Balances	9,327	6,484	6,124	5,372	6,574	2,685	3,447	3,451	3,239
Fixed Assets	1,871	2,267	1,715	1,748	2,117	1,944	2,138	2,309	2,494
Investments	3,024	4,024	4,289	8,197	3,109	8,783	4,000	3,500	3,000
Other assets	4,275	5,028	5,638	5,996	16,123	6,992	9,090	10,908	13,090
Total Assets	1,49,876	1,29,552	1,03,420	1,28,097	1,80,218	2,40,869	3,17,637	4,39,388	5,88,735

E: MOFSL Estimates

Financials and Valuation

AUM

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
AUM (INR b)	138.7	128.5	102.5	117.7	161.4	250.0	329.5	451.2	608.5
YoY growth (%)	-1	-7	-20	15	37	55	32	37	35
Disbursements (INR b)	76.7	50.5	24.2	75.2	157.5	332.9	359.5	431.4	504.8
YoY growth (%)	14	-34	-52	210	109	111	8	20	17

E: MOFSL Estimates

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Spreads Analysis (%)									
Avg. Yield on Loans	15.8	16.3	17.5	14.9	14.0	15.6	14.8	15.2	15.3
Avg Cost of Funds	8.9	10.3	9.7	6.9	6.6	7.2	8.0	7.9	7.9
Spread on loans	6.9	6.0	7.8	8.0	7.4	8.4	6.9	7.3	7.4
NIM (on AUM)	7.3	6.7	7.6	8.6	8.8	9.5	8.1	8.4	8.4

Profitability Ratios (%)

RoE	12.6	-0.4	-26.0	7.7	9.8	14.2	1.8	12.9	17.9
RoA	1.9	-0.1	-5.0	2.5	3.9	4.9	0.5	3.0	3.5
Int. Expended / Int.Earned	50.0	55.6	49.8	34.9	32.6	32.7	38.8	40.0	41.0
Other Inc. / Net Income	18.5	17.9	12.0	10.3	13.6	11.2	12.8	11.2	9.9

Efficiency Ratios (%)

Op. Exps. / Net Income	48.2	54.5	45.5	57.2	57.1	36.6	47.6	41.8	36.5
Opex/ Avg AUM	4.3	4.5	4.0	5.5	5.8	3.9	4.4	4.0	3.4
Empl. Cost/Op. Exps.	63.2	62.7	67.1	67.8	63.2	55.0	53.5	52.7	51.8

Asset-Liability Profile (%)

Loans/Borrowings Ratio	1.1	1.1	1.1	1.6	1.4	1.4	1.3	1.3	1.3
Debt/Equity (x)	4.6	4.0	4.1	1.2	1.7	1.9	2.7	3.6	4.2
Assets/Equity (x)	5.9	5.2	5.3	2.2	2.8	2.9	3.9	4.8	5.4

Asset quality

GNPA (INR m)	0	8,357	4,190	3,720	2,250	2,680	5,885	7,797	9,931
GNPA (%)	0.0	0.0	4.3	3.3	1.4	1.2	1.9	1.8	1.7
NNPA (INR m)	0	0	1,240	1,440	1,210	1,360	1,177	1,949	2,979
NNPA (%)	0.0	0.0	1.3	1.3	0.8	0.6	0.4	0.5	0.5
PCR (%)	0.0	0.0	70.4	61.3	46.2	49.3	80.0	75.0	70.0
Credit costs (%)	1.9	3.8	13.4	0.7	-1.1	0.4	4.5	1.8	1.6

Valuations

	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Book Value (INR)	95	93	72	75	84	106	106	119	141
BV Growth (%)	24.2	-1.7	-22.8	3.7	12.0	26.7	-0.1	12.8	17.8
Price-BV (x)	3.1	3.2	4.1	4.0	3.6	2.8	2.8	2.5	2.1
EPS (INR)	10.2	-0.4	-21.5	3.8	7.7	13.4	1.9	14.6	23.3
EPS Growth (%)	20.3	-103.6	-	-117.9	102.0	73.3	-85.8	-	59.5
Price-Earnings (x)	29.2	-	-13.9	77.7	38.5	22.2	-	20.4	12.8
Dividend per share	0.0	0.0	0.0	0.4	2.0	2.0	1.0	2.0	3.0
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.7	0.7	0.3	0.7	1.0

E: MOFSL Estimates

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