

Fusion Finance

Estimate change



TP change



Rating change



Bloomberg	FUSION IN
Equity Shares (m)	162
M.Cap.(INRb)/(USD\$)	23.9 / 0.3
52-Week Range (INR)	491 / 124
1, 6, 12 Rel. Per (%)	-2/-6/-70
12M Avg Val (INR M)	134

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	15.3	14.0	15.9
PPP	7.4	6.9	8.3
PAT	-12.2	1.7	4.1
EPS (INR)	-121.7	13	26
EPS Gr. (%)	-	-	93
BV (INR)	163	137	187

Valuations

NIM (%)	14.3	13.4	13.9
C/I ratio (%)	51.7	50.3	47.7
RoAA (%)	-12.2	2.0	4.0
RoE (%)	-54.5	9.0	15.7

Valuations

P/E (x)	-	13.0	6.7
P/BV (x)	1.1	1.3	0.9

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	57.7	57.7	57.7
DII	16.9	18.1	23.3
FIIFII	2.1	0.9	6.4
Others	23.3	23.2	12.6

FII includes depository receipts

CMP: INR172

TP: INR170 (-1%)

Neutral

Progressive improvement in collections and flow rates

AUM declined ~15% QoQ; Credit costs moderate sequentially

- Fusion Finance ("Fusion") reported a net loss of ~INR1.65b in 4QFY25 (vs MOFSLe loss of INR1.4b). FY25 loss stood at INR12.2b (vs. PAT of INR5b in FY24).
- NII in 4QFY25 declined ~25% YoY to ~INR2.7b (~7% miss). Cost-income ratio moderated to ~70% (PQ: ~76% and PY: ~37%). PPoP declined ~69% YoY to ~INR901m.
- Net credit costs more than halved sequentially to ~INR2.55b (vs MOFSLe of ~INR3.2b). Annualized credit costs in 4QFY25 stood at ~12% (PY: ~5% and PQ: ~23%). The company undertook accelerated write-offs of INR4.05b (out of the total write-off of INR9.2b) during 4QFY25.
- Fusion had breached covenants on borrowings of ~INR48b, resulting in these borrowings becoming payable on demand. The company has successfully obtained covenant waivers for ~86% of such borrowings that were in breach. The company is in discussions with the remaining lenders to obtain similar extensions. As of now, no demand for immediate repayment of the borrowed funds has been made by the lenders.
- Disbursements were broadly flat QoQ at ~INR11.6b. AUM declined ~22% YoY and 15% QoQ to ~INR90b. We raise our FY26/FY27 EPS estimates by ~25%/24% to factor in lower opex and provisions. We estimate an AUM CAGR of ~14% and a PPOP CAGR of ~6% over FY25-FY27, along with RoA/RoE of ~4%/16% in FY27.
- Fusion successfully completed a Rights issue of INR8b in Apr'25. As these were partly paid shares, the company has received ~INR4b from the Rights issue.
- Fusion has witnessed improvements in collection efficiency and flow rates during the quarter, and management expects this positive momentum to sustain. The company remains focused on stabilizing its operations before pursuing growth again. Additionally, the new portfolio that originated post-Oct'24 is performing well in terms of asset quality and collections.
- We will keenly monitor the asset quality trends unfolding in the sector as a trend reversal is on the horizon. The recent improvement in collections and flow rates suggests early signs of a positive turnaround. However, sustained performance over the next 3-4 months will be crucial to validate this recovery as a definitive shift. With no other near-term catalysts, we reiterate our **Neutral rating with a revised TP of INR170 (based on 0.9x Mar'27E P/BV)**.

Write-offs remain elevated; GS3 decline ~5pp QoQ

- GS3 declined ~5pp QoQ to ~7.9%, while NS3 declined ~150bp QoQ to 0.3%. PCR rose ~9pp QoQ to 97% (PQ: 88%).
- Stage 2 declined ~110bp QoQ to 3.1%. The company reduced the PCR on Stage 1 and 2 loans, resulting in ECL/EAD (incl. management overlay of ~INR595m) declining to ~10.9% (PQ: ~16.4%). Management indicated that it has reduced PCR on Stages 1 and 2, as the new book that originated post-Oct'24 is exhibiting strong asset quality trends.

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- Fusion + >=3 borrowers declined to 18.1% (vs. ~31.5% in Mar'24).
- Current portfolio collection efficiency of the ~INR26.6b disbursed since Sep'24 stood at ~99.6% as of Apr'25.
- Annualized credit costs in 4QFY25 stood at ~11.6% (PY: ~4.8% and PQ: ~23%). We model credit costs of 6%/3% for FY26/FY27, respectively.

Reported NIMs contract ~30bp QoQ; calc. yields rise ~270bp QoQ

- Yields (calc.) rose ~270bp QoQ to ~20.5%, while CoF (calc.) declined ~25bp QoQ to ~10.5%, leading to a ~3pp QoQ rise in spreads to ~10%. Reported NIMs contracted ~30bp QoQ to 8.6%.
- Share of foreign borrowings in the borrowing mix rose ~1pp to ~20% in 4QFY25 (PQ: 19%).
- Marginal CoB declined ~80bp QoQ to ~10.5%. We model NIMs of 13.4%/13.9% in FY26/FY27.

Active borrower base declines; branch expansion continues

- The borrower base declined to 3.2m as of Mar'25 (down from 3.6m as of Dec'24). Fusion added 65 branches in the quarter and now has a presence across 22 states (including 3 UT), with a total branch count of 1,571.
- CRAR stood at ~22.4% as of Mar'25. CRAR was 30%+ (proforma) for the INR8b Rights issue.

Highlights from the management commentary

- Interest income reversals stood at ~INR210m in 4QFY25. Interest income reversals for all customers who slipped into Stage 3 have already been accounted for.
- Management shared that the company does not plan to expand into newer geographies. Instead, it aims to deepen its presence by expanding into newer villages within its existing geographies.
- Management shared that it will articulate its medium-term growth targets post-1QFY26, as it is primarily focused on stabilization in the current quarter.

Valuation and view

- Fusion exhibited early signs of stabilization during the quarter. While both AUM growth and disbursements remained muted —reflecting the company's strategic focus on improving portfolio quality and strengthening collection efficiency—its flow rates and credit costs saw a sequential decline, supported by improving collection efficiency during the quarter.
- Fusion, in our view, is likely to deliver an AUM CAGR of ~14% and PPOP CAGR of ~6% over FY25-27. We estimate an RoA/RoE of ~4%/16% in FY27. **We reiterate our Neutral rating on the stock with a revised TP of INR170 (based on 0.9x Mar'27E P/BV).**

Fusion: Quarterly Performance
(INR M)

Y/E March	FY24				FY25				FY24	FY25	4QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,790	4,968	5,400	5,761	6,213	6,261	4,382	4,487	20,919	21,342	4,777	-6
Interest Expenses	1,835	1,910	2,015	2,149	2,234	2,274	2,137	1,794	7,908	8,439	1,879	-5
Net Interest Income	2,955	3,058	3,386	3,612	3,979	3,987	2,245	2,693	13,011	12,904	2,898	-7
YoY Growth (%)	58.7	26.1	34.2	30.6	34.6	30.4	-33.7	-25.4	35.9	-0.8	-20	
Other Income	738	745	732	991	854	776	443	273	3,205	2,347	536	-49
Total Income	3,693	3,803	4,118	4,603	4,833	4,764	2,688	2,966	16,216	15,250	3,434	-14
YoY Growth (%)	70.0	28.9	38.0	32.8	30.9	25.3	-34.7	-35.6	40.1	-6.0	-25	
Operating Expenses	1,339	1,385	1,515	1,696	1,855	1,925	2,041	2,065	5,935	7,886	2,111	-2
Operating Profit	2,354	2,418	2,603	2,907	2,978	2,838	648	901	10,281	7,365	1,323	-32
YoY Growth (%)	95.8	29.1	41.6	31.5	26.5	17.4	-75.1	-69.0	44.3	-28.4	-54	
Provisions & Loan Losses	759	762	938	1,190	3,485	6,941	5,723	2,547	3,649	18,695	3,168	-20
Profit before Tax	1,595	1,656	1,665	1,717	-507	-4,102	-5,075	-1,646	6,633	-11,330	-1,844	-11
Tax Provisions	390	399	401	390	-151	-1,052	2,118	0	1,580	915	-466	-100
Net Profit	1,205	1,257	1,265	1,327	-356	-3,050	-7,193	-1,646	5,053	-12,245	-1,379	19
YoY Growth (%)	60	32	23	16	-130	-343	-669	-224	31	-342.3	-204	
Key Parameters (%)												
Yield on loans	21.5	21.7	21.9	21.8	21.7	21.5	19.1	19.1				
Cost of funds	10.6	10.6	10.4	10.2	10.1	10.1	10.3	10.5				
Spread	10.9	11.1	11.5	11.6	11.6	11.4	8.8	8.6				
NIM	10.9	11.1	11.5	11.6	11.6	11.5	8.9	8.6				
Credit cost	0.8	0.79	1.00	1.18	3.28	6.55	5.70	2.80				
Cost to Income Ratio (%)	36.3	36.4	36.8	36.8	38.4	40.4	75.9	69.6				
Tax Rate (%)	24.5	24.1	24.1	22.7	29.8	25.6	-41.7	0.0				
Performance ratios (%)												
Avg o/s per borrower (INR '000)	26	26	27	29	30	29	27	26				
AUM/ RO (INR m)	14.0	14.0	13.0	13.0	1.2	1.1	1.1	0.9				
AUM/ Branch (INR m)	91	88	9	9	9	8	7	6				
Borrower/ Branch (INR m)	3,513	3,381	3,260	3,204	3,017	2,805	2,590	2,175				
Balance Sheet Parameters												
AUM (INR B)	97.1	100.3	106.9	114.8	121.9	115.7	106.0	89.8				
Change YoY (%)	31.4	24.6	23.6	23.5	25.5	15.4	-0.9	-21.8				
Disbursements (INR B)	22.8	23.4	27.1	29.5	29.9	16.6	11.7	11.6				
Change YoY (%)	15.2	14.2	24.0	24.4	30.7	-29.1	-56.9	-60.9				
Borrowings (INR B)	71.9	75.3	80.2	86.2	91.2	86.4	73.1	64.0				
Change YoY (%)	19.6	15.0	22.7	27.1	26.9	14.8	-8.9	-25.7				
Borrowings/Loans (%)	85.5	86.6	85.8	86.6	89.0	94.6	92.3	88.2				
Debt/Equity (x)	2.9	2.9	3.0	3.0	3.2	3.4	4.0	3.9				
Asset Quality (%)												
GS 3 (INR M)	2,790	2,411	2,939	2,973	5,952	9,672	11,920	6,460				
G3 %	3.2	2.7	3.0	2.9	5.5	9.4	12.6	7.9				
NS 3 (INR M)	664	569	730	603	1,301	2,302	1,450	230				
NS3 %	0.8	0.65	0.78	0.61	1.27	2.52	1.83	0.32				
PCR (%)	76.2	76.4	75.2	79.7	78.1	76.2	87.8	96.4				
ECL (%)	3.8	3.3	3.2	3.4	5.9	11.1	16.4	10.9				
Return Ratios - YTD (%)												
ROA (Rep)	5.0	4.9	4.7	4.6	-1.2	-10.3	-27.6	-7.4				
ROE (Rep)	20.2	20.0	19.1	19.1	-5.0	-45.7	-132.9	-38.2				

E: MOFSL Estimates



Highlights from the management commentary

Disbursement growth

- The company is adopting a calibrated and conservative approach to disbursements. It is not in a hurry to return to previous growth levels in MFI.
- Monthly disbursements in Apr'25 were INR3.1b and are expected to rise gradually. The company expects disbursements to be at similar levels in May'25.
- The company does not plan to expand into new geographies. It aims to penetrate deeper into newer villages in existing geographies.
- 72% of disbursements are to existing customers, reducing acquisition costs. The balance ~28% to new customers is split between NTC and others.
- NTC customers account for 15% of total disbursements, which has remained at similar levels in April and May.
- Medium-term growth will be clearer after 1QFY26. This quarter will focus on stabilizing. Further, the company will take some more time to guide on the three-year plan.
- UP and Bihar continue to show improvement. The company is going slow in Gujarat, Orissa, and TN, while it sees good opportunities in Assam, WB, and AP.
- Fusion is not in a firefighting mode and has now moved into the stabilization phase. The company maintains a cautiously optimistic outlook.

Asset quality

- AUM growth and disbursements remained muted as Fusion prioritizes asset quality.
- Credit costs have consistently declined, from INR6.9b in 2QFY25 to INR5.7b in 3QFY25 to finally INR2.5b in 4QFY25.
- Net flow rates improved to 0.57%, reflecting better collections and branch-level discipline. The company expects flow rates to remain at similar levels in 1QFY26.
- The company has increased provision cover on stage 3 to ensure minimal impact from write-offs on credit costs in the coming quarters.
- The company has reduced PCR on Stage 1 and 2 assets as the new book that originated post-Oct'24 is showing good signs of asset quality.
- Write-offs for the quarter stood at ~INR9b, including accelerated write-offs of INR4.05b.
- The company holds ECL provisions of INR8.7b, including a management overlay of INR595m.
- The company reversed interest income to the tune of INR200-210m for the asset moved to Stage 3. It has taken all interest income reversals from Stage 3 and written-off assets.
- Overleveraging has come down significantly: customers with >3 lenders reduced from 31% to 18% in Mar'25. Further overleveraging in the new book has reduced to ~14%.

Borrowings and cost of funds

- The company raised INR5.8b in incremental borrowings in 4QFY25.
- It has INR14.3b of sanctions in hand and INR8b of cash and cash equivalents.
- Capital adequacy ratio stands strong at 22.42% (Proforma CAR post rights issue is ~30%+).
- Even in the current quarter, the company was in breach of financial covenants. It successfully received covenant waivers for 86% of borrowings. The company is actively engaging with other lenders to receive waivers.
- There has not been a single recall from any lender despite the covenant breaches, which shows lenders' confidence in the company.

- Marginal cost of funds stood at 10.37%. Average cost of funds stood at 10.2%.
- Two rating downgrades in the past 6-9 months have led to rising funding costs. Discussions are ongoing with rating agencies.

MSME

- There is a dedicated experienced leadership team for the MSME business. In the past few years, the company has focused on doubling the infrastructure in MSME to deliver the required growth.
- MSME AUM stands at INR6.7b, with ~90% of the book secured and client IRR at 22%. The company operates through a network of 105 branches.
- It targets customers with income >INR300k. Credit costs in MSME are currently low as it is a low vintage book.
- There is no overlap between MFI and MSME customers.

Collection efficiencies

- The early vintage book is performing well; collection efficiency on the new book (post-Oct'24) is ~99.5%-99.7%.
- Overall CE stood at 98.44% in Mar'25, up 180 bps YoY. April CE remained steady, ranging between ~98.38% and 98.4%.
- The new book from Oct'24, which is roughly INR25b and ~34% of the overall book, recorded collection efficiency of 99.67% in Mar'25 and 99.61% in Apr'25.
- Orissa is a reduced state for the company, where growth will be slow. However, CE in Mar'25 stood at 99.52% and was at similar levels in April.
- Tamil Nadu: The collection efficiency in TN was steady post the ordinance. However, in the last five days, the industry saw some stress, though this is not a concerning matter for now.
- Bihar: CE in Bihar was similar to previous levels, with some progress observed.

Operating expenses

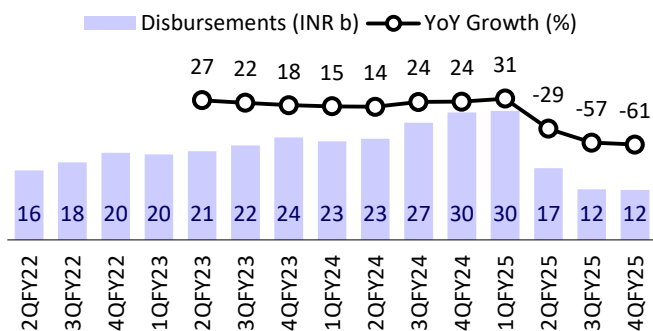
- Operating expenses remain elevated, primarily due to staff costs and changes in incentive structures.
- Opex in 4QFY25 stood at INR2b, of which 70% were employee benefit expenses. Employee expenses were down QoQ due to the number of people.
- Around ~20% of employee expenses will be on collections.
- The company expects cost normalization post 1QFY26 as the collections team stabilizes.

Leadership changes and others

- Sanjay Garyali has been appointed as the new CEO.
- The senior management is engaging with employees to understand what is happening on the ground.
- The company successfully completed a partly paid rights issue of INR8b, with strong participation from existing investors. The issue was subscribed 1.5x.

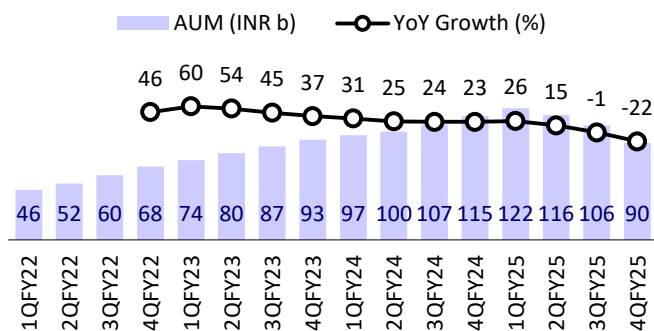
Story in charts

Exhibit 1: Disbursements declined 61% YoY...



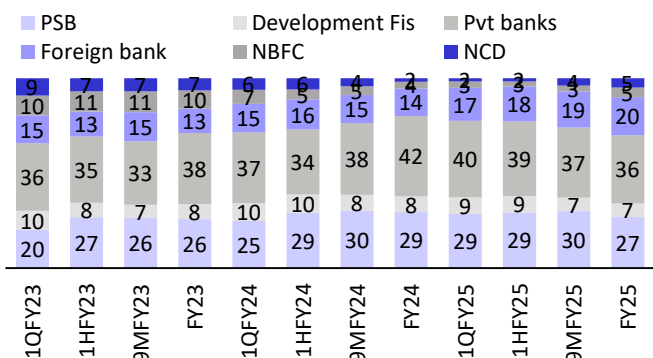
Source: MOFSL, Company

Exhibit 2: ...leading to a decline of ~22% YoY in AUM



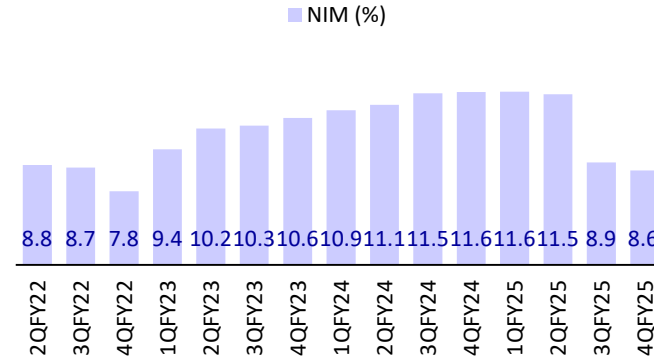
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



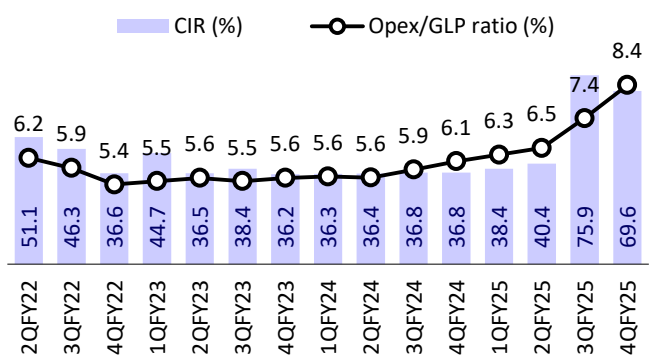
Source: MOFSL, Company

Exhibit 4: Reported NIMs contracted ~30bp QoQ (%)



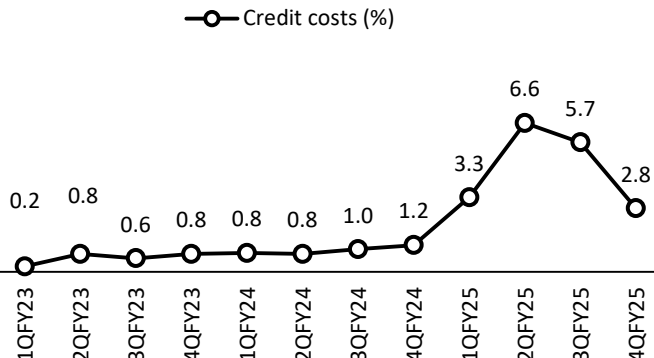
Source: MOFSL, Company

Exhibit 5: Opex/AUM rose ~100bp QoQ (%)



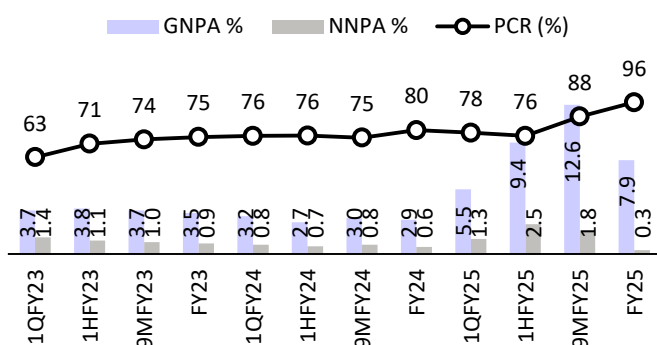
Source: MOFSL, Company

Exhibit 6: Credit costs (non-annualized) declined to ~2.8%.



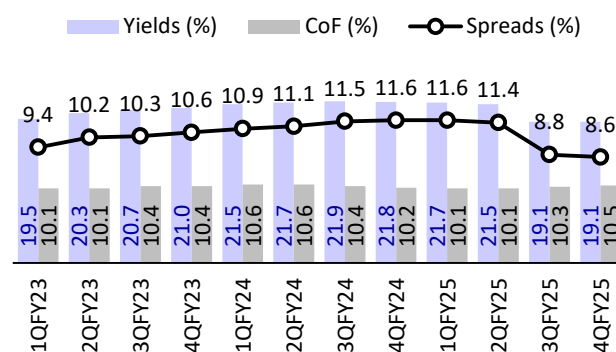
Source: MOFSL, Company

Exhibit 7: GS3 declined ~465bp QoQ to 7.9% (%)



Source: MOFSL, Company

Exhibit 8: Spreads contracted ~20bp QoQ



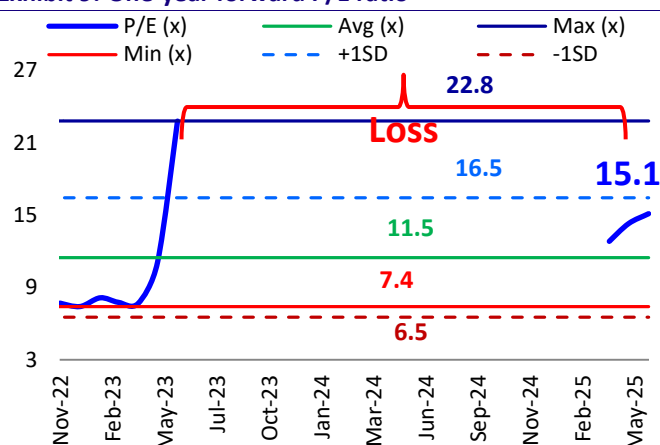
Source: MOFSL, Company

We raise our FY26/27 estimates by ~25%/24% to factor in lower opex and provisions

	Old Est.		New Est.		% change	
	FY26	FY27	FY26	FY27	FY26	FY27
INR B						
NII	11.1	13.8	11.2	13.3	1.1	-3.9
Other Income	3.1	3.5	2.7	2.6	-12.2	-24.6
Total Income	14.2	17.3	14.0	15.9	-1.8	-8.0
Operating Expenses	8.0	9.1	7.0	7.6	-12.6	-16.8
Operating Profits	6.2	8.2	6.9	8.3	12.3	1.8
Provisions	4.4	3.8	4.9	2.9	12.2	-23.3
PBT	1.8	4.4	2.0	5.4	12.6	23.6
Tax	0.4	1.0	0.3	1.3	-28.1	23.6
PAT	1.4	3.3	1.7	4.1	25.1	23.6
AUM	106	126	100	117	-5.8	-7.3
Borrowings	74	85	68	79	-8.5	-6.6
RoA	1.5	3.0	2.0	4.0	33.8	32.6
RoE	7.2	13.1	9.0	15.7	24.5	20.5

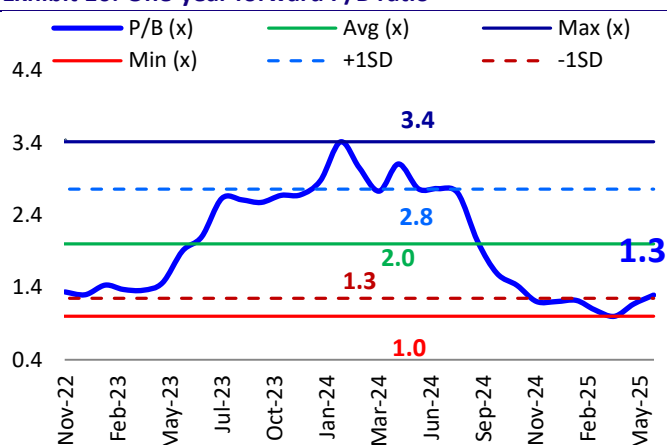
Source: MOFSL, Company

Exhibit 9: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio



Source: MOFSL, Company

Financials and valuations

Income Statement (INR M)								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E FY27E
Interest Income	4,694	6,665	8,276	10,643	16,001	20,919	21,342	18,223 20,920
Interest Expenses	2,540	3,377	3,751	4,960	6,428	7,908	8,439	6,984 7,635
Net Interest Income	2,154	3,288	4,525	5,684	9,573	13,011	12,904	11,240 13,285
Change (%)	82.7	52.7	37.6	25.6	68.4	35.9	-0.8	-12.9 18.2
Other Operating Income	249	538	282	869	1,418	2,248	1,855	2,214 2,086
Other Income	27	100	173	501	580	957	491	511 531
Net Income	2,431	3,926	4,980	7,054	11,572	16,216	15,250	13,965 15,903
Change (%)	86.0		26.8	41.6	64.1	40.1	-6.0	-8.4 13.9
Operating Expenses	1,540	1,999	2,204	3,123	4,448	5,935	7,886	7,030 7,585
Change (%)	-5.2		10.2	41.7	42.5	33.4	32.9	-10.8 7.9
Employee Expenses	1,033	1,483	1,686	2,331	3,255	4,312	5,732	5,159 5,572
Depreciation	24	26	39	54	74	90	117	140 161
Other Operating Expenses	483	490	479	738	1,119	1,532	2,037	1,731 1,852
Operating Income	891	1,927	2,776	3,931	7,124	10,281	7,365	6,935 8,318
Change (%)	-381.4		44.0	41.6	81.2	44.3	-28.4	-5.8 19.9
Provisions and w/offs	207	927	2,208	3,687	2,004	3,649	18,695	4,894 2,920
PBT	684	1,000	568	244	5,120	6,633	-11,330	2,040 5,397
Tax Provisions	177	304	128	27	1,248	1,580	915	306 1,268
Tax Rate (%)	25.9	30.4	22.6	10.9	24.4	23.8	-8.1	15.0 23.5
PAT	507	696	439	218	3,871	5,053	-12,245	1,734 4,129
Change (%)	-229	37	-37	-50	1,680	31	-342	- 138
Balance Sheet (INR M)								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E FY27E
Equity Share Capital	616	790	790	828	1,003	1,006	1,006	1,311 1,617
Reserves & Surplus	5,643	11,199	11,673	12,552	22,216	27,475	15,427	20,855 28,678
Net Worth	6,259	11,989	12,464	13,380	23,219	28,482	16,433	22,167 30,295
Borrowings	29,286	29,737	44,323	57,758	67,784	86,159	64,020	67,746 79,090
Change (%)	83.3		49.0	30.3	17.4	27.1	-25.7	5.8 16.7
Other liabilities	561	674	1,593	1,767	2,632	3,103	2,473	2,968 3,562
Total Liabilities	36,105	42,400	58,379	72,905	93,635	1,17,743	82,927	92,881 1,12,946
Cash and Bank balance	9,905	8,177	13,353	11,536	10,650	15,532	8,531	9,735 13,899
Investments	5	5	0	0	0	21	21	21 21
Loans	25,720	33,430	43,607	59,182	80,416	99,479	72,612	81,170 96,875
Change (%)	99.2		30.4	35.7	35.9	23.7	-27.0	11.8 19.3
Fixed Assets	55	60	183	192	212	224	298	343 377
Other Assets	420	727	1,237	1,995	2,357	2,488	1,466	1,612 1,774
Total Assets	36,105	42,400	58,379	72,905	93,635	1,17,743	82,927	92,881 1,12,946
E: MOFSL Estimates								
AUM and Disbursements (INR M)								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E FY27E
AUM	26,414	36,065	46,378	67,860	92,960	1,14,761	89,800	99,627 1,17,170
YoY Growth (%)	70	37	29	46	37	23	-22	11 18
Disbursements	25,720	35,740	37,103	61,798	85,962	1,02,945	69,710	78,075 95,252
YoY Growth (%)	99	39	4	67	39	20	-32	12 22
E: MOFSL Estimates								

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)									
Avg. Yield on Loans	24.3	22.5	21.5	20.7	22.9	23.3	24.8	23.7	23.5
Avg Cost of Funds	11.2	11.4	10.1	9.7	10.2	10.3	11.2	10.6	10.4
Spread of loans	13.1	11.1	11.4	11.0	12.7	13.0	13.6	13.1	13.1
NIM (on gross loans)	10.9	11.0	11.5	10.6	13.3	14.1	14.3	13.4	13.9
Profitability Ratios (%)									
RoA	1.8	1.8	0.9	0.3	4.6	4.8	-12.2	2.0	4.0
RoE	11.3	7.6	3.6	1.7	21.2	19.5	-54.5	9.0	15.7
Debt: Equity (x)	4.7	2.5	3.6	4.3	2.9	3.0	3.9	3.1	2.6
Leverage (x)	5.8	3.5	4.7	5.4	4.0	4.1	5.0	4.2	3.7
CAR	26.9	35.8	27.3	21.9	27.9	26.1	19.2	22.9	26.7
o/w Tier 1	23.8	33.1	25.5	19.9	26.6	25.5	18.6	22.4	26.2
Int. Expended / Int.Earned	54.1	50.7	45.3	46.6	40.2	37.8	39.5	38.3	36.5
Other Inc. / Net Income	11.4	16.3	9.1	19.4	17.3	19.8	15.4	19.5	16.5
Efficiency Ratios (%)									
Int. Expended/Int.Earned									
CIR	63.4	50.9	44.3	44.3	38.4	36.6	51.7	50.3	47.7
Opex/ AUM	7.3	6.4	5.3	5.5	5.5	5.7	7.7	7.4	7.0
Empl. Cost/Op. Exps.	67.1	74.2	76.5	74.6	73.2	72.7	72.7	73.4	73.5
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	0.9	1.1	1.0	1.0	1.2	1.2	1.1	1.2	1.2
Leverage (x)	5.8	3.5	4.7	5.4	4.0	4.1	5.0	4.2	3.7
Asset Quality									
GNPA (INR m)	404	384	2,559	3,584	2,889	2,973	6,460	4,787	4,130
NNPA (INR m)	145	130	1,024	1,030	708	603	230	144	496
GNPA (%)	1.5	1.1	5.5	5.7	3.5	2.9	7.9	5.3	3.9
NNPA (%)	0.6	0.4	2.3	1.7	0.9	0.6	0.3	0.2	0.4
PCR (%)	64	66	60	71	75	80	96	97	88
Credit costs (%)	1.0	3.1	5.6	6.9	2.8	4.0	20.7	5.9	3.0
Valuations									
Book Value (INR)	102	152	158	162	231	283	163	137	187
BV Growth (%)	64	49	4	3	43	22	-42	-16	37
P/BV	1.7	1.1	1.1	1.1	0.7	0.6	1.1	1.3	0.9
EPS (INR)	8	9	6	3	39	50	-122	13	26
EPS Growth (%)		7	-37	-53	1368	30	-	-	93
Price-Earnings (x)	20.9	19.5	31.0	65.5	4.5	3.4	-	13.0	6.7

E: MOFSL Estimates

Y/E March (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	17.0	17.0	16.4	16.2	19.2	19.8	21.3	20.7	20.3
Interest Expended	9.2	8.6	7.4	7.6	7.7	7.5	8.4	7.9	7.4
Net Interest Income	7.8	8.4	9.0	8.7	11.5	12.3	12.9	12.8	12.9
Other Operating Income	0.9	1.4	0.6	1.3	1.7	2.1	1.8	2.5	2.0
Other Income	0.1	0.3	0.3	0.8	0.7	0.9	0.5	0.6	0.5
Net Income	8.8	10.0	9.9	10.7	13.9	15.3	15.2	15.9	15.5
Operating Expenses	5.6	5.1	4.4	4.8	5.3	5.6	7.9	8.0	7.4
Operating Income	3.2	4.9	5.5	6.0	8.6	9.7	7.3	7.9	8.1
Provisions/write offs	0.7	2.4	4.4	5.6	2.4	3.5	18.6	5.6	2.8
PBT	2.5	2.5	1.1	0.4	6.1	6.3	-11.3	2.3	5.2
Tax	0.6	0.8	0.3	0.0	1.5	1.5	0.9	0.3	1.2
RoA	1.8	1.8	0.9	0.3	4.6	4.8	-12.2	2.0	4.0
Leverage	6.2	4.3	4.1	5.1	4.6	4.1	4.5	4.6	3.9
RoE	11.3	7.6	3.6	1.7	21.2	19.5	-54.5	9.0	15.7

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