

18 January 2026

India | Equity Research | Results update

Poonawalla Fincorp

NBFCs

Strong quarter – robust AUM growth, opex moderation catapult RoA past 1% mark

Poonawalla Fincorp (Poonawalla) reported strong Q3FY26 PAT at INR 1.5bn or 1.2% RoA (up 51bps QoQ/94bps YoY). AUM growth was robust at 15% QoQ/78% YoY, taking YTD growth to 54%, which is amongst the highest AUM growth within India's listed NBFC space. Despite the robust AUM growth, credit cost has largely remained stable at 2.6–2.7% since the past three quarters. Importantly, opex to AUM moderated 40bps QoQ to 4.4%, as its investments made in branches, technology and building network are enabling robust AUM growth alongside improved productivity. Upgrade to **BUY** (earlier Add) with an unchanged TP of INR 600, valuing it at 4.1x FY27E BV.

RoA to improve to ~2.0% for FY27E vs. 1.2% in Q3FY26

Since the new MD & CEO having taken over a year ago, in Jun'24, Poonawalla has launched a slew of products. It now has >10 products in its portfolio to offer, thereby diversifying as well as de-risking its portfolio. Given the robust traction in AUM growth over the past two quarters, post introduction of its entire product suite, we forecast a 45% CAGR over FY25–28E.

Moreover, with the expected moderation in opex, stable credit cost and improvement in margins aided by funding cost benefits and portfolio mix, we expect RoA to inch up to 2% in FY27E vs. 1.2% in Q3FY26.

Moreover, we estimate RoE at 13% for FY27. PAT is likely to more than double in FY27E vs. FY26E aided by robust AUM growth, margin expansion, opex contraction and stable credit cost. Management guides that all its products have been launched with a target RoA of 300–350bps, and it aims to clock overall 300–350bps RoA by 2028 at the entity level.

Given the promising AUM growth prospects, along with stable asset quality, diversified portfolio offerings, expected moderation in opex to AUM and thereby an improving RoA trajectory, we maintain our TP at INR 600, valuing the stock at 4.1x FY27E P/B. Thus, we upgrade our rating to **BUY** (from Add).

Key risk: 1) Credit cost settling higher-than-anticipated on account of elevated slippages; and 2) rise in opex to AUM ratio due to sustained other opex.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Interest Income	23,594	31,552	47,539	64,103
PAT	(983)	4,674	13,684	18,902
EPS (INR)	(1.3)	5.8	17.0	23.4
BVPS (INR)	106	126	143	166
P/E (x)	(364.6)	80.0	27.3	19.8
P/BV (x)	4.4	3.7	3.2	2.8
Gross Stage - 3 (%)	1.8	2.4	2.9	3.4
Dividend Yield (%)	-	-	-	-
RoA (%)	(0.3)	1.0	2.0	2.0
RoE (%)	(1.2)	5.1	12.6	15.2

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Market Data

Market Cap (INR)	377bn
Market Cap (USD)	4,151mn
Bloomberg Code	POONAWAL IN
Reuters Code	POON BO
52-week Range (INR)	570 /267
Free Float (%)	35.0
ADTV-3M (mn) (USD)	6.7

Price Performance (%)	3m	6m	12m
Absolute	(14.0)	2.3	49.1
Relative to Sensex	(14.1)	1.2	40.6

ESG Score	2024	2025	Change
ESG score	74.7	79.0	4.3
Environment	55.0	59.7	4.7
Social	77.2	81.8	4.6
Governance	79.9	83.7	3.8

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
PAT	(11)	4

Previous Reports04-01-2026: [Q3FY26 NBFCs Preview](#)19-10-2025: [Q2FY26 results review](#)

Investments in branches and technology aiding robust AUM growth; 54% YTD growth so far in FY26

Poonawalla had strong AUM growth of 15% QoQ/ 77% YoY to cross >INR 550bn AUM mark with healthy momentum across all products. For Q3FY25, its new products share in overall disbursements was ~20% vs. 11% share in AUM. In terms of its AUM mix, contribution from LAP was highest at 27%, followed by instant customer loan at 18% and then mid-market at 17%. Secured share in the overall portfolio stood at 56% (flat QoQ) and unsecured share is at 44%.

The company has a multi-pronged strategy, wherein it has diversified its portfolio for >10 products along with a blend of secured as well as unsecured products. Given a couple of new product launches over the past one year, business momentum is likely to sustain for the next few quarters as well. We, therefore, are now building in ~45% AUM CAGR over FY25–28E. For FY26, so far, in 9M, its portfolio is up 54%.

Credit cost range-bound since three quarters; gross as well as net Stage-3 improve QoQ

Asset quality improved with 8bps QoQ decline in Gross Stage-3 to 1.51% and 1bp fall in net Stage-3 to 0.81%. Credit cost has been hovering in the range of 260–270bps over the past three quarters. Ahead, management believes that credit cost could hover in the range of 150–200bps. On the tech front, it has launched an AI-powered credit decisioning framework, which would combine artificial and human intelligence to automate the credit evaluation process. Overall, given the faster pace of growth for Poonawalla, we are building in higher credit cost (calculated) as a % of average AUM at 2.5%/ 2.3% for FY26E/FY27E.

Provision coverage across Stage-1/2/3 has been coming off since the past four consecutive quarters on account of a declining stress pool and write-offs. The company follows a write-off policy of 180 days overdue for unsecured assets. Going ahead, as the share of new products increases further in overall portfolio, credit cost could see further decline.

Opex to AUM surprises positively with 40bps QoQ moderation

Poonawalla has made significant investments in network, technology and management capabilities which has resulted in elevated operating expenses since the past few quarters as reflected in 67% YoY increase in 9MFY26 opex vs. 9MFY25 opex. However, this is also supplemented by robust AUM growth of 78% YoY for Q3FY26. As these investments yield results, Poonawalla expects moderation in opex to average AUM over the coming quarters. This has now started with 40bps QoQ moderation in opex to average AUM for Q3FY26, which was on account of improved productivity and efficiency. Moreover, as the share of direct channel inches up in overall sourcing mix, it will lead to further improvement in opex to AUM. Currently, Poonawalla has 320 gold branches that have been opened in FY26; hence, as these branches mature, it would also aid operating leverage. Overall, we believe, this could be a key determinant for Poonawalla in inching up its RoA further to >2%, from currently 1.2%.

Equity capital raise to support high loan growth aspiration

Poonawalla has taken an enabling resolution for raising equity capital to the extent of INR 55bn over the next 12 months. The fund raise should assuage any potential capital constraints to Poonawalla's vision towards growing in the range of 35–40% over the coming years. As of Q3FY26, Poonawalla had a CRAR of 18.17%.

Exhibit 1: Q3FY26 result review – income statement

Income Statement (INR mn)	Q3FY25	Q2FY26	Q3FY26	YoY %	QoQ %
Interest Income	9,991	14,022	16,597	66	18
Interest Expense	3,850	6,378	7,387	92	16
Net Interest Income	6,141	7,644	9,210	50	20
Non-interest income	579	1,401	1,588	174	13
Total Operating Income	6,720	9,045	10,798	61	19
Other Income	1	5	1	-57	-87
Net Total Income	6,722	9,050	10,798	61	19
Employee expenses	1,485	2,564	2,849	92	11
Non employee cost	1,507	2,920	2,992	99	2
Total operating expenses	2,991	5,484	5,841	95	7
Pre-provision operating profit	3,731	3,566	4,957	33	39
Credit cost	3,479	2,577	2,955	-15	15
Profit before tax	252	989	2,003	695	102
Tax	65	247	500	675	102
Profit after tax	187	742	1,503	702	103
EPS	0.24	0.95	1.86	675	96

Source: I-Sec research, Company data

Exhibit 2: Q3FY26 result review – balance sheet

Balance Sheet (INR mn)	Q3FY25	Q2FY26	Q3FY26	YoY %	QoQ %
Cash and Bank balance	1,140	1,260	3,060	168	143
Receivables	300	400	420	40	5
Loans	2,79,620	4,39,100	5,11,070	83	16
Investments	12,300	16,560	14,560	18	(12)
Other financial assets	1,990	3,450	4,060	104	18
Non financial assets	6,970	8,320	8,760	26	5
Total Assets	3,02,320	4,69,090	5,41,930	79	16
Share capital	1,550	1,610	1,620	5	1
Reserves and surplus	79,010	96,610	98,240	24	2
Net worth	80,560	98,220	99,860	24	2
Borrowings	2,13,380	3,57,170	4,24,980	99	19
Other liabilities	8,380	13,690	16,990	103	24
Total Liabilities	3,02,320	4,69,090	5,41,930	79	16

Source: Company data, I-Sec research

Exhibit 3: Q3FY26 result review – key financial metrics

Key ratios and metrics	Q3FY25	Q2FY26	Q3FY26	YoY %	QoQ %
AUM (INR mn)	3,09,840	4,77,010	5,50,170	78	15
RoA (%)	0.3	0.7	1.2	92 bps	50 bps
RoE (%)	0.9	3.3	6.1	513 bps	277 bps
Calc. credit cost (% of avg AUM)	4.7	2.3	2.3	-239 bps	-2 bps
CRAR (%)	25.9	20.9	18.2	-772 bps	-268 bps
Cost of borrowings (%)	8.1	7.7	7.7	-41 bps	-4 bps
Calculated NIM on loans (%)	9.3	7.5	7.8	-159 bps	27 bps
Asset quality	Q3FY25	Q2FY26	Q3FY26	YoY %	QoQ %
Gross Stage 3 (INR mn)	5,390	7,110	7,850	46	10
Net Stage 3 (INR mn)	2,330	3,580	4,100	76	15
Provisions (INR mn)	3,060	3,530	3,750	23	6
GS3 (%)	1.85	1.59	1.51	-34 bps	-9 bps
NS3 (%)	0.81	0.81	0.80	-1 bps	-1 bps
PCR (%)	57	50	48	-904 bps	-190 bps

Source: Company data, I-Sec research

Q3FY26 earnings conference call takeaways

Capital

- INR 55bn QIP to support future growth aspirations (12-month approval)
- Expects to grow at 35-40% over the next couple of years

Consumer business

- Over the past few quarters, new business has scaled meaningfully
- Prime PL launched in Aug'24 continues to gain strong traction
- PL prime had average INR 4.3bn disbursements per month in Q3
- **>70% of customers have bureau score of >750 for PL prime**
- **28% of PL prime customers were 100% digital without any human intervention**
- Consumer durables continue to scale efficiently
- During Oct'25, INR 1.18bn disbursed to 118k customers for consumer durable
- OEM partnerships are expanding at a very rapid pace
- CV - average monthly disbursements at INR 1bn, up 35% QoQ
- Operate across 55 locations in CV
- Education loans – 16k files across 325 consultants/partners and expect this network to cross 500 by March 2026

Commercial business

- Focus has been on people, distribution and infra (process, policy and products)
- 72% of commercial business AUM is secured in nature
- **As share of direct channel increases in overall mix, it will likely lead to further improvement in cost**
- **Enhancing product suite in medical equipment loans as well**
- Products
 - LAP
 - Business loans
 - Laos to professionals
 - Medical equipment loans
 - Shopkeeper loans
 - Mid-market finance

Asset quality

- **Sequential improvement in Stage2/3 over the past 3 quarters**
- **Expect credit cost to decline steadily across products in the coming years**
- Change in product mix is resulting in decline in PCR at the company level
- Current duration of entire loan book is 2.5-3 years
- **As share of new products increase, it will lead to improvement in credit cost**
- **Write-off policy**
 - Unsecured 180 DPD
 - Vehicle 365 DPD
 - LAP 730 DPD

Digital initiatives

- Deepening digital partner ecosystem
- Driving cost efficiencies through tech-led innovation
- Improved website performance through lesser load time
- Market stack now has AI across all channels
- Contextual and AI-led investments
- **Launching next generational conversational AI platform, which will resolve 80% of customer queries**

Opex

- **Opex to AUM at 4.41%, down 40bps QoQ due to improved productivity and efficiency**
- Every year, directionally, it should see moderation in opex to assets
- 5,264 employees, as of Q3FY25-end
- 320 branches, as of date, for gold loans
- **320 branches are largely gold loan dedicated, but it would not completely rule out cross-sell opportunities**

Q2FY26 earnings conference call takeaways

Asset quality

- Quarterly credit cost has remained rangebound at 2.67% vs. 2.61% QoQ
- 1.51% annualised credit cost for the 12 core products
- Unsecured loans – higher bias towards salaried segments
- Erstwhile STPL now at 2% of AUM vs. 4% QoQ
- Erstwhile STPL – 70% of book is nil DPD and book is adequately provided
- GNPA at 1.59% vs. 1.84% QoQ
- Stage-1 assets at 97.1% vs. 96.5% QoQ
- This reflects stronger asset quality and stable borrowing performance
- This is true representation of credit cost in quarters to come, as per management
- Management further added that both GNPA as well as Stage-1 assets is a significant turning point, if one has to look for future in terms of credit cost
- Stage-2 down 30bps QoQ to 1.3%
- Collection management is a key focus area for Poonawalla
- It has customer scorecard at every stage of the customer lifecycle
- Bounce rates have reduced 70% in new business and even CE has improved 40%

Distribution network

- **Key distribution channels for Poonawalla are**
 - 160 gold branches vs. 80 QoQ and on track for 400 branches (260 branches currently as of today)
 - Strengthening DSA network in LAP, BL, PL
 - Dealer points at 10k vs. 3k QoQ for consumer durable loans
 - 450 vs. 200 QoQ CV channel partners
 - 200+ education consultant vs. 100 QoQ
 - Tech driven marketing strategy to target new customer segment
- Strengthening brand via social campaigns
- 18-20% sourcing is via self-reliance and balance is via external network. Aim is to improve sourcing from self-reliance.

AUM

- Launched 6-7 business and it will pick-up in different magnitude
- Enhancing physical presence via gold loan branches
- **Active in 160 branches and another 20 to be launched shortly across Gujarat, Haryana, Rajasthan and Maharashtra**
- **On track to open 400 branches by FY26-end and 95% branches would be in Tier 2/3 markets**
- Customers have pre-approved offers that they can utilise as per their convenience
- Education loans - would connect with 500+ education consultants soon

Margins

- **NIM up 8bps QoQ at 8.4% vs. 8.32% QoQ**

CV business

- 450 channel partners as of Sep'25 for CV business
- Disbursed INR 0.3bn in new CV during the quarter
- CV business is live across all 12 states

Liabilities

- 36bps QoQ decline in borrowing cost
- As part of its long-term debt strategy, the company shall continue to focus on borrowing via NCD and diversify its borrowing mix
- INR 78bn raised via NCD in H1
- Share of NCD at ~27% and aiming at 30–35% share of NCD in borrowing mix

Digital marketing and AI initiatives

- The more operations and finance is automated, the more it leads to better governance
- Building market-driven growth engine, which is also a key area of focus
- It is working on 10 AI projects under different parts of business

Exhibit 4: New product characteristics

Products	AUM (₹ crore)	% of AUM	Ticket size range	Tenure range	Disb. yield range	Customer segment	Sourcing channel
 Prime Personal Loan	4,031	7.3%	₹1L – ₹75L	12 – 84M	13-16%	Salaried customers of top corporates	Omni-channel - Physical + Digital distribution
 Gold Loan	658	1.2%	₹25K – ₹100L	<=12M	12-21%	Tier II/ III households	Dedicated Gold Loan Branches
 Education Loan	618	1.1%	₹1L – ₹3cr	<=15Y	10.5-13%	Domestic students for international UG and PG courses	Consultant Partnerships
 Consumer Durable Loan	316	0.6%	₹5K – ₹5L	3 – 24M	Up to 26%	Tier II/ III households (white goods)	Retailers partnership
 Commercial Vehicle Loan	609	1.1%	₹75K - ₹1cr	12 – 60M	10-21%	Small fleet operators in Tier II/ III cities; focused on used CVs	Channel partners/ Direct/ Digital on-boarding
 Shopkeeper Loan	1	0.0%	₹1L – ₹15L	6 – 48M	18-22%	Self Employed, MSME Customers	Direct channel

Note: All values are as of Dec 31, 2025

Source: Company data, I-Sec research

Exhibit 5: Existing product characteristics

Products	AUM (₹ crore)	% of AUM	Ticket size range	Tenure range	Disb. yield range	Customer segment	Sourcing channel
 Instant Consumer Loan	9,805	17.8%	₹50K – ₹5L	6- 36M	24-29%	Salaried & Self-employed customers	Digital partnership/ Organic led
 Loan against Property	15,077	27.4%	₹51L - ₹25cr	3 – 15Y	9.75-12%	Self-employed, MSMEs	DSA led, Direct
 Pre-owned Car Loan	5,350	9.7%	₹2L - ₹75L	12 – 72M	14-16%	Primarily repurchase customers	Dealers/ DSA led
 Business Loan	7,233	13.1%	₹5L - ₹1cr	6 – 60M	18-22%	Self-employed, MSMEs	Primarily DSA led
 Mid-market*	9,406	17.1%	₹20cr - ₹50cr	upto 36M	10-12%	Well rated Corporates and NBFCs	Direct and other lending relationships
 Machinery & Medical Equip. Loan	663	1.2%	₹2L - ₹10cr	12 – 84M	9.5 – 14%	SMEs	DSA, OEMs
 Professional Loan	762	1.4%	₹5L – ₹75L	12 – 60M	12- 14%	Doctors and CAs	Digital partnership and DSA Led

Note: All values are as of Dec 31, 2025. (488cr. AUM is discontinued book)

*Mid Market includes Supply Chain Finance and NBFC loan. Mid Market AUM has increased from ~1% in Q4FY25 to 7% in Q3FY26, whereas NBFC AUM has come down to 9% in Q3FY26 from 13% in Q4FY25 and SCF AUM has come down to 1% in Q3FY26 from 3% in Q4FY25

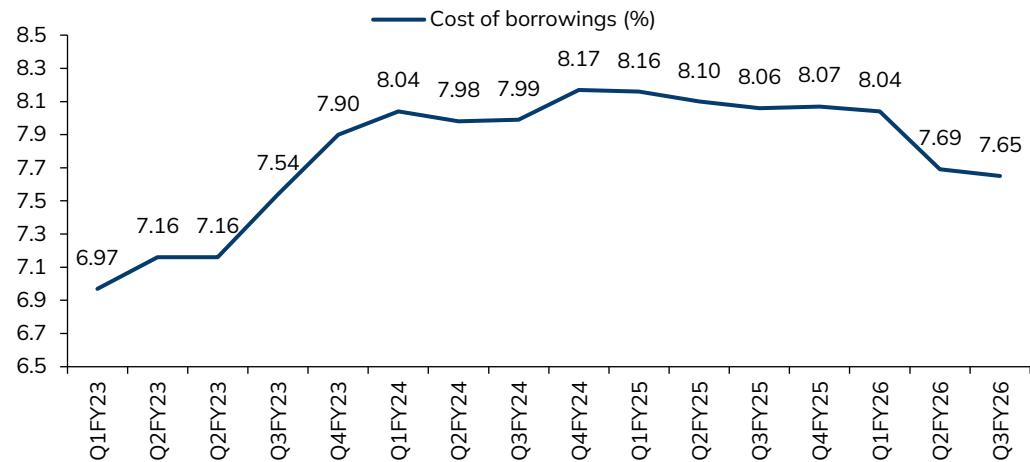
Source: Company data, I-Sec research

Exhibit 6: Seasoned and well experienced management team

 <p>Arvind Kapil MD & CEO</p> <p>27+ yrs</p> <ul style="list-style-type: none"> The Managing Director has over 27 years of experience, including more than 25 years at HDFC Bank, where he last served as Senior Group Head. He played a key leadership role in the landmark merger of HDFC Ltd with HDFC Bank, the largest and most complex housing finance merger in India's financial services history. He headed retail lending for over a decade, delivering scalable growth while maintaining industry-leading asset quality. Known for his prudent risk management, deep distribution expertise, and innovation-led execution, he pioneered instant "10-second" loan approvals. Having reported directly to Mr. Aditya Puri for nearly a decade, he brings with him a strong legacy of governance, customer-centricity, and long-term value creation, positioning the company for sustainable, technology-driven, growth and superior capital efficiency. <p>Education AMP-Harvard Business School, Masters – IIM-B</p>									
 <p>Sunil Samdani ED</p> <p>23+ yrs</p> <ul style="list-style-type: none"> Drove Bandhan Bank's formation, IPO, and the landmark acquisition of GRUHH Finance. 	 <p>Sanjay Miranka CFO</p> <p>30+ yrs</p> <ul style="list-style-type: none"> Served as CFO of Aditya Birla Finance for nearly 6 years. Managed Capital Market Lending and held multiple leadership roles during the tenure. 	 <p>Shriram Iyer Chief Credit & Analytics Officer</p> <p>30+ yrs</p> <ul style="list-style-type: none"> Three decades of leadership in consumer lending. Previously held senior risk and credit roles at HDFC Bank, and Citicorp. 	 <p>Vikas Pandey CEO- Consumer Business</p> <p>33+ yrs</p> <ul style="list-style-type: none"> Spent 22 years at HDFC Bank, last serving as Business Head for Auto Loans. Led major retail lending and liability businesses at HDFC. 	 <p>Veeraraghavan Iyer CEO- Commercial Business</p> <p>25+ yrs</p> <ul style="list-style-type: none"> Served as CEO of HDFC Sales Pvt. Ltd. Drove SME and Mortgage business with over two decades of experience. 	 <p>Harsh Kumar CHRO & Head AI</p> <p>26+ yrs</p> <ul style="list-style-type: none"> Previously served as CHRO at CSB Bank. Held senior HR and management roles at HDFC Bank. 	 <p>Bhaskar Pandey Chief Risk Officer</p> <p>24+ yrs</p> <ul style="list-style-type: none"> Spent 21 years in various senior credit and risk roles at HDFC Bank. Deep experience in managing credit policy for leading banks / NBFCs. 	 <p>Bholananda Behera Chief Compliance Officer</p> <p>27+ yrs</p> <ul style="list-style-type: none"> 27 years of leadership in banking, with deep expertise in regulatory compliance and credit risk. 	 <p>Nitin Sane Chief Internal Auditor</p> <p>25+ yrs</p> <ul style="list-style-type: none"> Held senior audit and banking roles at HDFC Bank, Citibank, and Axis Bank. Joined from De Lage Landen-Rabobank Group. 	 <p>Salil Hajarnis CTO</p> <p>30+ yrs</p> <ul style="list-style-type: none"> Headed India technology operations and key AI initiatives at Fiserv. Led digital transformation programs while at Capgemini.
<p>Education CA-ICAI, Executive Development Program - ISB</p>	<p>Education CA-ICAI, CS - ICSI</p>	<p>Education Masters – Pune University, MDP – IIM A, Senior Exec. Program – LBS</p>	<p>Education Executive Program – Haas School, Masters – IIM Mumbai</p>	<p>Education Executive Program – TAPMI Manipal, Bachelors – Madras University</p>	<p>Education Masters – TAPMI Manipal, Bachelors – Madras University</p>	<p>Education Masters – IIM Pune, Leadership program – IIM-A</p>	<p>Education Masters – HRM Pondicherry, Bachelors – OUAT Bhubaneshwar</p>	<p>Education Masters – University of Leicester, PG Diploma – SIBM Pune</p>	<p>Education PG Diploma – Pune University, Bachelors – Pune University</p>

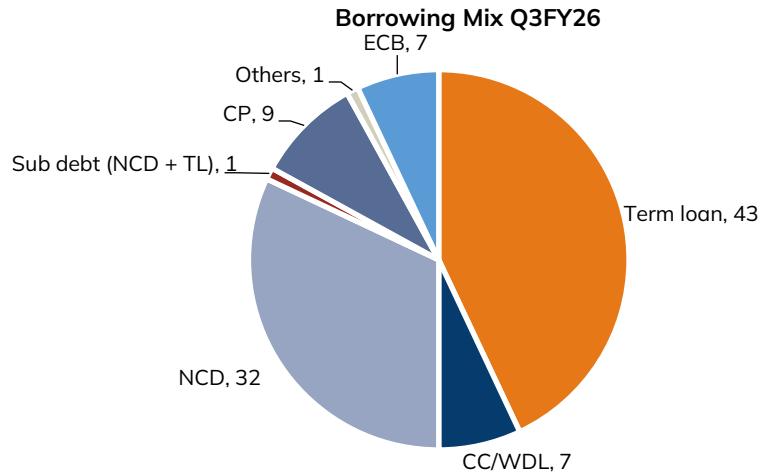
Source: Company data, I-Sec research

Exhibit 7: Cost of borrowings sees a steep decline QoQ, owing to recent RBI repo rate cut



Source: Company data, I-Sec research

Exhibit 8: Well-diversified borrowing base with share of NCDs rising



Source: Company data, I-Sec research

Exhibit 9: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	62.5	64.0	64.0
Institutional investors	23.2	22.9	21.9
MFs and others	5.1	6.0	6.2
FIs/Banks	1.0	1.0	0.1
Insurance	6.2	5.2	5.0
FII	10.9	10.7	10.6
Others	14.3	13.1	14.1

Source: Bloomberg

Exhibit 10: Price chart



Source: Bloomberg

Financial Summary

Exhibit 11: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Interest Income	38,745	59,324	87,196	1,19,116
Net gain on fair value changes	924	1,201	1,562	2,030
Interest Expenses	(15,151)	(27,772)	(39,657)	(55,013)
Net Interest Income (NII)	23,594	31,552	47,539	64,103
Other Income	331	430	559	727
Total Income (net of interest expenses)	11,789	8,339	13,809	16,795
Employee benefit expenses	(6,362)	(9,383)	(11,259)	(14,074)
Depreciation and amortization	(651)	(911)	(1,003)	(1,203)
Other operating expenses	(5,755)	(8,633)	(9,928)	(11,913)
Total Operating Expense	(12,769)	(18,927)	(22,189)	(27,190)
Pre Provisioning Profits (PPoP)	14,172	17,184	31,277	44,618
Provisions and write offs	(15,526)	(10,952)	(13,031)	(19,415)
Profit before tax (PBT)	(1,354)	6,232	18,246	25,203
Total tax expenses	371	(1,558)	(4,561)	(6,301)
Profit after tax (PAT)	(983)	4,674	13,684	18,902

Source Company data, I-Sec research

Exhibit 12: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Share capital	1,546	1,612	1,612	1,612
Reserves & surplus	80,201	99,809	1,13,493	1,32,396
Shareholders' funds	81,747	1,01,421	1,15,105	1,34,008
Borrowings	2,60,812	4,66,204	6,62,737	9,44,980
Provisions & Other Liabilities	7,740	-	-	-
Total Liabilities and Stakeholder's Equity	3,50,299	5,67,625	7,77,843	10,78,988
Cash and balance with RBI	323	969	2,906	8,718
Fixed assets	2,542	2,923	3,361	3,865
Loans	3,26,950	5,41,904	7,54,146	10,43,068
Investments	13,416	16,955	21,426	27,077
Other Assets	7,069	4,875	(3,997)	(3,742)
Total Assets	3,50,299	5,67,625	7,77,843	10,78,988

Source Company data, I-Sec research

Exhibit 13: Key Ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E		FY25A	FY26E	FY27E	FY28E
AUM and Disbursements (INR mn)									
AUM	3,56,310	5,81,315	7,96,577	10,83,715			1.8	2.4	2.9
On-book Loans	3,26,950	5,41,904	7,54,146	10,43,068		0.9	1.1	1.3	1.5
Off-book Loans	29,360	39,411	42,430	40,647		6,190	13,414	22,515	37,503
Disbursements	3,99,468	5,59,255	7,60,587	10,34,398		2,820	5,973	9,801	15,950
Repayments	2,93,188	3,34,251	5,45,325	7,47,260		53.1	53.9	54.7	55.6
Growth (%):									
Total AUM (%)	42.5	63.1	37.0	36.0			512	234	189
Disbursements (%)	20.0	40.0	36.0	36.0			567	252	201
Repayments (%)	20.0	14.0	63.1	37.0					216
Loan book (on balance sheet) (%)	48.3	65.7	39.2	38.3					
Total Assets (%)	45.4	62.0	37.0	38.7					
Net Interest Income (NII) (%)	21.0	33.7	50.7	34.8					
Non-interest income (%)	76.7	38.6	30.0	30.0					
Total Income (net of interest expenses) (%)	(5.4)	(29.3)	65.6	21.6					
Operating Expenses (%)	58.2	48.2	17.2	22.5					
Employee Cost (%)	43.2	47.5	20.0	25.0					
Non-Employee Cost (%)	89.5	50.0	15.0	20.0					
Pre provisioning operating profits (PPoP) (%)	2.0	21.3	82.0	42.7					
Provisions (%)	2,055.8	(29.5)	19.0	49.0					
PBT (%)	(110.3)	(560.3)	192.8	38.1					
PAT (%)	(111.8)	(575.3)	192.8	38.1					
EPS (%)	(111.7)	(555.7)	192.8	38.1					
Yields, interest costs and spreads (%)									
NIM on loan assets (%)	7.2	5.8	6.3	6.1					
NIM on IEA (%)	7.7	6.7	6.9	6.8					
NIM on AUM (%)	7.8	6.7	6.9	6.8					
Yield on loan assets (%)	11.9	10.9	11.6	11.4					
Yield on IEA (%)	12.7	12.6	12.6	12.6					
Yield on AUM (%)	12.8	12.7	12.7	12.7					
Cost of borrowings (%)	7.3	7.6	7.0	6.8					
Interest Spreads (%)	4.5	3.3	4.5	4.6					
Operating efficiencies									
Non interest income as % of total income	0.9	0.9	0.9	0.9					
Cost to income ratio	47.4	52.4	41.5	37.9					
Op.costs/avg assets (%)	4.3	4.1	3.3	2.9					
Op.costs/avg AUM (%)	4.2	4.0	3.2	2.9					
Salaries as % of non-interest costs (%)	49.8	49.6	50.7	51.8					
AUM/ branch (INR mn)	3,239.2	1,139.8	875.4	1,073.0					
Capital Structure									
Average gearing ratio (x)	3.2	4.6	5.8	7.1					
Leverage (x)	4.4	5.7	6.9	8.1					
CAR (%)	24.3	21.2	18.4	16.5					
Tier 1 CAR (%)	22.5	19.3	16.5	14.5					
Tier 2 CAR (%)	1.8	2.0	1.9	2.0					

Source Company data, I-Sec research

	FY25A	FY26E	FY27E	FY28E
Asset quality and provisioning				
GNPA (%)	1.8	2.4	2.9	3.4
NNPA (%)	0.9	1.1	1.3	1.5
GNPA (INR mn)	6,190	13,414	22,515	37,503
NNPA (INR mn)	2,820	5,973	9,801	15,950
Coverage ratio (%)	53.1	53.9	54.7	55.6
Credit Costs as a % of avg AUM (bps)	512	234	189	207
Credit Costs as a % of avg on book loans (bps)	567	252	201	216
Return ratios				
RoAA (%)	(0.3)	1.0	2.0	2.0
RoAE (%)	(1.2)	5.1	12.6	15.2
ROAAUM (%)	(0.3)	1.0	2.0	2.0
Dividend Payout ratio (%)	-	-	-	-
Valuation Ratios				
No of shares	773	806	806	806
No of shares (fully diluted)	773	806	806	806
EPS (INR)	(1.3)	5.8	17.0	23.4
EPS fully diluted (INR)	(1.3)	5.8	17.0	23.4
Price to Earnings (x)	(364.6)	80.0	27.3	19.8
Price to Earnings (fully diluted) (x)	(364.6)	80.0	27.3	19.8
Book Value (fully diluted)	106	126	143	166
Adjusted book value	102	118	131	146
Price to Book	4.4	3.7	3.2	2.8
Price to Adjusted Book	4.5	3.9	3.6	3.2
DPS (INR)	-	-	-	-
Dividend yield (%)	-	-	-	-

Source Company data, I-Sec research

Exhibit 14: Key Metrics

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
DuPont Analysis				
Average Assets (INR mn)	2,95,584	4,58,962	6,72,734	9,28,415
Average Loans (INR mn)	2,73,707	4,34,427	6,48,025	8,98,607
Average Equity (INR mn)	81,709	91,584	1,08,263	1,24,556
Interest earned (%)	13.1	12.9	13.0	12.8
Net gain on fair value changes (%)	0.3	0.3	0.2	0.2
Interest expended (%)	5.1	6.1	5.9	5.9
Gross Interest Spread (%)	8.0	6.9	7.1	6.9
Credit cost (%)	5.3	2.4	1.9	2.1
Net Interest Spread (%)	2.7	4.5	5.1	4.8
Operating cost (%)	4.3	4.1	3.3	2.9
Lending spread (%)	(1.6)	0.4	1.8	1.9
Non interest income (%)	0.8	0.7	0.6	0.6
Operating Spread (%)	(0.8)	1.1	2.5	2.5
Tax rate (%)	27.4	25.0	25.0	25.0
ROAA (%)	(0.3)	1.0	2.0	2.0
Effective leverage (AA/ AE)	3.6	5.0	6.2	7.5
RoAE (%)	(1.2)	5.1	12.6	15.2

Source Company data, I-Sec research

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