Spandana Sphoorty Financial Limited

Recommendation: SUBSCRIBE

Incorporated on March 10, 2003, Spandana Sphoorty Financial Limited ("Spandana") is a leading, Rural Focused NBFC-MFI with a geographically diversified presence in India offering income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas. As of March 31, 2019, they were the 4th largest NBFC-MFI and the 6th largest amongst NBFC-MFIs and Small Finance Banks ("SFBs") in India, in terms of AUM.

Issue Snapshot	
Issue Open:	5-Aug-19
Issue Close:	7-Aug-19
Price Band (INR)	853 - 856
Issue Size (INR mn)	11981 - 12009
Market Cap Pre / Post (INR mn) at upper band	51,046 - 55,046

Particulars	
Fresh Issue (No. of shares) (mn)	4.69 - 4.67
OFS Issue Size (No. of shares) (mn)	9.36
QIBs	50%
Non-institutional	15%
Retail	35%

Capital Structure	
Pre Issue Equity (INR Mn)	59.63
Post Issue Equity (INR Mn)	64.31
Bid Lot	17
Minimum Bid Amount @ INR 853	14501
Minimum Bid Amount @ INR 856	14552

Shareholding Pattern (%)	Pre Issue (%)	Post issue (%)
Promoters	81.22%	62.58%
Others	18.78%	37.42%

Particulars	
Face value	10
FY19 P/E *	17.6
FY19 P/BV *	2.4

**Valuation at Upper band post dilution*

Objects of the issue

Offer For Sale (OFS) (INR Mn)	8,009
Fresh Issue (INR Mn)	4,000

The Net Proceeds of the Fresh Issue are proposed to be utilised for augmenting our capital base and general corporate purposes.

Investment Rationale

Seasoned business model with resilient performance through business cycles

Spandana has been able to leverage the inherent strength of their client centric business model, focus on internal controls, the expertise of their Individual Promoter and core management team to maintain their status as a leading NBFC-MFI. Company's response to the 2010 AP crisis demonstrated the strength of their decision making, planning and execution. In the aftermath of the 2010 AP crisis, even while they were under CDR, Spandana continued operations outside Andhra Pradesh in various states. In this period, they focused on rebuilding profitable operations through portfolio diversification, cost rationalization, customer retention, and recovery from their Andhra Pradesh portfolio. These measures helped Spandana to raise new debt from existing lenders and gain capital infusion from Kangchenjunga, their Corporate Promoter and Kedaara AIF - 1, which allowed them to exit from CDR in March 2017. According to ICRA Research, Spandana is one of the only 2 major MFIs to successfully exit from CDR post AP crisis.

High degree of client engagement and robust risk management, leading to superior asset quality and collections

Spandana focuses on a high degree of client engagement through their large employee base and operating procedures. Their client engagement practices include village/block level centre meetings and client training. Prior to lending to a client, they impart training over 3 days on loan terms, utilization and repayment, insurance and client support services. They also conduct center meetings where clients interact with their staff at regular intervals (typically based on their installment payments frequency).

Streamlined systems and processes and high employee productivity

Company's business processes are designed for scale and efficiency and they constantly review and endeavor to strengthen them as the scale of their operations increase. Their operational efficiency is also driven by streamlined systems and procedures and scalable workforce deployment. At the branch level, they have implemented standardized systems and a front-end interface that gives them real time information on demand and collections. The systems follow an accounting module with budget controls built and approval authorities clearly earmarked. As a result, according to ICRA Research, Spandana had the lowest operating expenses/ AMA ratio amongst major NBFC-MFIs and SFBs for Fiscal 2019.

Outlook & Valuation

Spandana Sphoorty is a rural focused MFI with a diversified geographical presence in India. As on FY19, it makes an ROA of ~13% largely due to lower leverage of ~2.3x, reversal of tax (benefit to be received till FY20) and comparatively lower cost structure as compared to the peers (C/I ratio ~21% as against ~35% industry average). We believe higher yields are not sustainable as RBI does not permit lending rate to exceed more than 10% above the cost of funds on the balance sheet. However, we believe strong AUM growth of ~35% (~52% CAGR for last 3 years) and increasing leverage to keep ROA /ROEs ~6.5% / 24% in the medium term. At the upper price band of INR 856, the stock is valued at 2.4x P/BV as on FY19 and 11.6x FY19 P/E post dilution basis. We believe the risk/reward ratio is encouraging and recommend **SUBSCRIBE** to the issue with a long-term perspective

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Business Overview

Spandana Sphoorty Financial Limited ("Spandana") is a leading, Rural Focused NBFC-MFI with a geographically diversified presence in India. Spandana offers income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas. As of March 31, 2019, they were the 4th largest NBFC-MFI and the 6th largest amongst NBFC-MFIs and Small Finance Banks ("SFBs") in India, in terms of AUM (Source: ICRA Research). Further, according to ICRA Research, their operating expense to average managed assets ("AMA") ratio was better than the industry as a whole for Fiscal 2019.

Through their extensive corporate history, Spandana has developed an in-depth understanding of the borrowing requirements of the low-income client segment. Their business model involves regular client meeting processes through their employees, who maintain contact with the clients across the districts that they cover. As of June 30, 2019, Spandana had 7,062 employees (including 5,051 credit assistants) operating out of 929 branches in 269 districts across 16 states and 1 union territory in India. Through their loan products and client-centric approach, Spandana endeavor to strengthen the socio-economic well-being of low-income households by providing financing on a sustainable basis in order to improve livelihoods, establish identity and enhance self-esteem.

In October 2010, the MFI industry (including Spandana) was severely impacted due to external regulatory action, as the government of the formerly unified Andhra Pradesh promulgated the AP Microfinance Ordinance 2010, which enforced several restrictions on the operations of MFIs. This severely impacted Spandana's collections and the consequent cash-flow shortage impacted their ability to service their debt, which in turn impaired their growth and profitability. Their lenders referred Spandana to the Corporate Debt Restructuring ("CDR") mechanism of the RBI to develop a plan to restructure the borrowings and revive the business. Spandana agreed on a CDR plan with their lenders, which allowed them to get cash-flow relaxations to enable them to continue their efforts towards portfolio diversification, process improvement and cost rationalization. These measures helped them turn their operations profitable from the year ended March 31, 2014.

Further during the time that Spandana were under CDR, they deployed efforts to recover dues in AP, such as continuing to keep their branches open and continuing to engage with borrowers. Their operations turned profitable in the year ended March 31, 2014 and they went on to make profits for 4 consecutive years while operating under the CDR mechanism. The restated consolidated profit for the period (under Ind AS) for Fiscals 2018 and 2019 was Rs.187.95 crore and Rs.311.90 crore. As a result of their collections from the old AP portfolio and the profits generated from the operations in other states, Spandana was able to restructure their outstanding debt as well as raise refinancing debt from the existing CDR lenders. Spandana also received capital infusion from Kangchenjunga, their Corporate Promoter, and Kedaara AIF - 1, which enabled them to exit from CDR mechanism successfully in March 2017 with approvals from the RBI and their lenders. ICRA Research notes that they were one of only 2 major companies that were able to successfully exit from CDR.

Post their exit from CDR in March 2017, Spandana has increased their lender base, diversified their borrowings to new banks and NBFCs and also issued NCDs in the capital markets (leading to a reduction in Average Effective Cost of Borrowing to 16.31% for Fiscal 2017 from 14.74% for Fiscal 2018 and further to 12.84% for Fiscal 2019). As a result, during Fiscal 2018, with increasing flow of capital, Spandana expanded their operations and were able to effectively utilize the existing branch network and employees.

Prior to their exit from CDR in 2017, Spandana had limited access to capital, due to which they were able to offer loans in lower ticket sizes than the demand from the clients. According to ICRA Research, Spandana had the lowest portfolio per branch amongst peer comparison of major NBFC-MFIs and SFBs, as of March 31, 2017. Post exit from CDR, they were able to optimize the ticket sizes and also acquire new clients at existing and new branches. This helped them grow their AUM in Fiscal 2018 at one of the highest rates (143.8%) among large NBFC-MFIs in India (Source: ICRA Research). Over Fiscals 2018 and 2019, their Disbursements increased by 87.34% and 28.82% (from Rs.2,059.17 crore as of March 31, 2017 to Rs.3,857.65 crore as of March 31, 2018 and to Rs.4,969.28 crore as of March 31, 2019) and the Consolidated Gross AUM grew from Rs.3,166.79 crore as of March 31, 2018 and to Rs.4,437.28 crore as of March 31, 2019.

Investment Rationale

Seasoned business model with resilient performance through business cycles

Spandana has been able to leverage the inherent strength of their client centric business model, focus on internal controls, the expertise of their Individual Promoter and core management team to maintain their status as a leading NBFC-MFI. Company's response to the 2010 AP crisis demonstrated the strength of their decision making, planning and execution. In the aftermath of the 2010 AP crisis, even while they were under CDR, Spandana continued operations outside Andhra Pradesh in various states. In this period, they focused on rebuilding profitable operations through portfolio diversification, cost rationalization, customer retention, and recovery from their Andhra Pradesh portfolio. These measures helped Spandana to raise new debt from existing lenders and gain capital infusion from Kangchenjunga, their Corporate Promoter and Kedaara AIF - 1, which allowed them to exit from CDR in March 2017. According to ICRA Research, Spandana is one of the only 2 major MFIs to successfully exit from CDR post AP crisis.

Further, in November 2016, the aftermath of demonetization, inadequate currency supply, political interference in some states and disruption in borrower cash flows led to a sharp dip in the collection efficiencies of MFIs (from over 98% prior to demonetization to approximately 75-80% in November and December 2016). During the months following the demonetization notification, Spandana adopted practices that allowed borrowers to repay a portion of their installments and also supported them with interim loans. Their Collection Efficiency for Fiscals 2018 and 2019 were 99.25% and 99.74% on a consolidated basis, respectively. ICRA Research notes that company's performance (in terms of reductions in 30 dpd delinquencies and 90 dpd delinquencies) and asset quality was superior to the industry after demonetization, as a result of their rural focus, lower share of portfolio in the most affected districts and their geographically diversified portfolio. Further, according to ICRA Research, company's credit costs post demonetization was superior than the industry average.

High degree of client engagement and robust risk management, leading to superior asset quality and collections

Spandana focuses on a high degree of client engagement through their large employee base and operating procedures. Their client engagement practices include village/block level centre meetings and client training. Prior to lending to a client, they impart training over 3 days on loan terms, utilization and repayment, insurance and client support services. They also conduct center meetings where clients interact with their staff at regular intervals (typically based on their installment payments frequency).

Further, their risk management norms are designed keeping in mind the various kinds of risks to their business. Spandana make changes to these norms from time to time in response to business environment to ensure a responsive risk management strategy. Many risk control measures are embedded in the business process. They follow a set of eligibility criteria for clients, which are aimed at minimizing credit risk. Every prospective client prior to disbursement is also assessed for their credit history with other lenders reporting into the credit bureau. ICRA Research notes that the vintage of their portfolio is better than the industry, with over 25% of the portfolio in the 4th cycle compared to 11% for the industry as of December 2018.

The table shows the key portfolio indicators:

Particulars	FY19 (Consol)	FY18 (Consol)	FY17 SA
Collection Efficiency	99.74%	99.25%	97.13%
Stage III PAR 90+ (excl. the old AP Portfolio) Ratio (%)	0.10%	2.27%	6.86%
Stage III PAR 90+ Net (excl. the old AP Portfolio)	0.61	11.75	8.72
Stage III PAR 90+ Net (excl. the old AP Portfolio) Ratio (%)	0.01%	0.38%	0.71%
Stage I, II and III PAR 0+(excl. the old AP Portfolio and std Portfolio)	38.28	74.37	139.08

Streamlined systems and processes and high employee productivity

Company's business processes are designed for scale and efficiency and they constantly review and endeavor to strengthen them as the scale of their operations increase. Their operational efficiency is also driven by streamlined systems and procedures and scalable workforce deployment. At the branch level, they have implemented standardized systems and a front-end interface that gives them real time information on demand and collections. The systems follow an accounting module with budget controls built and approval authorities clearly earmarked. As a result, according to ICRA Research, Spandana had the lowest operating expenses/ AMA ratio amongst major NBFC-MFIs and SFBs for Fiscal 2019.

Focus on the high potential and under-served rural segment

According to ICRA Research, while rural India accounts for approximately 68% of India's population as of March 2018, it accounted for only 34% of total deposit accounts and 23% of the loan accounts in scheduled commercial banks. ICRA Research notes that the significant under penetration of credit in Rural Areas offers strong potential for improvement and that given the relatively deeper reach, existing client relationships and employee base, micro-finance institutions are well placed to address this demand, which is currently being met by informal sources such as local money lenders. Accordingly, with Spandana's focus on the rural segment as of December 31, 2018, 88% of their portfolio was located in Rural Areas, as compared with 61% for 33 NBFC-MFIs as a whole. As a consequence, the proportion of their portfolio in agriculture and allied activities is higher for them as compared with the industry. *(Source: ICRA Research)*. Further, loans given to their clients for agriculture and allied activities can be classified as "Direct Agri" by banks pursuant to the RBI's priority sector lending guidelines, which provides Spandana with the opportunity to assign this portfolio to banks that need to meet their target on Direct Agri loans. As of March 31, 2019, 94.6% of their portfolio was located in Rural Areas.

Geographically diversified operations leading to risk containment and business resilience

As of June 30, 2019, Spandana cover more than 74,749 villages in 269 districts in 16 states and 1 union territory across India through 929 branches. Their operations are well-diversified at the branch, district and state levels. To address geographic concentration risk, Spandana has specified exposure caps at the state, district and branch levels. With the adopted norm, their operations are geographically well-diversified with no single state contributing more than 20.01% to the AUM, no district contributing more than 1.82% to the AUM and no branch more than 0.3% to the AUM as of March 31, 2019. Further, according to ICRA Research, Spandana had the 2nd lowest GLP per branch amongst peer comparison of certain NBFC-MFIs and SFBs, as of March 31, 2018 and lowest GLP per branch amongst peer comparison of certain NBFC-MFIs and SFBs in March 31, 2019. Further, as per their risk containment norms, disbursements for any single state must be less than 22.5% of their total disbursements.

Significant industry experience of the Promoter and management team

The long-standing industry experience of the Individual Promoter and the management team provides Spandana with an understanding of the needs and behavior of the clients particularly in Rural Areas, the nuances of lending to these clients and issues specific to the microfinance industry in India. This expertise gives them a competitive advantage in this industry and has helped them in maintaining their resilience through industry cycles.

Padmaja Gangireddy, the Individual Promoter and Managing Director, has over 24 years' experience in social development and microfinance sector. She also founded Spandana Rural and Urban development Organisation ("SRUDO") in 1998 and promoted this company ("Spandana") in 2003. Further, at the field level, Spandana has a high retention rate of employees at the middle to senior management level. The average experience of their assistant vice-presidents, division managers and cluster managers was 7.6 years, 5.6 years and 6.4 years, respectively, as of March 31, 2019.

KEY FINANCIAL AND OPERATIONAL METRICS

Financial and Operational Metrics and Ratios

Particulars (INR mn)	FY17	FY18	FY19
Gross AUM (including the old AP Portfolio)	20,991	39,601	47,958
Gross AUM (excl. the old AP Portfolio)	13,015	31,668	44,373
Gross AUM Growth (%)	7%	143%	40%
Annual Average Gross AUM	12,602	22,342	38,020
Disbursements	20,592	38,577	49,693
Disbursement Growth (%)	15%	87%	29%
Total Active Loan Accounts (No. in mn)	1.1	1.9	3.0
Revenue from Operations	3,771	5,873	10,431
Other Income	16	2	54
Borrowers (No. in mn)	1.1	1.6	2.5
Total Income	3,787	5,875	10,485
Finance Costs	1,494	2,318	3,579
Net Interest Income	2,211	3,357	6,233
NIMs	17.5%	15.0%	16.4%
Total Expenses	3435.7	3048.3	5750.6
Operating Expenses	957.9	1084.5	1718.9
Opex / AUM (%)	7.6%	4.9%	4.5%
Cost to Income Ratio	41.8%	30.5%	24.9%
Profit before tax	455.9	2827.0	4734.7
Profit for the period	4434.1	1879.5	3119.0
Stage I, II & III PAR 0+ (excl. the old AP Portfolio and standard Portfolio)	1390.8	743.7	382.8
Stage I, II & III PAR 0+ Net (excl. the old AP Portfolio & standard Portfolio)	394.8	140.3	272.1
Stage III PAR 90+ (excluding the old AP Portfolio)	892.6	719.4	43.1
Stage III PAR 90+ (excluding the old AP Portfolio) Ratio (%)	6.9%	2.3%	0.1%
Stage III PAR 90+ Net (excluding the old AP Portfolio)	8.7	11.8	0.6
Stage III PAR 90+ Net (excluding the old AP Portfolio) Ratio (%)	0.7%	0.4%	0.0%
Collection Efficiency	97.1%	99.3%	99.7%
Return on Annual Average Gross AUM Portfolio	35.2%	8.4%	8.2%
Return on Annual Average Net Worth	79.8%	16.2%	19.0%
Net Worth	9,276	13,906	18,894
Net Asset value per equity share	316.8	467.3	326.0

Yield and Cost of funds

Particulars	FY17	FY18	FY19
Annual Average Yield on Gross AUM (%)	29.4%	25.4%	26.0%
Quarterly Average Yield on Disbursement (%)	25.8%	25.1%	24.3%
Annual Average Cost of Borrowings (%)	16.1%	14.2%	13.5%

Productivity Ratio

Particulars	FY17	FY18	FY19
Number of branches	526	694	925
Number of employees	3,044	4,045	6,656
Number of loan officers	1,984	2,746	4,674
Number of active loan accounts	1,143,414	1,934,180	2,969,500
Gross AUM per branch	2.47	4.56	4.8
Gross AUM per employee	0.45	0.91	1.26
Gross AUM per active loan account	11,417	16,408	14,943
Disbursement per branch	3.9	5.6	5.4
Disbursement per employee	0.7	1.1	0.9
Disbursement per loan officer	1.1	1.8	1.4
Average ticket size	21,025	22,826	26,279

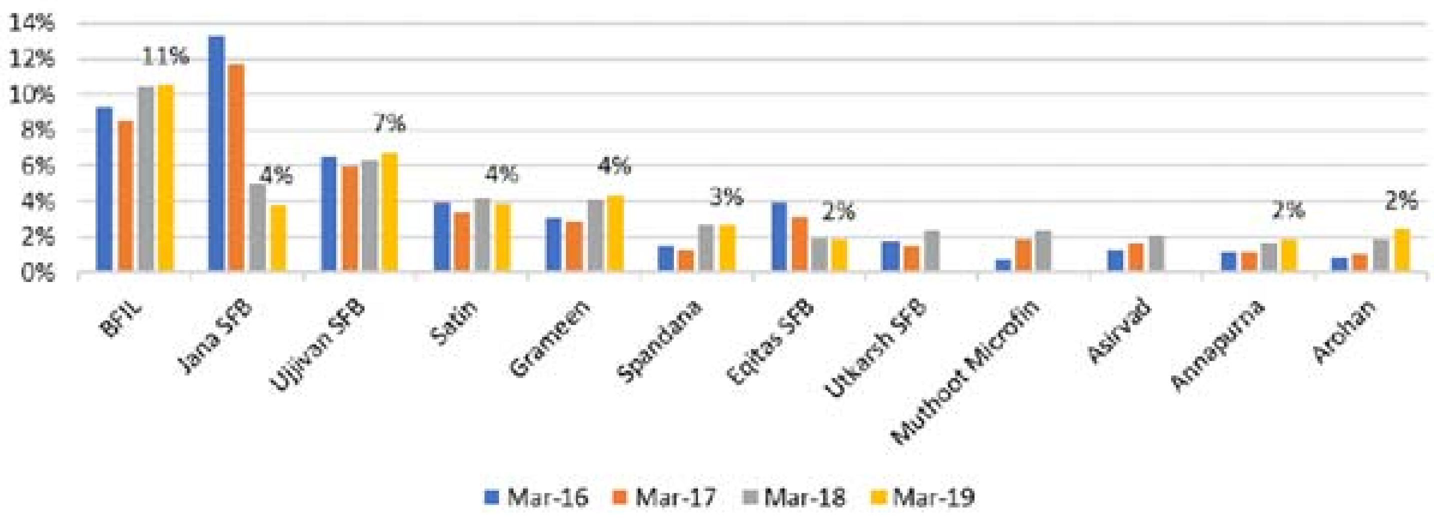
State wise Loans in terms of No. of Accounts and Gross AUM

	% to No. of loan accounts			% to Gross AUM		
	FY17	FY18	FY19	FY17	FY18	FY19
Karnataka	18.2%	21%	17%	18%	22%	13%
MP	22.1%	21%	19%	22%	19%	20%
Orissa	22.6%	20%	19%	21%	22%	20%
Maharashtra	12.6%	13%	13%	13%	14%	11%
Chhattisgarh	8.7%	8%	8%	9%	7%	9%
AP	3.6%	5%	6%	3%	4%	7%
Jharkhand	5.1%	5%	5%	4%	4%	4%
Gujarat	2.8%	3%	3%	3%	3%	3%
Kerala	2.8%	2%	3%	3%	3%	5%
Bihar	0.0%	0%	2%	0%	0%	3%
Rajasthan	0.0%	0%	1%	0%	0%	2%
Goa	0.6%	1%	1%	1%	1%	1%
UP	0.8%	0%	0%	0%	0%	1%
West Bengal	0.0%	0%	0%	1%	1%	1%
Telangana	0.1%	0%	0%	0%	0%	1%
Pondicherry	0.0%	0%	0%	0%	0%	0%
Tamil Nadu	0.0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%
Total in absolute nos. (Gross AUM in INR mn)	1,143,414	1,934,180	2,969,500	13,015	31,668	44,373

INDUSTRY OVERVIEW

Benchmarking of Spandana Sphoorty on various parameters

Market share based on AUM



Comparison of AUM, Market shares and AUM growth

Entity (INR bn)	AUM				Market Share on Portfolio (%)				AUM growth (%)			
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-16	Mar-17	Mar-18	Mar-19	Mar-16	Mar-17	Mar-18	Mar-19
Bandhan Bank	123	147	206	347	15%	14%	17%	21%	-	20%	40%	69%
Bharat Financial Inclusion	77	92	126	174	9%	9%	10%	11%	84%	19%	38%	38%
Jana Small Finance Bank*	110	126	60	62	13%	12%	5%	4%	191%	14%	-52%	3%
Ujjivan Small Finance Bank*	54	64	76	111	7%	6%	6%	7%	65%	18%	19%	46%
Satin Credit Care Network	33	36	51	64	4%	3%	4%	4%	53%	11%	40%	26%
CreditAccess Grameen	25	31	50	72	3%	3%	4%	4%	76%	21%	62%	44%
Spandana Sphoorty	12	13	32	43	2%	1%	3%	3%	-6%	7%	144%	35%
Equitas Small Finance Bank^	33	33	23	30	4%	3%	2%	2%	53%	1%	-30%	29%
Utkarsh Small FinanceBank	14	16	29	0	2%	2%	2%	0%	97%	13%	77%	NA
Muthoot Microfin Ltd	6.5	20	29	0	1%	2%	2%	0%	57%	203%	48%	NA
Asirvad Microfinance Ltd	10	18	24	0	1%	2%	2%	0%	192%	79%	36%	NA
Annapurna Finance Ltd	9.3	12	20	30	1%	1%	2%	2%	132%	33%	57%	55%
Arohan Financial Services	6.6	10	22	41	1%	1%	2%	3%	72%	55%	113%	86%

Source: ICRA research; ^Data for Equitas is only MFI AUM; *gross overall AUM

Market share based on disbursements

Trend in disbursements

Period ending (INR bn)	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19
MFI and SFBs	158	237	376	558	653	596	829
Growth (MFI and SFBs)	13%	50%	59%	48%	17%	-9%	39%
MFIs, SFBs and Banks	234	351	546	1,031	1,250	1,551	1,857
Growth (MFIs, SFBs and Banks)	13%	50%	55%	89%	21%	24%	20%
Spandana Sphoorty Financial Ltd	16	17	20	18	21	39	49
Growth (Spandana Sphoorty Financial)	10%	5%	19%	-10%	15%	87%	27%

Disbursement market share

Entity (INR bn)	Disbursements			Market Share on disbursements			Growth in disbursements			Disbursement per employee		
	Mar-17	Mar-18	Mar-19	Mar-17	Mar-18	Mar-19	Mar-17	Mar-18	Mar-19	Mar-17	Mar-18	Mar-19
Bharat Financial Inclusion	147	185	27	11.7%	11.9%	11.7%	44.6%	25.9%	21.3%	1.4	1.2	1.0
Jana Small Finance Bank	90	25	61	7.2%	1.6%	7.2%	143.8%	-72.0%	-22.0%	NA	NA	0.5
Ujjivan Small Finance Bank	71	81	111	5.7%	5.2%	5.7%	37.8%	12.9%	7.7%	0.8	0.7	0.7
Satin Credit Care Network	36	48	63	2.9%	3.1%	2.9%	31.1%	32.9%	-0.6%	0.6	0.6	0.6
CreditAccess Grameen	34	61	82	2.7%	3.9%	2.7%	35.2%	78.9%	1.5%	1.0	1.0	0.7
Spandana Sphoorty Financial	21	39	49	1.6%	2.5%	1.6%	27.3%	87.4%	15.1%	0.8	1.0	0.7
Utkarsh Small Finance Bank	17	36	NA	1.3%	2.3%	1.3%	NA	118.5%	1.8%	NA	0.7	0.4
Muthoot Microfin Ltd	20	30	NA	1.6%	2.0%	1.6%	NA	49.8%	163.6%	NA	0.5	0.5
Asirvad Microfinance Ltd	21	29	NA	1.7%	1.9%	1.7%	NA	36.5%	83.5%	NA	0.7	0.6
Annapurna Finance Ltd	12	21	31	0.9%	1.3%	0.9%	49.9%	81.7%	10.6%	0.6	0.6	0.5

Profitability metrics of the microfinance sector

Company	Year	Op Exp / AMA	Op Profit / AMA	Prov / AMA	PBT / AMA	PAT / AMA	PAT / Avg NW	Debt / Equity	C / I Ratio	GNPA	NNPA	AUM 3 yr CAGR
Bharat Financial Inclusion Ltd	FY17	5.0%	3.9%	3.2%	1.7%	2.6%	15.1%	2.9	50.2%	6.0%	2.7%	31%
	FY18	5.0%	3.9%	1.7%	3.2%	3.2%	16.4%	2.6	50.5%	2.4%	0.1%	31%
	FY19	5.0%	2.5%	0.3%	7.3%	5.6%	26.7%	1.1	54.1%	0.8%	0.2%	31%
Jana Small Finance Bank	FY17	8.2%	3.8%	2.1%	1.8%	1.2%	9.4%	5.0	68.1%	0.7%	0.6%	17%
	FY18	11.2%	-7.9%	10.7%	18.6%	19.4%	127.6%	5.0	336.0%	42.2%	27.7%	17%
	FY19	11.4%	-5.8%	13.8%	19.6%	19.6%	177.0%	12.3	204.0%	8.1%	4.4%	17%
Ujjivan Small Finance Bank~	FY17	6.1%	4.9%	1.0%	4.3%	2.8%	14.1%	3.7	55.1%	0.3%	0.0%	27%
	FY18	7.0%	3.4%	3.3%	0.1%	0.1%	0.4%	4.3	67.0%	3.6%	0.7%	27%
	FY19	8.6%	2.3%	0.6%	1.7%	1.3%	8.3%	6.4	79.0%	0.9%	0.3%	27%
Satin Credit Care Network	FY17	5.4%	0.7%	1.1%	0.8%	0.5%	5.1%	6.1	77.6%	14.4%	12.8%	25%
	FY18	4.7%	2.0%	3.7%	0.1%	0.1%	0.5%	4.3	57.6%	4.4%	2.6%	25%
	FY19	4.9%	2.9%	0.7%	4.0%	2.6%	18.2%	4.5	62.7%	3.9%	2.4%	25%
Credit Access Grameen	FY17	5.0%	6.9%	3.4%	3.6%	2.3%	13.1%	3.9	42.0%	0.1%	0.0%	41%
	FY18	4.7%	7.2%	0.3%	7.6%	4.9%	20.0%	2.5	39.5%	0.8%	0.0%	41%
	FY19	4.5%	8.0%	1.2%	7.7%	5.0%	16.9%	2.1	36.3%	0.6%	0.0%	41%
Spandana Sphoorty Financial	FY17	4.2%	3.3%	-0.1%	3.4%	2.3%	-152.0%	1.8	56.1%	42.1%	2.9%	52%
	FY18	3.2%	7.9%	1.0%	6.9%	5.1%	22.6%	1.6	28.7%	25.9%	0.3%	52%
	FY19	3.4%	10.2%	0.8%	9.3%	6.1%	18.8%	1.6	25.0%	7.9%	0.0%	52%
Utkarsh Small Finance Bank	FY17	5.1%	5.0%	0.6%	4.3%	2.6%	15.8%	4.9	50.7%	0.2%	0.1%	57%*
	FY18	6.2%	4.6%	2.2%	2.4%	1.5%	7.4%	2.9	57.4%	0.0%^	0.0%^	57%*
	FY19	6.5%	2.2%	4.6%	2.5%	-1.7%	-8.5%	4.8	74.8%	1.9%	1.1%	57%*
Muthoot Microfin Limited	FY17	6.7%	4.2%	0.4%	3.8%	2.5%	28.7%	6	61.2%	0.3%	0.3%	22%*
	FY18	3.2%	2.2%	0.0%	2.2%	1.4%	15.9%	5.7	59.7%	3.4%	2.0%	22%*
	FY19	5.1%	3.0%	0.7%	6.7%	5.0%	26.8%	2.8	63.1%	NA	NA	22%*
Asirvad Microfinance Limited	FY17	6.5%	6.4%	3.2%	3.3%	2.1%	13.9%	6.1	50.4%	4.6%	1.4%	92%*
	FY18	6.0%	3.4%	6.4%	2.1%	-1.3%	-11.7%	7.3	58.1%	2.3%	0.2%	92%*
	FY19	5.0%	6.1%	0.5%	5.5%	3.6%	25.0%	2.9	45.2%	0.5%	0.0%	92%*
Annapurna Finance Limited	FY17	4.9%	3.3%	0.5%	3.2%	2.0%	17.7%	7.4	59.7%	0.1%	0.0%	48%
	FY18	4.8%	1.9%	0.6%	1.9%	1.3%	13.1%	7.8	72.1%	0.2%	0.0%	48%
	FY19	5.1%	1.1%	2.3%	0.7%	0.5%	4.6%	7	66.4%	3.7%	0.3%	48%
Equitas Small Finance Bank	FY17	8.5%	3.3%	1.0%	2.5%	1.6%	7.6%	3.3	72.4%	3.5%	1.5%	-3%
	FY18	7.8%	2.0%	1.5%	0.4%	0.3%	1.6%	5.3	80.0%	2.8%	1.7%	-3%
	FY19	6.9%	2.9%	0.7%	2.1%	1.4%	9.8%	5.8	70.3%	2.5%	1.6%	-3%

Comparison with listed industry Peers (as on 31st March 2019)

Name of the company (INR bn)	FV	Cl as on 1/8/2019	Net Profit	Net worth	EPS	NAV	P/E	P/BV	RoE (%)
Spandana Sphoorty Financial Ltd	10	856	3.1	18.9	53	317	16.0	2.7	17%
Bajaj Finance Ltd.	2	3,222	399.5	1969.7	69.3	341.5	46.5	9.4	20%
Bandhan Bank Ltd.	10	480	195.2	1120.2	16.4	93.9	29.3	5.1	17%
Bharat Financial Inclusion Ltd.*	10	898	45.5	299.9	32.7	215.2	27.5	4.2	15%
Cholamandalam Investment & Finance Company Ltd.	10	260	119.7	620.9	15.3	396.9	16.9	0.7	4%
CreditAccess Grameen Ltd.	10	506	32.2	236.5	22.4	164.8	22.6	3.1	14%
Mahindra & Mahindra Financial Services Ltd.	2	298	182.0	1126.9	29.7	183.3	10.0	1.6	16%
Satin Creditcare Network Ltd.	10	267	20.1	114.9	41.5	236.8	6.4	1.1	18%
Shriram City Union Finance Ltd.	10	1,366	100.6	658.4	151.8	997.7	9.0	1.4	15%
Sundaram Finance Ltd.	10	1,495	103.0	625.9	105.4	568.3	14.2	2.6	19%
Ujjivan Financial Services Ltd.	10	287	15.0	187.8	12.4	155.0	23.1	1.9	8%

Price as on 2nd July 2019

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