Capital Market

Edging out

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Stocks

Edging out

Banks are losing out to niche, well managed and profitable NBFCs as investment option

The business and revenue model of commercial banks is far superior as compared with that of non-banking financial companies (NBFCs). This is a widely held view. Probably, it is undeniable. However, the scenario is fast changing. The prevalent perception might turn out to be wrong if one looks at hardcore numbers and developments in the last few years.

Gruh Finance outperformed HDFC Bank, the country's most valuable bank in each of the last 10 years on the parameter of return on equity (ROE). The NBFC's latest numbers are superior compared with HDFC Bank's. Gruh reported ROE of 31% in the financial year ended 31 March 2015 (FY 2015) and 32% in FY 2014 as against HDFC Bank's ROE of 19.94% in FY 2015 and 21.63% in FY 2014. Even Indiabulls Housing Finance (IHFL) has delivered higher ROE compared with HDFC Bank at 30.8% in FY 2015 and 28.4% in FY 2014.

ROE measures returns generated on the equity capital contributed by the shareholders, the real owners of an enterprise. Thus, ROE is among the vital ratios while analyzing and comparing businesses.

Over the last five years, Gruh reported robust growth of 2.96 times in profit after tax (PAT) which is lower compared with HDFC Bank, which has achieved superior growth of 3.56 times. However, the difference is not much. Gruh was ahead with a growth of 3.44 times in turnover as against HDFC Bank's 3.12 times during the last five years. But HDFC Bank deserves praise as the growth in on a higher base.

On asset quality, HDFC Bank reported net non-performing assets (NPAs) to net advances ratio of 0.25% in FY 2015 and 0.27% in FY 2014. These numbers are among the lowest and finest among the banking industry marred with problem of bad loans. Interestingly, Gruh is far better placed with nil net NPAs in the last two financial years. Gruh reported gross NPAs to loan assets ratio of 0.28% in FY 2015 and 0.27% in FY 2014. This is significantly better compared with HDFC Bank's gross NPAs to loan assets of 0.93% in FY 2015 and 0.98% in FY 2014.

Racing past

Gruh Finance outperformed HDFC Bank, the country's most valuable bank, in each of the last 10 years on the parameter of ROE

Relative performance of Gruh Finance v BSE Sensex

Base=100 as on 11 December 2014 * 11 December 2015
Face value: Rs 2

HDFC Bank's net interest margins (NIMs) at 4.4% in each of the last two financial years (FY 2015 and FY 2014) is among the highest in the banking industry. Gruh is closer to HDFC Bank, with NIMs of 4.18% in FY 2015 and 4.21% in FY 2014.

Gruh is a subsidiary of Housing Development Finance Corporation (HDFC), while HDFC along with its group companies held 21.57% stake in HDFC Bank end September 2015. Gruh has a unique business model. It offers home loans to individuals and families in the self-employed category where formal income proofs are not easily available and the repayment capacity are appraised based on their cash flows.

Based on the financial numbers, Gruh is at par with HDFC Bank and may be even one step ahead. Certainly the scenario of commercial banks performing better than NBFCs is fast changing or may have already changed. Focused NBFCs seem to be doing better compared with commercial banks.

Even from the customer's perspective, NBFCs are offering value deals that are at par with the leaders in the commercial banking space. Country's largest commercial bank in terms of balance sheet and market reach State Bank of India (SBI) offers home loans at an interest rate of 9.5% per annum. The public sector bank (PSB) claims this to be the lowest interest rate in the home loan segment. Now, as against this, IHFL offers home loans at an interest rate of 9.55% per annum.

The obvious question is what kind of strategic advantage the country's leading commercial bank enjoys over a NBFC just incorporated in 2005? SBI is in the business of commercial banking for the last six decades. More importantly, it is SBI that influences the interest rates in the market owing to its dominate market share. Similarly, Dewan Housing Finance Corporation (DHFC) offers home loans at 9.55% per annum.

Home loan is among the biggest and most lucrative business segments for banks and for NBFCs as well. NBFCs have made rapid inroads into this important segment and are challenging the deeply entrenched commercial banks. May be the banks are not feeling the pinch yet as the housing finance market is too gigantic. Ironically, though the real estate market is facing headwinds, housing finance companies and banks are doing brisk business owing to the buoyant resale market.

The pertinent question is whether NBFCs are better bets for investors than banks? Consider the following facts. HDFC is the second most valuable company among banks and NBFCs. Only HDFC Bank and SBI are ahead of HDFC. HDFC is seven times more valuable than Punjab National Bank (PNB). PNB is among the oldest PSBs, with one of the largest branch and ATM networks in the banking industry. The placement might sound apple-to-orange comparison considering the stature of HDFC.

Take Capital First (market value Rs 3329.8 crore), a new-age NBFC that is ahead of Vijaya Bank (Rs 2904 crore), State Bank of Travancore (Rs 2856 crore), South Indian Bank (Rs 2619 crore), Dena Bank (Rs 2636 crore), Karnataka Bank (Rs 2282 crore) and DCB Bank (Rs 2156 crore). Capital First is a far bigger player by market value compared with State Bank of Mysore, United Bank of India, Lakshmi Vilas Bank and Punjab & Sind Bank.

In all probability banks are losing their charm. Niche, well managed and profitable NBFCs are emerging as a better option for investment. In fact, it is the banks that are feeding and nurturing NBFCs. Banks seem to be indirectly encouraging competition. For instance, for highly profitable SKS Microfinance, the banking industry is the biggest source of funding.

Check these numbers. For SKS, term loans and short-term loans including cash credit from banks accounted for 69% of the funding end September 2015 as against 88% a year ago. With the average interest of 22.84% and the average effective cost of borrowing of 13.16%, SKS earned NIMs of 9.68% in FY 2015 and 7% in FY 2014.

With their thousands of branches, banks are collecting low cost funds and lending these funds to NBFCs such as SKS that are making neat profit. Viewed from the other

Changing times

Brokers are expanding their portfolio to derisk from market volatility

The traditional stock broker business is passé. There is a too much of competition with miserable rewards. No need to mention the fact that the stock broking witnesses wild swings mirroring the movement in the stock market. Online brokers and competition from well-heeled banks has added to the woes. Ever-dropping brokerage means revenues remain vulnerable.

The palpable solution is to diversify and enter into new business segments. Brokers such as Motilal Oswal Financial Services (MOFSL), Edelweiss Financial Services and IIFL Holdings (formerly known as India Infoline) have precisely done this. These three companies have undergone significant changes in their business profile.

Apart from the traditional capital market business, which includes retail and institutional broking and distribution, wealth management and investment banking, MOFSL has forayed into the businesses of private equity, asset management, wealth management and home finance. Its most recent business diversification includes housing finance. The loan book stood at Rs 990 crore across 9,700 accounts end September 2015. There are 37 branches across four states.

After its IPO in 2005, IIFL entered the financing business in 2006. This business now contributes around 70% of the total income. In 2009, the company was registered with National Housing Bank for housing finance business. It had assets of Rs 1970 crore end March 2015 and is confident about achieving a bigger scale.

One of the guiding principles of IIFL was to de-risk business from the volatility of the stock market. Today, the diversified businesses include financing, asset and wealth management, capital markets and distribution of financial products, investment banking, institutional equities and realty services through various subsidiaries. In the crucial financing business, the company offers loan secured against collaterals of home, property, gold medical equipment, commercial vehicles, shares and other securities. As per the annual report for the fiscal ended March 2015 (FY 2015), since listing in 2005 till March 2015, the stock had appreciated 32% per annum.

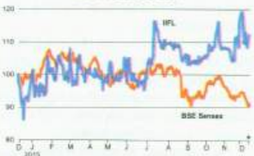
Similarly, Edelweiss has transformed itself from mere capital market advisory services to credit and financial services institution. Over the last decade, profit appreciated by compounded annual growth rate of 30%. The company is in financing, life insurance, capital market services, asset management and commodities. Financing has emerged as its bread-and-butter business. In this segment, it is into a variety of products such as mortgages (housing finance, loan against property and real estate finance), structured collateralized credit, distressed assets credit, small and medium enterprises and agricultural financing, loan against securities and rural finance.

The end result of the diversification is robust profit. Banking on the diverse set of businesses, IIFL and Edelweiss reported the highest-ever profit and revenue in FY 2015. MOFSL's performance has been volatile over the last one decade. However, it has certainly achieved scale over this period. It reported a historic high total income in FY 2015

Broadening the base

Apart from the traditional capital market business, IIFL has forayed into asset management, wealth management and home finance

Relative performance of IIFL v BSE Sensex



Base=100 as on 11 December 2014 * 11 December 2015
Face value: Rs 2

side, it appears that banks are working as collecting agents of NBFCs. It is not that banks are not making money by offering loans to NBFCs. Indeed, they are making good profit by onward lending. However, they are losing money elsewhere, particularly in wholesale banking.

SKS is valuable compared with several PSBs and old private sectors banks (PVBs). It is ahead of Indian Overseas Bank, Karur Vysya Bank, City Union Bank, UCO Bank, Oriental Bank of Commerce, Allahabad Bank, Andhra Bank, Jammu and Kashmir Bank, Corporation Bank, State Bank of Bikaner and Jaipur and Bank of Maharashtra by market value.

It is clearly the profitable business model and robust outlook that is giving an edge to SKS over banks that are in the business for several decades with unmatched branch and ATM network. Sans a few banks, it is a sorry state of affairs for the banking industry. The bad loan menace faced by PSBs is of historic dimension. It is not only government-owned banks that are in a mess. Professionally-run private sector banks, too, have started feeling the heat.

The norms for overseas borrowings have been liberalized by the Union government and the Reserve Bank of India (RBI). The overseas market has turned out to be a major source of funding for NBFCs. The lower interest rates foreign loans is one key benefit for NBFCs. IHFL has fully utilized and drawn down the RBI-approved external commercial borrowing (ECB) limit of US$ 200 million. Like SKS, for IHFL, the banking industry is key source of funding. Its 132 lenders include 26 PSBs, 17 PVBs and foreign banks and 89 mutual funds, provident funds, pension funds, insurance companies and others. Its outstanding bank loans stood at Rs 28138 crore end March 2015 as against Rs 21710 crore end March 2014.

DHFC is another prime case. It availed ECBs of US$ 125 million from Asian Development Bank for seven years and US$ 50 million from Deutsche Investitions-und Entwicklungsgesellschaft (DEG-Germany) for eight years in FY 2015. The principal amount has been hedged by way of currency swaps to protect from foreign currency risk and converted into rupee liability of Rs 784.2 crore and Rs 311.3 crore, respectively, as per the statutory stipulation. DHFC had availed ECB of US$ 70 million from IFC Washington for a period of eight years in FY 2014. This was converted into rupee liability of Rs 418.2 crore. Banks and financial institutions account for 58.3% of DHFC's borrowings.

Sweet and sour

SKS Microfinance's profit guidance for FY 2016 was revised up to Rs 290 crore. However, it did not get the small finance banking licence

Relative performance of SKS Microfinance v BSE Sensex

Base=100 as on 11 December 2014 * 11 December 2015
Face value: Rs 10

Further, there is ample liquidity in the international market. This is a huge positive factor for NBFCs. On the contrary, this is a major source of worry for domestic commercial banks.

Also, efficient operations offer edge to NBFCs over banks. Employee cost as percentage of total income works to mere 3.32% for Gruh, 3.28% for DHFC and 3.9% for IHFL. This is far lower compared with SBI's 13.45% and HDFC Bank's 8.27%. Moreover, a few stock brokers have diversified into several segments of lending and financial services to de-risk their business model and over-dependence on the broking business *(see box: Changing times)*.

In the recent past, a few big names of India Inc such as Tata Sons and Mahindra & Mahindra have backed out from the race for commercial banking license. Banking licence is considered a prized asset as the banking model is considered to be as safe, secure and the most lucrative way to mint money. However, thanks to the RBI, it is a restricted club.

But the scenario is fast changing. While PSBs and PVBs are reeling under the gigantic problem of bad loans, focused NBFCs are doing brisk business and are highly profitable. Over the medium term, NBFCs can continue to outperform banks.

Capital Market picked 10 NBFCs based on a variety of parameters such as sterling financial performance, niche business operations and revenue model.

SKS Microfinance, classified as an NBFC-micro finance institution, primarily provides micro finance services to women in rural areas who are enrolled as members and organized as joint liability groups. Operations are spread across 16 states with 1,268 branches and 2,16,723 Sangam centers. Also, distribution channels are used to provide certain other financial products and services to the members. Interest rates were reduced to 20.75% from 22% on income generating loans in October 2015. This is among the lowest interest rates in the micro finance industry.

The balance sheet is strong. There was cash and cash equivalent of Rs 834 crore, net worth of Rs 1203 crore and capital adequacy ratio of 24.6% end September 2015. The profit guidance for FY 2016 was revised up to Rs 290 crore from the earlier guidance of Rs 235 crore. Profit was Rs 188 crore in FY 2015. Profit increased 31% to Rs 139 crore in the first half of FY 2016. In a disappointment, the RBI declined the small finance banking licence in September 2015. Mutual funds held 15.46% stake end September 2015, one of the highest in NBFCs.

Gruh Finance was promoted in 1986 and commenced operation in 1988. Recognized by NHB for its refinance facility, around 3.1 lakh units have been financed since inception. Cumulative disbursement is Rs 16,966 crore, with the average loan per unit of Rs 6.75 lakh. There is a network of 171 retail offices across eight states including Gujarat, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhatisgarh, Tamil Nadu and Uttar Pradesh.

Apart from housing loan, loans for repair and renovation of houses are available. Loans for purchase and construction of non-residential properties and mortgage loans against existing residential and commercial properties are also given. Loans are offered to developers on a selective basis.

The loan portfolio stood at Rs 9913 crore end September 2015, a jump of 25% over the previous year. The gross NPAs were 0.58% and net NPAs 0.20% end September 2015. Individual housing loans accounted for 92.2% of the loan portfolio, followed by non-residential properties 4.5% and developer construction 3.3%. The capital adequacy ratio was a healthy 15.73% end September 2015 compared with 16.71% a year ago. Of the total liability, loan funds amounted to 92% and shareholders' fund the remaining 8%.

Indiabulls Housing Finance (IHFL) is the second largest private housing finance company in the country and is one of the most alluring success stories among the NBFCs. Since July 2013, the stock has appreciated 2.6 times. On a cumulative basis, loans have been offered to 7.96 lakh retail customers, with cumulative loan disbursement of Rs 117319 crore end September 2015. The loan book increased at a six CAGR of 26% and loans outstanding were at Rs 58225 crore end September 2015.

There are 220 branches in 110 towns and cities across the country and two representative offices in Dubai and London. These offices offer home loan products to non-resident Indians and persons of Indian origin. In terms of assets, mortgage loans accounted for 76%, corporate mortgage loans 23% and commercial vehicle loans 1% end September 2015, with net NPAs of 0.35% and gross NPAs of 0.84%. Bank loans comprised 47% of the funding mix, followed by bonds (33%).

A qualified institutions placement (QIP) was concluded in September 2015, collecting Rs 3996.8 crore at Rs 702 per share including premium of Rs 700. The net worth was Rs 10367 crore end September 2015, the second highest among private housing finance companies and NBFCs.

Dewan Housing Finance Corporation (DHFC) is on a secular growth path. It reported growth of 20.4% in turnover in FY 2015 and 22.3% in FY 2014. Profit grew 17.4% in FY 2015 and 17% in FY 2014. The stock reported an all-time high of Rs 285 in March 2015.

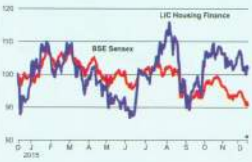
The focus of the housing finance company established in 1984 is on low- and medium-income groups, which are among the largest- and fastest-growing mortgage segments. Also, there is presence in the education loan segment. A joint venture, DHFL Pramerica Life Insurance, has been formed with Prudential Financial for the life insurance business. Other products include loan against property, lease rental financing, financing of commercial premises and small and medium enterprise loans.

The loan portfolio was Rs 56312 crore end September 2015. The distribution network consists of 361 company-operated locations and 357 locations through alliances with emphasis on tier II and tier III towns and cities. The gross NPAs ratio stood at 0.81% and net NPAs nil in the second half of FY 2016. The capital adequacy ratio stood at 15.27% end September 2015 as against 16.17% a year ago. Some of the investors in DHFC include Rakesh Jhunjhunwala, Acacia Partners, Government of Singapore, Jupiter India Fund, Lazard Asset Management and Morgan Stanley Asia.

Robust show

Over the last decade, LIC Housing Finance reported a growth of 8.5 times in total income and 6.7 times in profit. NPAs are down

Relative performance of LIC Housing Finance v BSE Sensex



Base=100 as on 11 December 2014 * 11 December 2015
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Over the last decade, **LIC Housing Finance** (LIC HFL) reported a robust growth of 8.5 times in total income and 6.7 times in profit. Promoted by the Life Insurance Corporation (LIC) (40.31% equity) in 1989 and listed in 1994, the profit-making and dividend-paying housing finance company since 1990 has serviced over 18 lakh customers with cumulative disbursements Rs 1.83 lakh crore since inception. Total loan assets were Rs 114000 crore end September 2015 and 97% of the loan assets are in the retail category.

The distribution network consists of 450 centres, seven regional offices, 16 back offices and 234 marketing offices. There are representative offices in Dubai and Kuwait to cater to non-resident Indians in Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia.

Gross NPAs were at 0.60% and net NPAs at 0.32% end September 2015 compared with 0.63% and 0.33%, respectively, a year ago. The capital adequacy ratio stood at 15.51% end September 2015 as against 16.54% in the previous period. As for incremental sanctions, the loan-to-value ratio was 48.09% in the first half of FY 2016 as against 50.94% in FY 2015 and 54.52% in FY 2014.

Incorporated in 1987, **Bajaj Finance** (BFL), a 57.53% subsidiary of Bajaj Finserv, is a diversified player in lending and financial services, with a large customer franchise of 12.8 million. The product portfolio includes consumer lending, small business lending, commercial lending, rural lending and distribution services. A wholly owned subsidiary, Bajaj Housing Finance, was set up to commence the housing finance business. The subsidiary received certificate of registration in September 2015. The company has 193 consumer branches and 272 rural locations with over 18,000 distribution points.

The assets under management grew a healthy 36% to Rs 37964 crore in the first half of FY 2016, with SME lending accounting for 47%, followed by consumer lending 41%, commercial lending 10% and rural lending 2%. The SME lending includes business loan, professional loan, loan against property, home loan for self-employed and lease rental discounting. The consumer lending product portfolio includes financing for consumer durables, digital products, lifestyle products, two and three-wheelers. It also includes e-commerce financing, personal loans and home loans for salaried. Well capitalized to support future growth, the capital adequacy ratio was 20.49% end September 2015. The gross NPAs were 1.67% and net NPAs 0.46%, end September 2014.

Mahindra & Mahindra Financial Services (MMFSL), a subsidiary of Mahindra and Mahindra, is among the country's leading NBFCs focused on the rural and semi-urban sector. The primary business is financing purchase of new and pre-owned auto and utility vehicles, tractors, cars, commercial vehicles (CVs), construction equipments and SME financing. This apart, other revenue streams include personal loans, mutual fund distribution, insurance broking and housing finance. There are 1,158 offices covering 25 states and five Union territories, with over 3.8 million customer contracts since inception.

Banks accounted for 43% of the funding, followed by mutual funds 18% end September 2015. In terms of assets under management, utility vehicles comprised the lion's share of 31% followed by cars 23%, tractors 18% and CVs and construction equipments 12%. Expanding reach, diversifying product portfolio and leveraging existing customer base are integral to the growth strategy.

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Deterioration in the asset quality is a matter of concern, with gross NPA ratio at 9.4% (6.3% in the previous period) and net NPAs 4.6% (3.1%) in the first half of FY 2016. However, the capital adequacy ratio remained at a comfortable level of 18.2% (17.9%). Consolidated total income increased 8.4%, while profit declined 32% in the first half of FY 2016.

Established in 1979 and listed in 1984, **Shriram Transport Finance Company** (STFCL), the flagship company of the Shriram group, is among the largest asset financing NBFCs. Offerings include affordable finance on pre-owned CVs with expertise in loan origination, valuation and collection. Commanding leadership position, with a market share of 25-27% in the pre-owned CVs market, the distribution network covers 770 branch offices, 765 rural centers and 9,400 field officers. There is established partnership with over 500 private financiers. Piramal Enterprises held a strategic 9.96% stake end September 2015.

The expanded product portfolio includes financing of tractors, small commercial vehicles, three-wheelers, passenger-CVs and construction equipment. There was a customer base of 1.2 million end June 2015. The total assets under management consisted of pre-owned CVs (Rs 55810 crore), new CV (Rs 4680 crore) and others (Rs 36 crore) end June 2015. The gross NPAs remained almost stagnant at 3.8% in FY 2015 compared with 3.9% in FY 2014. The net NPAs remained static at 0.80% in FY 2014 and FY 2015. The capital adequacy ratio was placed at a comfortable level of 20.05% end June 2015.

Murugappa group company **Cholamandalam Investment & Finance Company**, incorporated in 1978, commenced business as an equipment financing company. The comprehensive product profile includes vehicle finance, home loans, home equity loans, SME loans, investment advisory services and stock broking. Operating from 534 branches, with assets under management of over Rs 29,100 crore and cumulative customer base of 7.5 lakh, 90% of the branches are located in tier-II, tier-III and tier-IV towns. Key subsidiaries include Cholamandalam Securities and Cholamandalam Distribution Services (CDSL), which has been granted in-principle approval by the RBI to set up a payments bank.

The capital adequacy ratio was 20.80% as against the regulatory requirement of 15% and net NPAs 3% end September 2015. The 1% compulsorily convertible preference shares, amounting to Rs 500 crore, were converted into equity shares of Rs 10 each in September 2015 at a conversion price of Rs 407 per share. Term loans from banks accounted for 49% of the funding, followed by debentures (25%), end first half ended September 2015.

Good health

Cholamandalam Investment & Finance Company's capital adequacy ratio was 20.80% and net NPAs 3% end September 2015

Relative performance of Cholamandalam Investment v BSE Sensex

Base=100 as on 11 December 2014 * 11 December 2015
Face value: Rs 10

Repco Home Finance reported an all-time high of Rs 785 in August 2015 and continues to remain on firm ground. The stock is popular with mutual funds, which held 16.24% stake end September 2015. The two revenue segments are individual home loans and loans against property, with contribution of 81% and 19%, respectively, to the loan book. Home loan products are offered to individual borrowers in both the salaried and non-salaried (self-employed professional and self-employed non-professional) segments.

Home loans sanctions grew at CAGR of 25% and disbursements 24% between FY 2015 and FY 2011. The loans outstanding stood at Rs 6848.8 crore end September 2015, with the average loan per unit of Rs 13 lakh. Tamil Nadu accounted for 62.5% of the loan book. The gross NPAs were at 1.8% (1.65% in the previous period) and net NPAs 0.92% (0.81%) end September 2015. The capital adequacy ratio remained at the elevated levels at 20.3% end March 2015 compared with 24.5% a year ago. The NIMs were 4.4% in the first half of FY 2016 as against 4.5% in FY 2015. Commercial banks are major sources of funding, with contribution of 68%, followed by NHB 17%.

Conclusion

The financial services industry encompasses a diverse set of businesses, with lending being the major revenue segment. This is a significant business opportunity, with enough space to grow, for incumbents and new comers as well. Despite so many new entrants, a few segments such as home loans are growing at a decent pace. In India, mortgage penetration is still extremely low at 8% of the gross domestic product compared with Thailand's 17%, China's 20%, Korea's 26%, Malaysia's 29%, USA's 69% and United Kingdom's 81%.

Additionally, the automobile finance market is expected to report significant growth over the next five years, between FY 2015 and FY 2020. As per estimates given by MMFSL, new vehicle finance disbursements are likely to grow 18%-20% for utility vehicles, followed by cars 17%-19%, CVs 15%-17% and two-wheelers 14%-16%. In addition, in India, ownership of car is low 17 per thousand individuals as against 39 in China, 93 in Thailand, 147 in Brazil and 196 in Mexico. This spells huge opportunity for NBFCs operating in extending vehicle finance.

On the flip side, like commercial banks, the deteriorating asset quality is a spot of bother for NBFCs as well. Among these select NBFCs, MMFS is witnessing mounting bad loans.

Risk-averse investors can evaluate NBFCs that are focused on segments such as housing finance, while those with higher loss-bearing capacities can access NBFCs that are diversified, fast growing and ambitious for investment. Select diversified NBFCs are as good as commercial banks for all practical purposes and can deliver robust growth over the medium to long term.

Moreover, certain niche plays such as micro finance, home loans to unorganized sector and financing of old vehicles are interesting themes for investment. The specialized players have developed expertise in their own businesses that may look easy to replicate but could prove to be a hard nut to crack. In all, NBFCs seems to be emerging as a highly profitable business model and can be seen challenging the traditional banking industry. Nimble-footed NBFCs can generate greater wealth than age-old banks weighed under mounting NPAs.

— *S Khedekar*