

**CIFC reported a strong Q4FY26 performance, with profitability supported by a healthy operating metrics and improving margins, partly offset by a management overlay of Rs2bn in credit costs. Disbursements grew ~25% YoY, with AUM expanding ~21% to Rs2.24trn, reflecting strong traction across vehicle finance, MSME, and consumer businesses. Asset quality trends also improved, driven by better collections and repayment behavior. NIM expanded ~40bps YoY, led by lower CoFs, and is expected to sustain at ~8% levels. Opex was stable at ~3–3.1% despite continued investments in branch expansion. Management remained confident of delivering AUM growth of 20–23%, with vehicle finance likely to grow ~18%, mortgage segments (HL/LAP) at ~25–30%, and newer businesses scaling faster on a low base, aided by branch expansion and improving underwriting tools. The management reiterated its guidance of 1.5% credit costs, with pre-tax RoA expected to improve to ~3.5% over the medium term, driven by normalization in credit costs and stable operating metrics. We maintain ADD on CIFC, while revising our Mar-27E TP upwards by ~12% to Rs1,800 (Rs1,600 earlier), implying a FY28E P/B of 3.5x.**

#### All-round strong quarter with improving metrics

CIFC reported a strong Q4FY26, with PAT rising to ~Rs16.4bn (+30% YoY), ahead of ours and consensus estimates, despite being partly impacted by a Rs2bn management overlay in credit costs. Disbursements grew ~25% YoY to ~Rs329bn, while AUM increased ~21% YoY to ~Rs2.43trn, driven by broad-based growth across vehicle finance (~18% YoY), LAP (~26% YoY), and SME/SBPL (~30–45% YoY). CSEL growth remained modest (~4% YoY AUM) due to continued rundown of legacy partnership books, though disbursements picked up sharply (~39% YoY). NIM (reported) improved ~40bps YoY to ~8.4%, aided by lower CoF, and is expected to sustain near ~8% levels. Credit costs moderated ~20bps QoQ to ~1.6%, with overall trends improving across buckets, driven by better collection efficiency and lower early delinquencies. Asset quality improved significantly, with GS3 at ~3.05% and a healthy PCR of ~47.3%.

#### Reiterates outlook on growth and asset quality

The management reiterated confidence in sustaining AUM growth of ~20–23%, driven by broad-based momentum across segments, aided by branch expansion and improving productivity. On-ground demand remains strong across CV and PV segments, with no visible impact from ongoing geopolitical tensions, while freight/demand indicators held steady into April. Margins are expected to be stable at ~8%, with benefits from higher-yielding segments offsetting any marginal pressure on funding costs. Credit costs are expected to moderate further to ~1.5% on better underwriting, lower early delinquencies, and improving collections, particularly in vehicle finance and CSEL. While the company has built ~Rs2bn overlay as a precaution against potential macro shocks (fuel price volatility, supply disruptions), the management sees no incremental stress and expects RoTA to improve toward ~3.5% over the medium term.

#### Maintain ADD, while revising Mar-27E TP to Rs1,800

To factor in Q4FY26 trends and management commentary, we raise our FY27-28E EPS by 2-4%; retain ADD with a revised Mar-27E TP of Rs1,800, implying FY28E P/B of 3.5x.

#### Cholamandam Investment: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	42,585	52,196	65,741	80,093	96,930
AUM growth (%)	26.9	21.4	21.0	20.6	19.5
NII growth (%)	34.0	24.6	24.5	20.5	19.6
NIMs (%)	8.2	8.3	8.3	8.3	8.2
PPOP growth (%)	39.4	27.5	20.2	22.2	19.7
Adj. EPS (Rs)	50.6	61.2	75.6	90.4	107.3
Adj. EPS growth (%)	24.3	21.0	23.5	19.5	18.8
Adj. BV (INR)	280.9	356.7	430.6	510.7	628.6
Adj. BVPS growth (%)	20.7	27.0	20.7	18.6	23.1
RoA (%)	2.4	2.3	2.4	2.5	2.5
RoE (%)	19.7	19.3	19.4	19.4	19.0
P/E (x)	32.4	26.8	21.7	18.1	15.3
P/ABV (x)	5.8	4.6	3.8	3.2	2.6

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	12.5
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	9.8

Stock Data	CIFC IN
52-week High (Rs)	1,832
52-week Low (Rs)	1,299
Shares outstanding (mn)	852.3
Market-cap (Rs bn)	1,397
Market-cap (USD mn)	14,696
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	1.9
ADTV-3M (Rs mn)	3,410.7
ADTV-3M (USD mn)	35.9
Free float (%)	49.6
Nifty-50	24,119.3
INR/USD	95.1

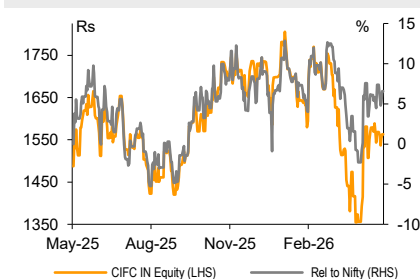
#### Shareholding, Mar-26

Promoters (%)	49.3
FPIs/MFs (%)	24.9/19.9

#### Price Performance

(%)	1M	3M	12M
Absolute	20.9	(5.7)	10.2
Rel. to Nifty	13.8	0.7	11.2

#### 1-Year share price trend (Rs)



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## Exhibit 1: Actual vs estimates

CIFIC - Q4FY26 (Rs mn)						Change		4QFY26	
Results snapshot	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ	YoY	Estimates	variation
Business assets	1,847,460	1,921,480	1,991,590	2,107,220	2,243,330	6.5%	21.4%		
NII	30,557	31,838	33,787	35,808	38,551	7.7%	26.2%	38,380	0.4%
Total income	37,584	38,645	40,746	43,423	47,892	10.3%	27.4%	46,095	3.9%
PPoP	23,315	24,117	24,578	26,432	29,838	12.9%	28.0%	28,589	4.4%
Provision	6,253	8,821	8,970	9,103	8,464	-7.0%	35.4%	9,398	-9.9%
PBT	17,062	15,296	15,608	17,329	21,374	23.3%	25.3%	19,191	11.4%
PAT	12,667	11,359	11,553	12,877	16,407	27.4%	29.5%	14,307	14.7%
Credit cost	1.39%	1.87%	1.83%	1.78%	1.56%	-22bps	16bps	1.73%	-18bps
GS3	2.81%	3.16%	3.35%	3.36%	3.05%	-31bps	24bps	3.10%	-5bps
NS3	1.56%	1.80%	1.93%	1.94%	1.63%	-31bps	7bps	1.8%	-16bps

Source: Company, Bloomberg, Emkay Research

## Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Disbursement	1,266,092	1,294,590	2.3%	1,478,518	1,513,827	2.4%	NA	1,775,987	NA
AUM	2,654,949	2,715,385	2.3%	3,150,267	3,275,530	4.0%	NA	3,913,544	NA
Net interest income	172,916	174,267	0.8%	206,592	210,027	1.7%	NA	251,199	NA
Total income	203,094	206,221	1.5%	241,436	247,875	2.7%	NA	295,847	NA
Opex	78,845	80,083	1.6%	89,981	93,758	4.2%	NA	111,431	NA
PPOP	124,249	126,138	1.5%	151,456	154,118	1.8%	NA	184,416	NA
Provisions	40,392	37,657	-6.8%	46,643	46,321	-0.7%	NA	53,958	NA
PAT	62,306	65,741	5.5%	77,876	80,093	2.8%	NA	96,930	NA
EPS (Rs)	72.6	75.6	4.2%	89.0	90.4	1.6%	NA	107.3	NA
BV (Rs)	426	431	1.2%	527	511	-3.1%	NA	629	NA
Networkth	365,277	374,342	2.5%	461,402	452,663	-1.9%	NA	567,752	NA
NIM+Fees	8.32%	8.32%	0bps	8.32%	8.28%	-4bps	NA	8.23%	NA
Cost-to-income ratio	38.8%	38.8%	1bps	37.3%	37.8%	56bps	NA	37.7%	NA
Opex-to-AUM	3.23%	3.23%	0bps	3.10%	3.13%	3bps	NA	3.10%	NA
Disbursement growth	15.3%	16.0%	67bps	16.8%	16.9%	16bps	NA	17.3%	NA
AUM growth	19.2%	21.0%	183bps	18.7%	20.6%	197bps	NA	19.5%	NA
Credit costs	1.65%	1.52%	-14bps	1.61%	1.55%	-6bps	NA	1.50%	NA
ROA	2.37%	2.45%	8bps	2.50%	2.49%	-1bps	NA	2.52%	NA
ROE	19.2%	19.4%	21bps	18.8%	19.4%	53bps	NA	19.0%	NA

Source: Company, Emkay Research

## Exhibit 3: Valuation metrics

	CMP/TP (Rs)	Upside	Mkt Cap (Rs bn)	P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			EPS (Rs)		
				FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
At current market price	1,640	10%	1,397	3.8	3.2	2.6	21.7	18.1	15.3	2.4	2.5	2.5	19.3	19.4	19.4	431	511	629	75.6	90.4	107.3
At target price	1,800		1,332	4.2	3.5	2.9	23.8	19.9	16.8	2.4	2.5	2.5	19.3	19.4	19.4	431	511	629	75.6	90.4	107.3

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

## Exhibit 4: Quarterly earnings snapshot

CIFIC - Q4FY26 (Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ chg	YoY chg
<b>Net interest income</b>	<b>30,557</b>	<b>31,838</b>	<b>33,787</b>	<b>35,808</b>	<b>38,551</b>	<b>7.7%</b>	<b>26.2%</b>
Other income	7,027	6,807	6,959	7,616	9,340	22.6%	32.9%
<b>Total income</b>	<b>37,584</b>	<b>38,645</b>	<b>40,746</b>	<b>43,423</b>	<b>47,892</b>	<b>10.3%</b>	<b>27.4%</b>
Operating expenses	14,269	14,528	16,169	16,991	18,054	6.3%	26.5%
<b>Operating profit</b>	<b>23,315</b>	<b>24,117</b>	<b>24,578</b>	<b>26,432</b>	<b>29,838</b>	<b>12.9%</b>	<b>28.0%</b>
Provisions	6,253	8,821	8,970	9,103	8,464	-7.0%	35.4%
Credit costs	1.4%	1.9%	1.8%	1.8%	1.6%	-22bps	16bps
<b>PBT</b>	<b>17,062</b>	<b>15,296</b>	<b>15,608</b>	<b>17,329</b>	<b>21,374</b>	<b>23.3%</b>	<b>25.3%</b>
Tax	4,395	3,937	4,054	4,452	4,967	11.5%	13.0%
Tax rate	25.8%	25.7%	26.0%	25.7%	23.2%	0bps	-252bps
<b>PAT</b>	<b>12,667</b>	<b>11,359</b>	<b>11,553</b>	<b>12,877</b>	<b>16,407</b>	<b>27.4%</b>	<b>29.5%</b>
Disbursements	264,190	243,260	244,420	299,620	329,130	9.8%	24.6%
Total AUM	1,847,460	1,921,480	1,991,590	2,107,220	2,243,330	6.5%	21.4%
Net worth	236,274	247,150	258,946	275,771	304,040	10.3%	28.7%
ROA	2.6%	2.2%	2.2%	2.3%	2.8%	46bps	20bps
ROE	21.9%	18.8%	18.3%	19.3%	22.6%	337bps	71bps
<b>GS3</b>	<b>2.81%</b>	<b>3.16%</b>	<b>3.35%</b>	<b>3.36%</b>	<b>3.05%</b>	<b>-31bps</b>	<b>24bps</b>
<b>NS3</b>	<b>1.56%</b>	<b>1.80%</b>	<b>1.93%</b>	<b>1.94%</b>	<b>1.63%</b>	<b>-31bps</b>	<b>7bps</b>
<b>PCR</b>	<b>45.27%</b>	<b>43.71%</b>	<b>43.23%</b>	<b>43.03%</b>	<b>47.29%</b>	<b>425bps</b>	<b>202bps</b>

Source: Company, Emkay Research

## Exhibit 5: AUM trend

(Rs bn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Vehicle Finance	710.7	754.0	796.4	845.0	886.4	920.1	966.7	1,012.6	1,047.2	1,075.7	1,129.4	1,195.6
Home Loan	95.3	108.0	120.9	134.6	145.7	158.9	171.2	184.3	194.0	204.1	216.9	226.9
LAP	228.7	247.2	268.9	298.6	321.4	348.2	375.6	414.4	439.4	463.0	491.6	523.0
New Segment	113.4	133.3	152.1	178.1	201.0	219.2	232.1	236.2	240.9	248.8	269.3	297.9
<b>Total</b>	<b>1,148.0</b>	<b>1,242.5</b>	<b>1,338.3</b>	<b>1,456.3</b>	<b>1,554.4</b>	<b>1,646.4</b>	<b>1,745.7</b>	<b>1,847.5</b>	<b>1,921.5</b>	<b>1,991.6</b>	<b>2,107.2</b>	<b>2,243.3</b>

Source: Company, Emkay Research

## Exhibit 6: Disbursement trend

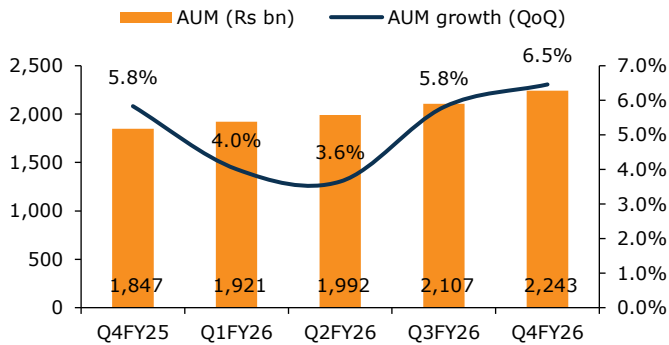
(Rs bn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Vehicle Finance	113.0	117.3	123.5	129.6	127.7	123.4	143.9	144.3	136.5	135.4	168.1	181.3
Home Loan	14.5	15.8	15.9	17.5	17.8	18.2	18.2	19.8	17.6	17.0	20.1	19.0
LAP	26.8	31.9	34.1	42.7	38.7	43.0	42.1	55.4	47.1	46.3	52.9	58.4
New Segment	45.8	50.4	50.3	58.0	59.1	58.6	53.9	44.7	42.1	45.8	58.7	70.5
<b>Total</b>	<b>200.2</b>	<b>215.4</b>	<b>223.8</b>	<b>247.9</b>	<b>243.3</b>	<b>243.1</b>	<b>258.1</b>	<b>264.2</b>	<b>243.3</b>	<b>244.4</b>	<b>299.6</b>	<b>329.1</b>

Source: Company, Emkay Research

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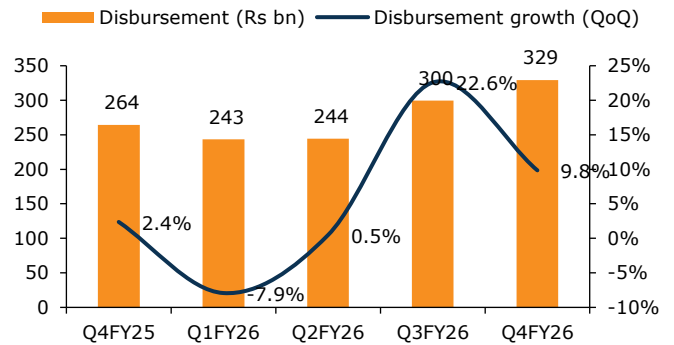
## Results in charts

**Exhibit 7: AUM continues to grow in line with guidance**



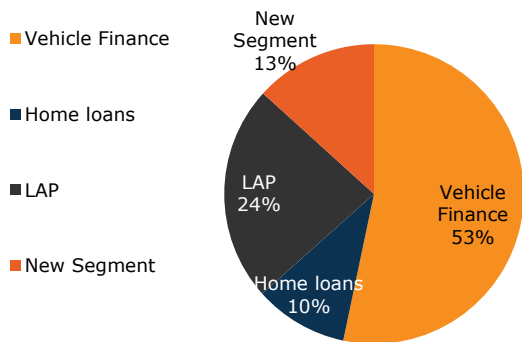
Source: Company, Emkay Research

**Exhibit 8: Strong sequential disbursement growth**



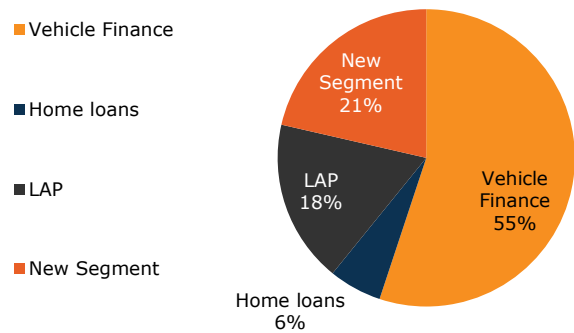
Source: Company, Emkay Research

**Exhibit 9: Broad AUM mix as of Q4FY26**



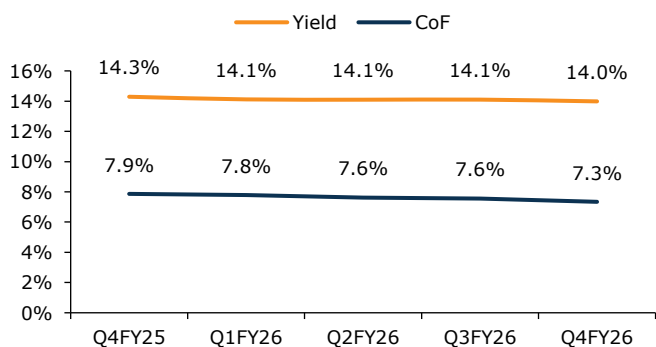
Source: Company, Emkay Research

**Exhibit 10: Broad disbursement mix in Q4FY26**



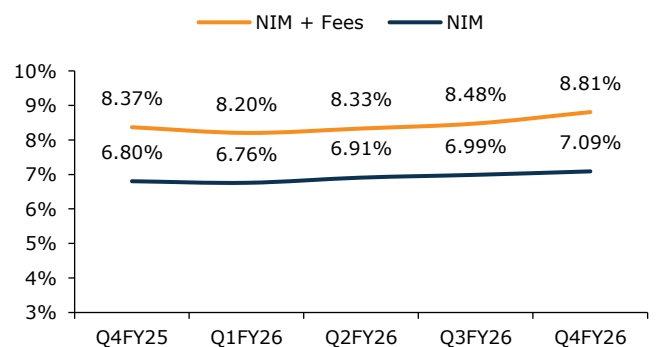
Source: Company, Emkay Research

**Exhibit 11: CoF to moderate further in Q4FY26**



Source: Company, Emkay Research

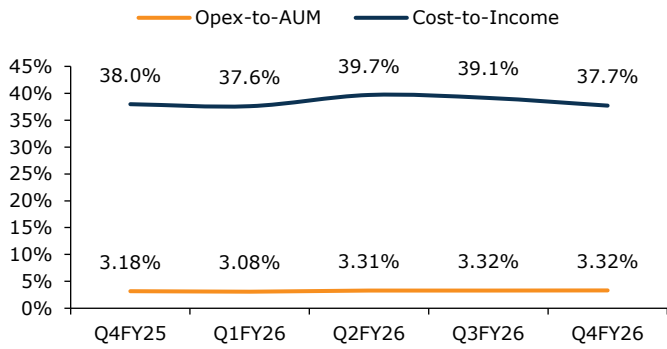
**Exhibit 12: NIM improvement led by moderating CoF**



Source: Company, Emkay Research

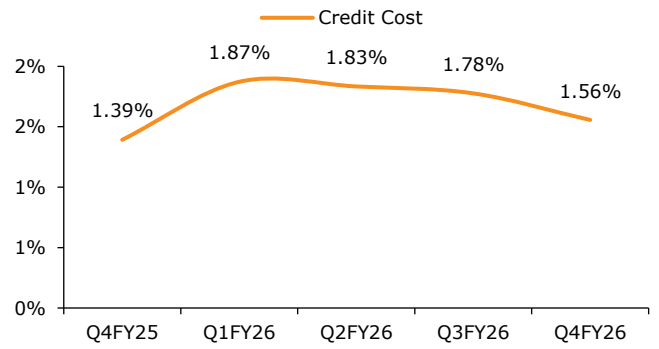
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**Exhibit 13: Opex was stable, despite the impact of the new labor law**



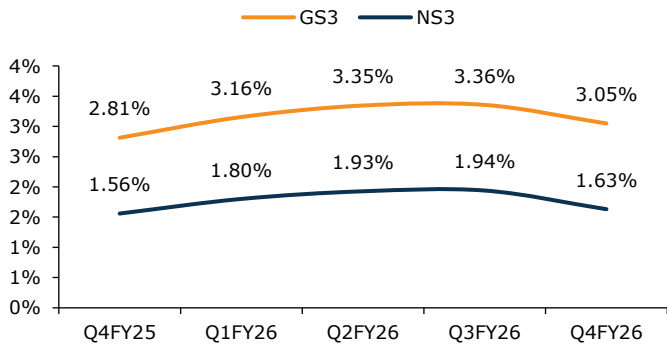
Source: Company, Emkay Research

**Exhibit 14: Credit costs improved despite a one-time management overlay of Rs2bn**



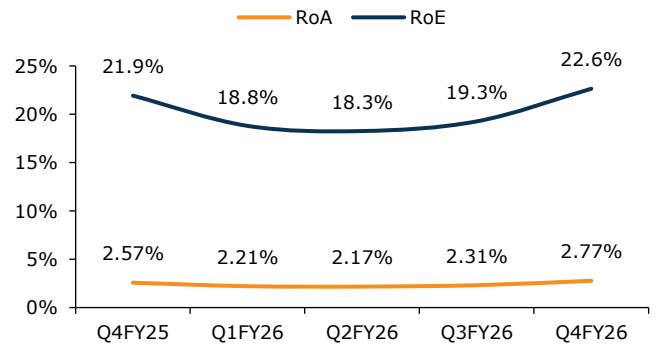
Source: Company, Emkay Research

**Exhibit 15: Asset quality was stable**



Source: Company, Emkay Research

**Exhibit 16: Overall profitability improved**

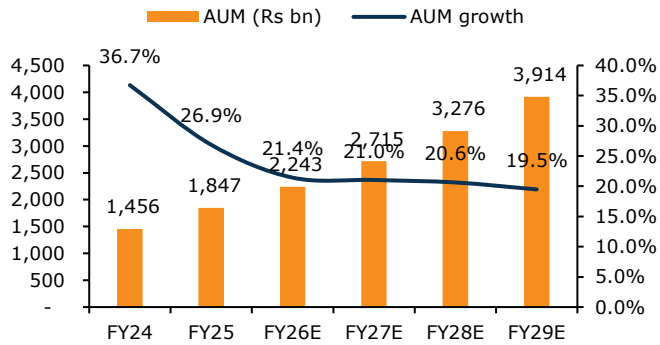


Source: Company, Emkay Research

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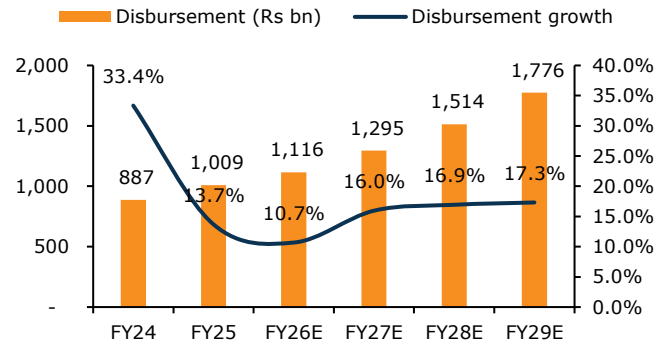
## Story in charts

**Exhibit 17: AUM is expected to grow ~20% over FY27-29**



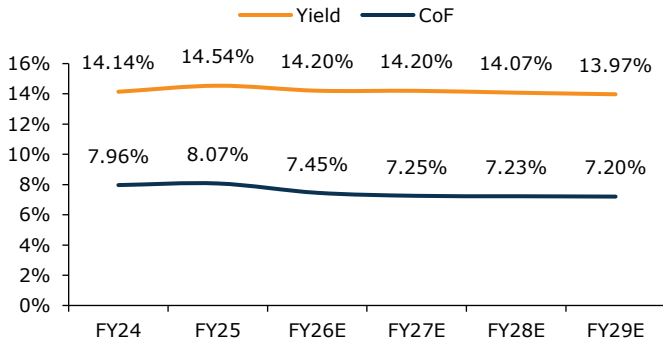
Source: Company, Emkay Research

**Exhibit 18: Q4FY26 disbursements momentum to continue in FY27E**



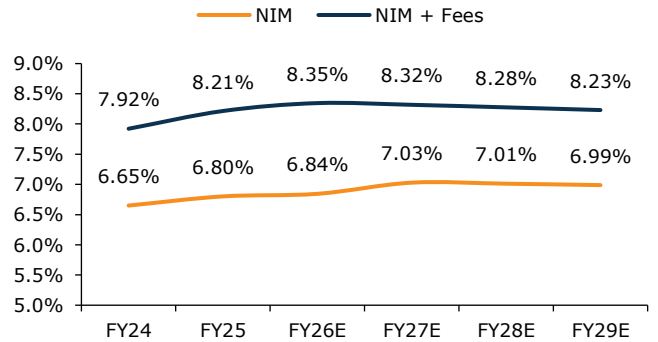
Source: Company, Emkay Research

**Exhibit 19: Yields expected to be broadly stable**



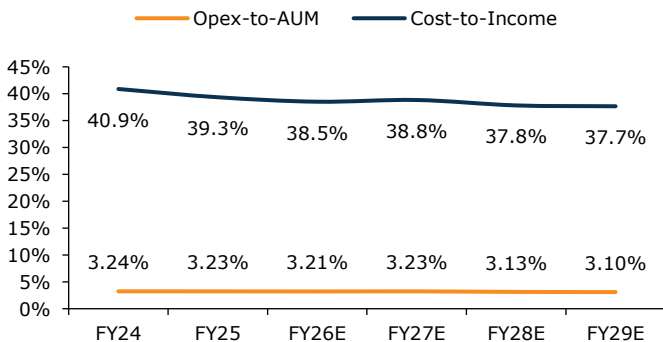
Source: Company, Emkay Research

**Exhibit 20: Margin expansion led by moderating COF and stable yields**



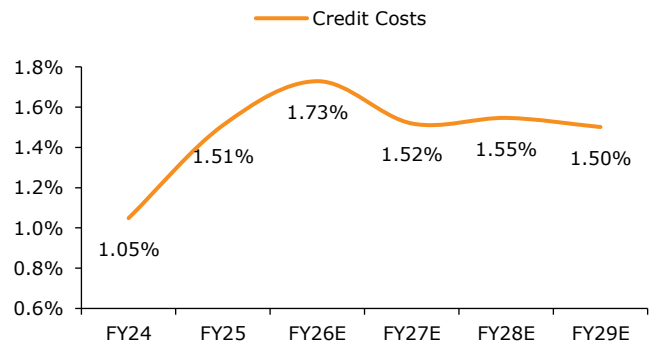
Source: Company, Emkay Research

**Exhibit 21: Opex ratio to remain range-bound**



Source: Company, Emkay Research

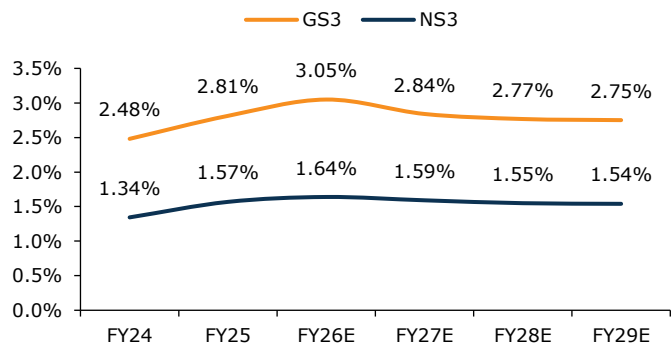
**Exhibit 22: Credit costs to moderate further, led by superior underwriting and collections**



Source: Company, Emkay Research

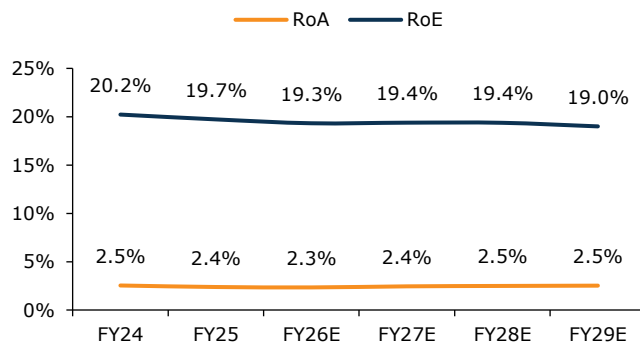
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**Exhibit 23: Asset quality to improve gradually on account of better collection and recovery**



Source: Company, Emkay Research

**Exhibit 24: Healthy profitability**



Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

## Management call highlights

- The quarter reflected strong operating momentum, with disbursements growing ~25% YoY and AUM expanding ~21%, driven by strong disbursement momentum across vehicle finance, MSME, and consumer businesses. Growth was well diversified, with all major segments contributing, while newer businesses continued to scale up meaningfully.
- Vehicle finance remained a key driver, supported by healthy demand across PV, CV, and used segments. Importantly, the management highlighted that on-ground demand trends remained robust even through April, with no visible stress or behavioral change despite macro uncertainties. Early delinquencies, non-starters, and bounce trends have improved YoY, indicating better portfolio seasoning and credit selection.
- MSME and mortgage segments (LAP, HL, SME, SBPL) continued to deliver strong AUM growth, supported by branch expansion and improving productivity of newer geographies. While home loan disbursements witnessed temporary moderation due to operational factors (elections, documentation delays), the underlying demand remains intact, with growth expected to pick up.
- Consumer businesses, particularly CSEL and gold loans, are emerging as strong growth engines. CSEL has seen a sharp improvement in loan losses and is transitioning toward a more stable, higher-quality portfolio mix. The management expects CSEL's ROA to cross 3% going forward, with growth supported by both unsecured lending and consumer durable financing. Gold loans are being scaled with a granular retail strategy, with ticket sizes reducing (~Rs0.2mn from Rs0.3mn earlier), while maintaining strong yields (~15%).
- Margins improved meaningfully, with NIM expanding ~40bps YoY, driven by moderation in cost of funds. The management expects NIMs to sustain at ~8% going ahead, with higher yields from new businesses offsetting any marginal rise in funding costs.
- Asset quality trends continued to show steady improvement. Credit costs declined ~20bps QoQ (pre-overlay), supported by better collection efficiency and lower delinquencies across buckets. Improvement in the 30–90 DPD buckets has led to moderation in Stage 2 and Stage 3 assets. Vehicle finance and CSEL are expected to be key contributors to further reduction in credit costs.
- The company created a Rs2bn management overlay as a precaution against potential macro disruptions (crude price volatility, global supply chain risks), without any change in underlying PD/LGD assumptions. The management indicated that this buffer is conservative in nature and, as of now, does not see a need for additional provisioning.
- Operating expenses were stable at ~3–3.1% of assets, despite investments in new businesses (gold loans, consumer durables, tech/AI). Collection costs have stayed contained despite improved recovery efficiency, reflecting stronger operating leverage and process efficiencies.
- Liquidity and balance sheet strength remain robust, with no negative ALM mismatches and a strong liquidity buffer (~Rs210bn). Capital adequacy stands comfortable (~19% CAR, ~14.7% Tier 1), with CCD conversion largely completed (to be fully converted by Q1FY27-end).
- On capital strategy, the management indicated that equity raise would be considered if Tier 1 falls to ~13%, though internal accruals should be sufficient to support ~20–23% growth. However, capital may be raised opportunistically if strong growth opportunities emerge.
- Branch expansion remains a key growth lever, with ~360 new gold loan branches (scaling from ~120 to ~480), alongside ~100 additions each in vehicle finance, home loans, and LAP, with most non-gold expansion driven via a hub-and-spoke/shared branch model leveraging the existing VF network.
- Competitive intensity is stable, with no significant change observed over the last few months across key segments, including vehicle finance.

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- The management continues to invest in underwriting analytics, which has already begun reflecting in better portfolio quality across vehicle finance, CSEL, and CD segments, and is expected to structurally reduce credit costs going forward.
- **Guidance for FY27**
  - AUM growth: ~20–23% (VF ~18% AUM growth; LAP/HL ~25–30%; emerging segments to grow faster on a low base)
  - Credit costs: ~1.5% (to improve further going forward)
  - NIM: ~8%
  - RoTA: ~3.5% pre-tax

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## Cholamandalam Investment: Standalone Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	237,200	283,726	341,444	408,924	487,113
Interest Expense	124,849	143,742	167,177	198,897	235,914
<b>Net interest income</b>	<b>112,351</b>	<b>139,984</b>	<b>174,267</b>	<b>210,027</b>	<b>251,199</b>
NII growth (%)	34.0	24.6	24.5	20.5	19.6
Non interest income	23,348	30,722	31,954	37,848	44,648
<b>Total income</b>	<b>135,699</b>	<b>170,706</b>	<b>206,221</b>	<b>247,875</b>	<b>295,847</b>
Operating expenses	53,388	65,742	80,083	93,758	111,431
<b>PPOP</b>	<b>82,311</b>	<b>104,965</b>	<b>126,138</b>	<b>154,118</b>	<b>184,416</b>
PPOP growth (%)	39.4	27.5	20.2	22.2	19.7
Provisions & contingencies	24,943	35,358	37,657	46,321	53,958
<b>PBT</b>	<b>57,369</b>	<b>69,607</b>	<b>88,480</b>	<b>107,797</b>	<b>130,458</b>
Extraordinary items	0	0	0	0	0
Tax expense	14,783	17,411	22,739	27,704	33,528
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
<b>Reported PAT</b>	<b>42,585</b>	<b>52,196</b>	<b>65,741</b>	<b>80,093</b>	<b>96,930</b>
PAT growth (%)	24.4	22.6	26.0	21.8	21.0
<b>Adjusted PAT</b>	<b>42,585</b>	<b>52,196</b>	<b>65,741</b>	<b>80,093</b>	<b>96,930</b>
<b>Diluted EPS (Rs)</b>	<b>50.6</b>	<b>61.5</b>	<b>76.2</b>	<b>91.1</b>	<b>108.2</b>
Diluted EPS growth (%)	23.0	21.7	23.9	19.5	18.7
<b>DPS (Rs)</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>Dividend payout (%)</b>	<b>4.0</b>	<b>3.3</b>	<b>2.6</b>	<b>2.2</b>	<b>1.9</b>
Effective tax rate (%)	25.8	25.0	25.7	25.7	25.7
Net interest margins (%)	8.2	8.3	8.3	8.3	8.2
Cost-income ratio (%)	39.3	38.5	38.8	37.8	37.7
PAT/PPOP (%)	51.7	49.7	52.1	52.0	52.6
Shares outstanding (mn)	841.3	852.4	857.7	857.7	857.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
<b>Asset quality</b>					
GNPL - Stage 3	52,130	67,670	76,188	89,516	106,312
NNPL - Stage 3	28,530	35,670	41,903	49,234	58,472
GNPL ratio - Stage 3 (%)	2.8	3.0	2.8	2.8	2.8
NNPL ratio - Stage 3 (%)	1.6	1.6	1.6	1.5	1.5
ECL coverage - Stage 3 (%)	45.3	47.3	45.0	45.0	45.0
ECL coverage - 1 & 2 (%)	0.6	0.5	0.5	0.5	0.5
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	0	0	20.0	20.0	20.0
Total credit costs (%)	1.5	1.7	1.5	1.5	1.5
NNPA to networth (%)	12.1	11.7	11.2	10.9	10.3
<b>Capital adequacy</b>					
Total CAR (%)	19.8	19.2	23.8	23.9	24.9
Tier-1 (%)	14.4	14.7	19.3	19.4	20.4
<b>Miscellaneous</b>					
Total income growth (%)	35.9	25.8	20.8	20.2	19.4
Opex growth (%)	30.8	23.1	21.8	17.1	18.8
PPOP margin (%)	5.0	5.1	5.1	5.1	5.1
Credit costs-to-PPOP (%)	30.3	33.7	29.9	30.1	29.3
Loan-to-Assets (%)	90.2	88.8	90.1	90.5	90.7
Yield on loans (%)	14.4	13.9	13.8	13.7	13.6
Cost of funds (%)	8.1	7.5	7.3	7.2	7.2
Spread (%)	6.3	6.4	6.5	6.4	6.4

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	1,683	1,705	1,715	1,715	1,715
Reserves & surplus	234,592	302,335	372,627	450,947	566,037
<b>Net worth</b>	<b>236,274</b>	<b>304,040</b>	<b>374,342</b>	<b>452,663</b>	<b>567,752</b>
<b>Borrowings</b>	<b>1,749,461</b>	<b>2,108,670</b>	<b>2,502,227</b>	<b>3,002,515</b>	<b>3,549,389</b>
<b>Other liabilities &amp; prov.</b>	<b>30,741</b>	<b>37,662</b>	<b>47,078</b>	<b>56,494</b>	<b>67,792</b>
<b>Total liabilities &amp; equity</b>	<b>2,016,476</b>	<b>2,450,373</b>	<b>2,923,648</b>	<b>3,511,671</b>	<b>4,184,933</b>
Net loans	1,819,299	2,175,710	2,633,923	3,177,264	3,796,138
Investments	63,904	66,380	75,067	90,075	106,482
Cash, other balances	94,007	146,110	149,163	177,530	213,846
<b>Interest earning assets</b>	<b>1,977,210</b>	<b>2,388,200</b>	<b>2,858,153</b>	<b>3,444,870</b>	<b>4,116,465</b>
Fixed assets	17,469	18,340	20,174	21,183	22,242
Other assets	21,798	43,833	45,321	45,618	46,226
<b>Total assets</b>	<b>2,016,476</b>	<b>2,450,373</b>	<b>2,923,648</b>	<b>3,511,671</b>	<b>4,184,933</b>
BVPS (Rs)	280.9	356.7	430.6	510.7	628.6
Adj. BVPS (INR)	280.9	356.7	430.6	510.7	628.6
Gross loans	1,853,400	2,219,420	2,682,391	3,234,663	3,864,430
<b>Total AUM</b>	<b>1,847,460</b>	<b>2,243,330</b>	<b>2,715,385</b>	<b>3,275,530</b>	<b>3,913,544</b>
On balance sheet	1,819,290	2,176,050	2,633,923	3,177,264	3,796,138
Off balance sheet	28,170	67,280	81,462	98,266	117,406
Disbursements	1,008,700	1,116,420	1,294,590	1,513,827	1,775,987
Disbursements growth (%)	13.7	10.7	16.0	16.9	17.3
Loan growth (%)	26.0	19.6	21.1	20.6	19.5
AUM growth (%)	26.9	21.4	21.0	20.6	19.5
Borrowings growth (%)	30.1	20.5	18.7	20.0	18.2
Book value growth (%)	20.7	27.0	20.7	18.6	23.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	32.4	26.8	21.7	18.1	15.3
P/B (x)	5.8	4.6	3.8	3.2	2.6
P/ABV (x)	5.8	4.6	3.8	3.2	2.6
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.1	0.1	0.1	0.1	0.1
<b>Dupont-RoE split (%)</b>					
NII/avg AUM	6.8	6.8	7.0	7.0	7.0
Other income	1.4	1.5	1.3	1.3	1.2
Securitization income	0	0	0	0	0
Opex	1.2	1.2	1.1	1.1	1.0
Employee expense	2.0	2.0	2.1	2.1	2.1
<b>PPOP</b>	<b>5.0</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>
Provisions	1.5	1.7	1.5	1.5	1.5
Tax expense	0.9	0.9	0.9	0.9	0.9
<b>RoAUM (%)</b>	<b>2.6</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>
Leverage ratio (x)	7.7	7.6	7.3	7.2	7.0
<b>RoE (%)</b>	<b>19.7</b>	<b>19.3</b>	<b>19.4</b>	<b>19.4</b>	<b>19.0</b>

Quarterly data				
Rs mn, Y/E Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	31,838	33,787	35,808	38,551
NIM (%)	8.2	8.3	8.5	8.8
PPOP	24,117	24,578	26,432	29,838
PAT	11,359	11,553	12,877	16,407
EPS (Rs)	13.50	13.73	15.25	19.25

Source: Company, Emkay Research

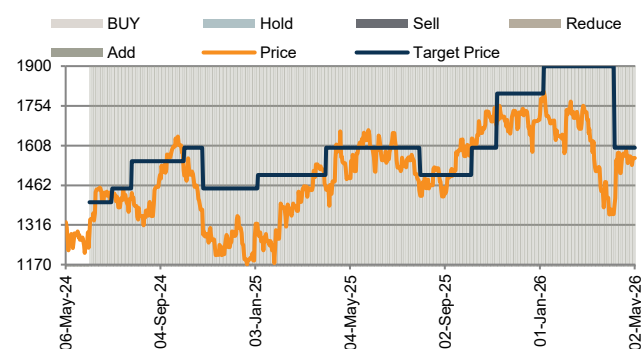
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## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
06-Apr-26	1,393	1,600	Add	Avinash Singh
17-Mar-26	1,529	1,900	Add	Avinash Singh
02-Feb-26	1,594	1,900	Add	Avinash Singh
06-Jan-26	1,805	1,900	Add	Avinash Singh
07-Nov-25	1,704	1,800	Add	Avinash Singh
06-Oct-25	1,634	1,600	Add	Avinash Singh
01-Aug-25	1,423	1,500	Add	Avinash Singh
07-Jul-25	1,514	1,600	Add	Avinash Singh
05-Jun-25	1,512	1,600	Add	Avinash Singh
29-Apr-25	1,485	1,600	Add	Avinash Singh
10-Apr-25	1,431	1,600	Add	Avinash Singh
03-Apr-25	1,445	1,600	Add	Avinash Singh
27-Feb-25	1,439	1,500	Add	Avinash Singh
01-Feb-25	1,266	1,500	Add	Avinash Singh
06-Jan-25	1,294	1,500	Add	Avinash Singh
05-Dec-24	1,291	1,450	Add	Avinash Singh
04-Dec-24	1,292	1,450	Add	Avinash Singh
28-Oct-24	1,280	1,450	Add	Avinash Singh
04-Oct-24	1,497	1,600	Add	Avinash Singh
02-Sep-24	1,486	1,550	Add	Avinash Singh

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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<b>SELL</b>	>15% downside

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