

Navigating a tougher macro; hopes pinned on H2 recovery

BFSI - NBFCs ▶ Result Update ▶ August 01, 2025

CMP (Rs): 1,423 | TP (Rs): 1,500

CIFC reported a weak quarter owing to seasonality, macro headwinds, and elevated credit cost. Asset quality remained under pressure across product segments, driven by early monsoons and some seasonal effects. The management expects this to normalize, assuming monsoons do not extend till Q3 (like last year); it maintained credit cost guidance of 1.4-1.5% for the full year. The management maintains growth guidance of 20-23%, pinning hopes on macro recovery in H2 and festive demand. It expects NIMs to improve by 10-15bps on the back of rate cuts; while opex would remain stable/moderate given that most of the expansion will be in the gold segment, CIFC plans to leverage existing vehicle finance branches for expansion of product offerings. To reflect the Q1 developments and near-term hope of a recovery led by strong festive demand, rate-cut benefits, and improving asset quality in H2, we lower our FY26-28 estimates which results in ~1-2% reduction in AUM growth estimates, minor increase in credit cost, and 3-4% cut in EPS. We reiterate ADD while trimming Jun-26E TP by ~6% to Rs1,500, implying FY27E P/B of 3.4x.

Seasonality and macro environment impacting profitability

CIFC reported a softer Q1 performance, with PAT of Rs11.4bn impacted by elevated credit cost of 1.9% (Emkay estimate: 1.6%) which was on account of stress across product segments due to seasonality and early monsoons. AUM grew ~3.6% sequentially, while disbursement remains soft as the management continues to reduce its CSEL partnership segment. Margins remained stable while opex moderated (would be marginally higher in Q2), resulting in a PPop growing 30% YoY. Asset quality deteriorated marginally across product segments, with overall GS3/NS3 at 3.16%/1.8% vs 2.81%/1.56%, respectively, in Q4FY25. PBT-ROA/ROE for Q1FY26 came in at ~3.1%/18.8%.

Guidance: Some moderation in growth and slight uptick in credit cost

The management has guided for AUM growth of 20-23%, on strong demand recovery in H2 and supportive monsoons. However, disbursements have been slow in certain stressed segments, particularly CSEL and vehicles. As a result, overall disbursement growth is now expected at ~10% (down from 15% earlier). Margins are projected to improve by ~15bps due to rate cuts. Operating expenses are likely to remain stable or moderate slightly, with most new branches focused on the GL segment while existing vehicle branches are being leveraged for product expansion. The management remains confident about containing credit costs below 1.5% and expects asset quality to improve as macro conditions stabilize. These factors cumulatively are expected to support a near-term PBT-ROA of 3.3-3.4%.

Maintain ADD with a revised TP of Rs1,500

To factor in the Q1FY26 trends and FY26 guidance, we trim FY26-28 growth and disbursement estimates by ~1-4% and ~4-7%, respectively, and expect credit costs to stay elevated due to ongoing stress in certain segments. We reiterate ADD, with revised down Jun-26E TP of Rs1,500 (from Rs1,600), implying FY26E P/B of 3.4x.

Target Price – 12M	Jun-26
Change in TP (%)	(6.3)
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	5.4

Stock Data	CIFC IN
52-week High (Rs)	1,684
52-week Low (Rs)	1,168
Shares outstanding (mn)	841.2
Market-cap (Rs bn)	1,197
Market-cap (USD mn)	13,671
Net-debt, FY26E (Rs mn)	NA
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	3,056.3
ADTV-3M (USD mn)	34.9
Free float (%)	49.6
Nifty-50	24,565.3
INR/USD	87.5

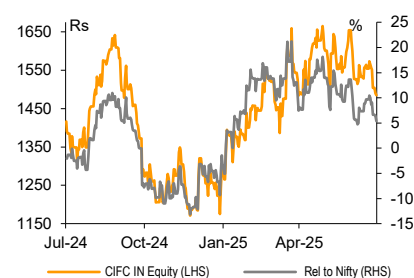
Shareholding, Jun-25

Promoters (%)	49.9
FPIs/MFs (%)	28.0/16.1

Price Performance

(%)	1M	3M	12M
Absolute	(11.1)	(4.7)	2.3
Rel. to Nifty	(7.5)	(5.6)	4.1

1-Year share price trend (Rs)



Cholamandalam Investment: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profits	34,228	42,585	52,690	68,280	84,464
AUM growth (%)	36.7	26.9	21.4	19.4	19.1
NII growth (%)	32.4	34.0	28.0	23.2	20.5
NIMs (%)	7.9	8.2	8.3	8.4	8.5
PPOP growth (%)	32.7	39.4	24.5	24.3	22.6
Adj. EPS (Rs)	40.7	50.6	62.6	79.6	96.5
Adj. EPS growth (%)	25.6	24.3	23.7	27.0	21.3
Adj. BV (INR)	232.7	280.9	341.5	435.6	544.5
Adj. BVPS growth (%)	33.9	20.7	21.6	27.6	25.0
RoA (%)	2.5	2.4	2.4	2.6	2.7
RoE (%)	20.2	19.7	20.1	20.7	19.9
P/E (x)	34.9	28.1	22.7	17.9	14.7
P/ABV (x)	6.1	5.1	4.2	3.3	2.6

Source: Company, Emkay Research

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Exhibit 1: Actual vs Estimates

CIFIC - Q1FY26 (Rs mn)						Change		1QFY26		Consensus	
Result Snapshot	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	QoQ	YoY	Estimates	Variation		
Business Assets	1,554,420	1,646,430	1,745,670	1,847,460	1,914,210	3.6%	23.1%	1,871,702	2.3%	1,878,563	1.9%
Disbursement	243,320	243,130	258,060	264,190	243,250	-7.9%	0.0%	260,227	-6.5%		
NII	25,796	27,128	28,869	30,557	31,838	4.2%	23.4%	32,302	-1.4%		
Total Income	30,333	32,376	35,406	37,584	38,645	2.8%	27.4%	38,468	0.5%	37,514	3.0%
PPoP	18,499	19,221	21,276	23,315	24,117	3.4%	30.4%	23,970	0.6%	23,692	1.8%
Provision	5,814	6,235	6,640	6,253	8,821	41.1%	51.7%	7,458	18.3%	7,453	18.4%
PBT	12,685	12,986	14,636	17,062	15,296	-10.3%	20.6%	16,512	-7.4%	16,239	-5.8%
PAT	9,422	9,631	10,865	12,667	11,359	-10.3%	20.6%	12,269	-7.4%	12,003	-5.4%
Credit Cost	1.54%	1.56%	1.57%	1.39%	1.88%	48bps	33bps	1.60%	27bps	1.60%	28bps
GS3	2.62%	2.83%	2.91%	2.81%	3.16%	35bps	54bps	2.85%	31bps		
NS3	1.45%	1.59%	1.65%	1.56%	1.80%	24bps	35bps	1.5%	27bps		

Source: Company, Emkay Research

Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY26E			FY27E			FY28E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Disbursement	1,172,843	1,123,495	-4.2%	1,388,846	1,297,048	-6.6%	1,619,321	1,508,010	-6.9%
AUM	2,268,056	2,242,331	-1.1%	2,746,863	2,676,738	-2.6%	3,310,828	3,187,205	-3.7%
Net interest income	144,682	143,774	-0.6%	181,899	177,086	-2.6%	221,178	213,470	-3.5%
Total Income	170,985	169,947	-0.6%	212,549	207,252	-2.5%	257,098	248,412	-3.4%
Opex	67,906	67,482	-0.6%	81,492	79,935	-1.9%	95,409	92,357	-3.2%
PPOP	103,079	102,465	-0.6%	131,056	127,317	-2.9%	161,690	156,054	-3.5%
Provisions	29,546	31,551	6.8%	35,550	35,419	-0.4%	43,490	42,375	-2.6%
PAT	54,635	52,690	-3.6%	70,961	68,280	-3.8%	87,822	84,464	-3.8%
EPS (Rs)	64.9	62.6	-3.6%	82.7	79.6	-3.8%	100.4	96.5	-3.8%
BV (Rs)	344	341	-0.7%	441	436	-1.2%	554	545	-1.6%
Networth	289,227	287,281	-0.7%	378,471	373,845	-1.2%	484,543	476,558	-1.6%
NIM+Fees	8.31%	8.31%	0bps	8.48%	8.43%	-5bps	8.49%	8.47%	-2bps
Cost-to-income ratio	39.7%	39.7%	-1bps	38.3%	38.6%	23bps	37.1%	37.2%	7bps
Opex-to-AUM	3.30%	3.30%	0bps	3.25%	3.25%	0bps	3.15%	3.15%	0bps
Disbursement growth	16.3%	11.4%	-489bps	18.4%	15.4%	-297bps	16.6%	16.3%	-33bps
AUM growth	22.8%	21.4%	-139bps	21.1%	19.4%	-174bps	20.5%	19.1%	-146bps
Credit costs	1.44%	1.54%	11bps	1.42%	1.44%	2bps	1.44%	1.45%	1bps
ROA	2.45%	2.37%	-7bps	2.61%	2.57%	-4bps	2.68%	2.67%	0bps
ROE	20.8%	20.1%	-67bps	21.3%	20.7%	-60bps	20.4%	19.9%	-49bps

Source: Company, Emkay Research

Exhibit 3: Valuation matrix

				P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			EPS (Rs)		
	CMP/TP (Rs)	Upside	Mkt Cap (Rs bn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
At current market price	1,423	5%	1,197	4.2	3.3	2.6	22.7	17.9	14.7	2.4	2.6	2.7	20.1	20.7	19.9	341	436	545	62.6	79.6	96.5
At target price	1,500		1,197	4.4	3.4	2.8	23.9	18.9	15.5	2.4	2.6	2.7	20.1	20.7	19.9	341	436	545	62.6	79.6	96.5

Source: Company, Emkay Research

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

Exhibit 4: Quarterly earnings snapshot

CIFIC - Q1FY26 (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	QoQ chg	YoY chg
Net Interest Income	25,796	27,128	28,869	30,557	31,838	4.2%	23.4%
Other Income	4,537	5,248	6,537	7,027	6,807	-3.1%	50.0%
Total Income	30,333	32,376	35,406	37,584	38,645	2.8%	27.4%
Operating Expenses	11,834	13,155	14,130	14,269	14,528	1.8%	22.8%
Operating Profit	18,499	19,221	21,276	23,315	24,117	3.4%	30.4%
Provisions	5,814	6,235	6,640	6,253	8,821	41.1%	51.7%
Credit costs	1.5%	1.6%	1.6%	1.4%	1.9%	48bps	33bps
PBT	12,685	12,986	14,636	17,062	15,296	-10.3%	20.6%
Tax	3,263	3,355	3,771	4,395	3,937	-10.4%	20.7%
Tax rate	25.7%	25.8%	25.8%	25.8%	25.7%	0bps	2bps
PAT	9,422	9,631	10,865	12,667	11,359	-10.3%	20.6%
Disbursements	243,320	243,130	258,060	264,190	243,260	-7.9%	0.0%
Total AUM	1,554,420	1,646,430	1,745,670	1,847,460	1,921,480	4.0%	23.6%
Net Worth	205,246	213,650	225,930	236,274	247,150	4.6%	20.4%
ROA	2.3%	2.2%	2.3%	2.6%	2.2%	-36bps	-8bps
ROE	18.8%	18.4%	19.8%	21.9%	18.8%	-313bps	-1bps
GS3	2.62%	2.83%	2.91%	2.81%	3.16%	34bps	53bps
NS3	1.45%	1.59%	1.65%	1.56%	1.80%	24bps	35bps
PCR	45.50%	44.50%	44.10%	45.27%	43.71%	-156bps	-179bps

Source: Company, Emkay Research

Exhibit 5: AUM trend

(Rs bn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Vehicle Finance	710.7	754.0	796.4	845.0	886.4	920.1	966.7	1,012.6	1,047.2
Home loans (and Business Finance)	95.3	108.0	120.9	134.6	145.7	158.9	171.2	184.3	194.0
Home Equity (LAP)	228.7	247.2	268.9	298.6	321.4	348.2	375.6	414.4	439.4
New Segment	113.4	133.3	152.1	178.1	201.0	219.2	232.1	236.2	240.9
Total	1,148.0	1,242.5	1,338.3	1,456.3	1,554.4	1,646.4	1,745.7	1,847.5	1,921.5

Source: Company, Emkay Research

Exhibit 6: Disbursement trend

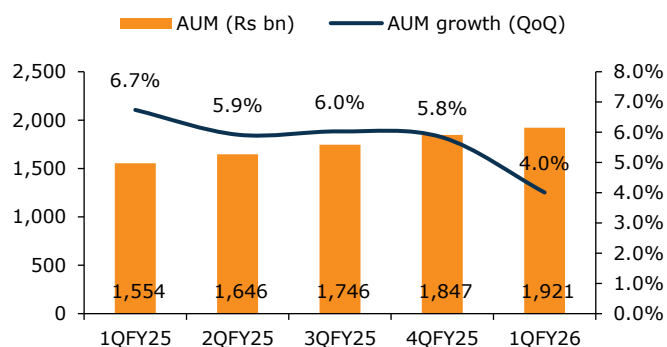
(Rs bn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Vehicle Finance	113.0	117.3	123.5	129.6	127.7	123.4	143.9	144.3	136.5
Home loans (and Business Finance)	14.5	15.8	15.9	17.5	17.8	18.2	18.2	19.8	17.6
Home Equity (LAP)	26.8	31.9	34.1	42.7	38.7	43.0	42.1	55.4	47.1
New Segment	45.8	50.4	50.3	58.0	59.1	58.6	53.9	44.7	42.1
Total	200.2	215.4	223.8	247.9	243.3	243.1	258.1	264.2	243.3

Source: Company, Emkay Research

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

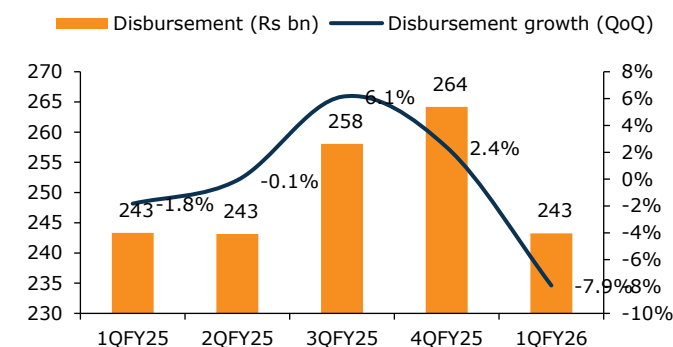
Results in charts

Exhibit 7: Stable AUM growth in a challenging environment



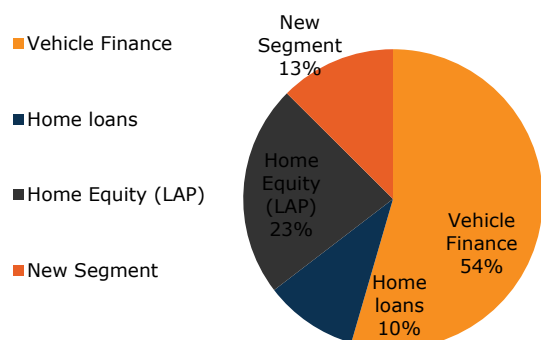
Source: Company, Emkay Research

Exhibit 8: Disbursement impacted due to early monsoons



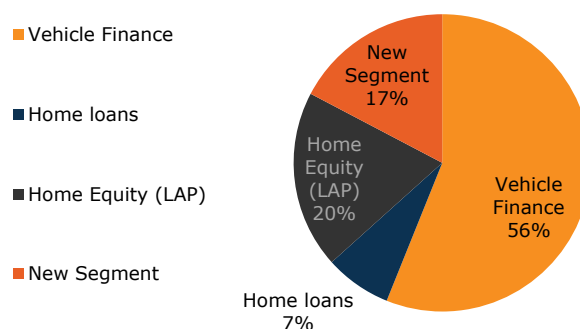
Source: Company, Emkay Research

Exhibit 9: AUM mix as of Q1FY26



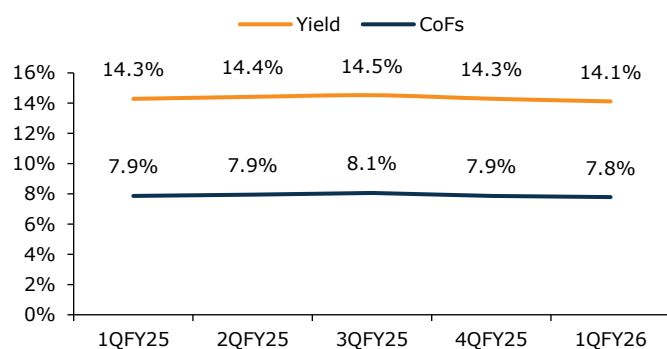
Source: Company, Emkay Research

Exhibit 10: Disbursement mix in Q1FY26



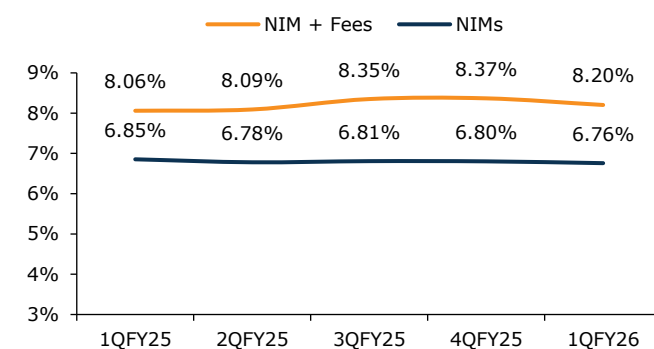
Source: Company, Emkay Research

Exhibit 11: CoFs to moderate further in Q2FY26



Source: Company, Emkay Research

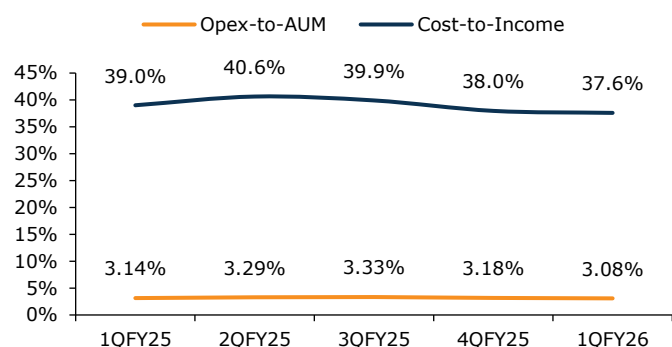
Exhibit 12: Rate cut benefit to start reflecting in Q2FY26



Source: Company, Emkay Research

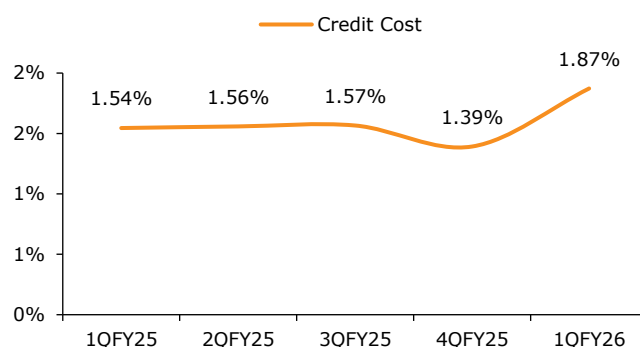
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Exhibit 13: Marginal moderation in opex, as the company is leveraging the existing VF branches for expansion in product offerings



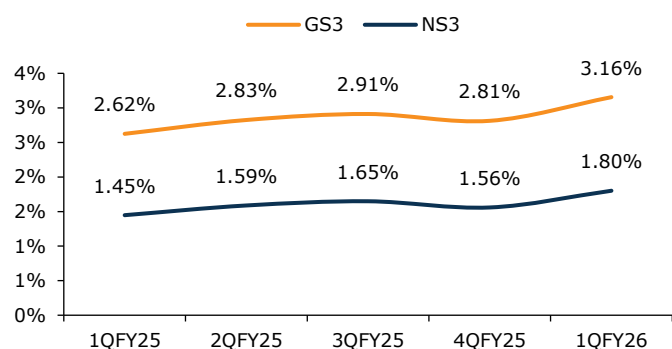
Source: Company, Emkay Research

Exhibit 14: Elevated credit cost due to stress in vehicle and MSME segment



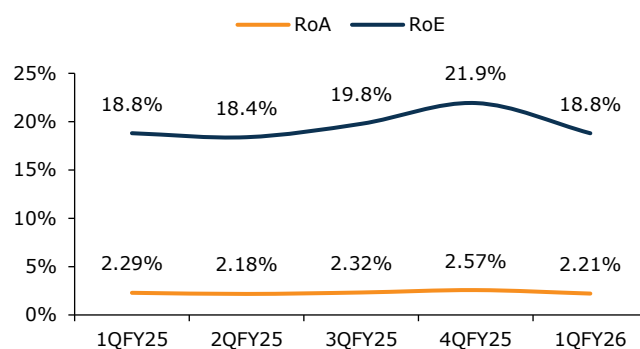
Source: Company, Emkay Research

Exhibit 15: Asset quality impacted due to macro and seasonality



Source: Company, Emkay Research

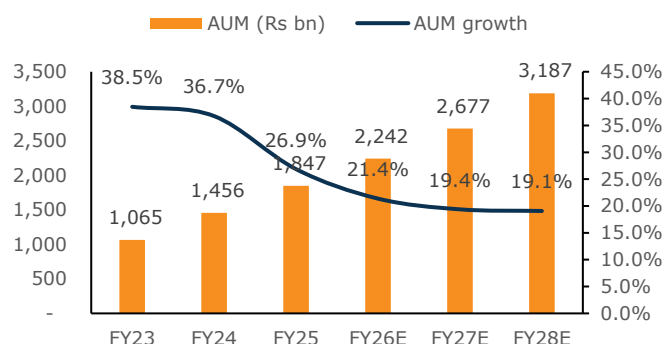
Exhibit 16: Overall profitability impacted due to elevated credit cost



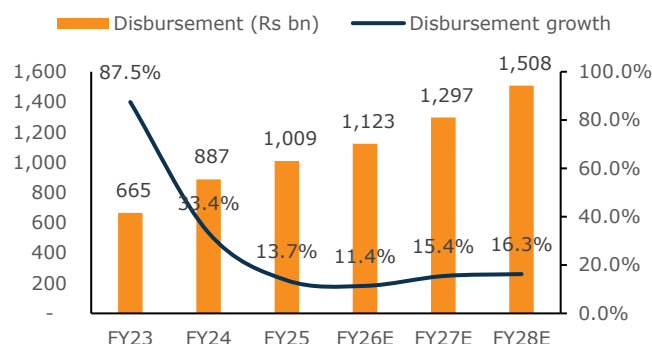
Source: Company, Emkay Research

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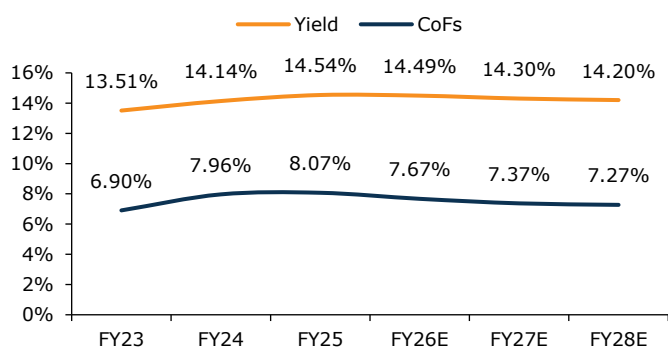
Story in charts

Exhibit 17: AUM expected to grow at ~20% over FY26-28


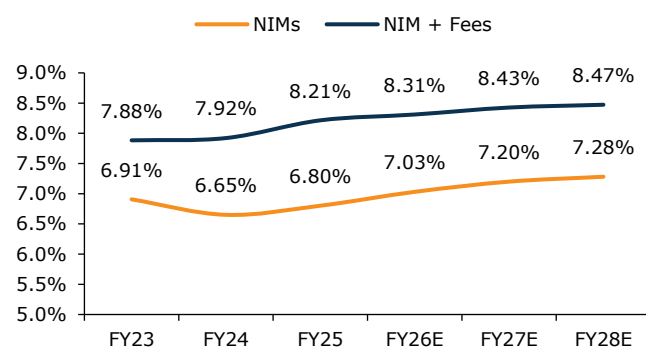
Source: Company, Emkay Research

Exhibit 18: Disbursement to remain soft in FY26


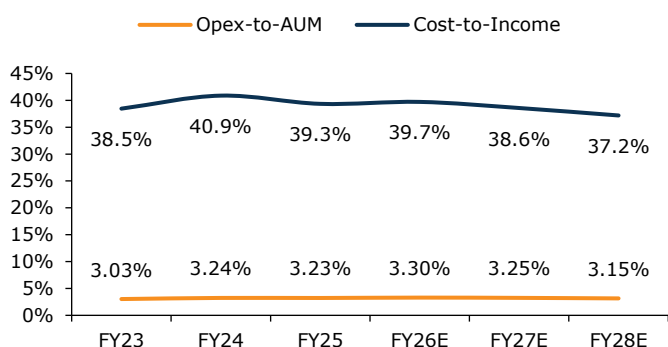
Source: Company, Emkay Research

Exhibit 19: CoF moderation on account of rate cut


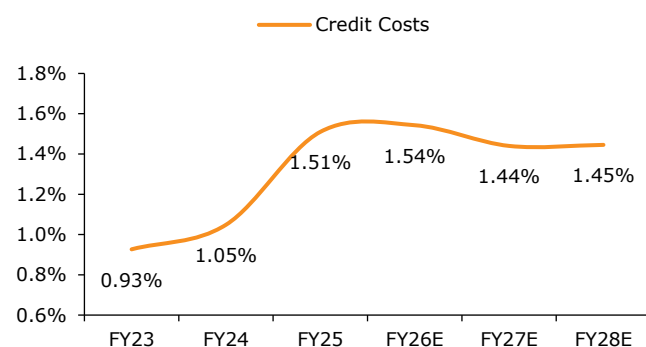
Source: Company, Emkay Research

Exhibit 20: The management guided for a 10-15bps margin expansion in FY26, led by rate cut


Source: Company, Emkay Research

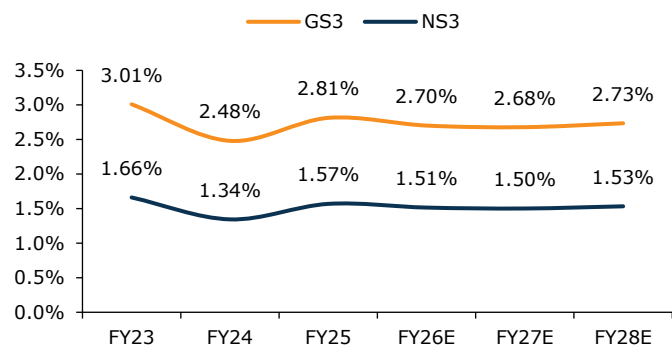
Exhibit 21: Opex ratio to remain range-bound


Source: Company, Emkay Research

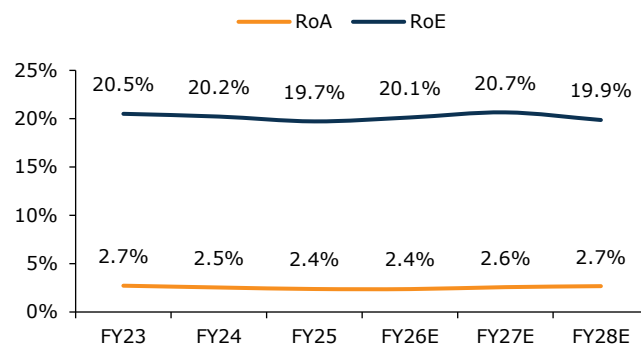
Exhibit 22: Credit cost to moderate in FY27-28 as macro improves


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

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Earnings call highlights

- The management stated that CIFIC is deliberately slowing home loan disbursements, with disbursement growth expected to stay soft at around 10% for the year, even as AUM is projected to grow by roughly 30%. It cited that changes in registration processes across key markets led to a softer disbursement; there will be a shift in focus toward controlling opex rather than aggressively expanding this segment. On asset quality, the management noted that net credit loss in the segment was 1.4% last year; it is confident of improvement by H2FY26.
- The NIM improved marginally from 7.6% to 7.8% in Q1FY26 and is expected to improve by 10-15bps on account of the RBI's rate cut; opex reduced to 2.9%, and the management aims to keep it around 3% despite annual salary hikes in Q2FY26.
- Credit cost spiked by 30bps, driven by stress in auto and consumer segments. The management guided for full-year credit cost of 1.4-1.5%, similar to last year's 1.4%. Any relief will likely come only in Q3, depending on the timing and end of monsoons; the management expects no spike ahead.
- In terms of VF, the management highlighted that the industry contracted ~5% in Q1; however, CIFIC still managed 7% growth in VF disbursement and continues to gain market share. It indicated that it is not chasing growth, especially in competitive segments like tractors, where it has consciously held rates. It expects VF to pick up from Q2, aided by an early festive season and improving macro.
- GS3 rose to 3.16% (vs 2.81% QoQ), with higher NCL in Small CV, CSEL partnership, Supply chain, and tractors—though the company attributes much of this to earlier-stage accounts rolling forward. It remains confident about a reversal in trends, led by strong seasonal pickup and tighter collections (including legal action in mortgage loans).
- LAP, Secured-BL, and SME continue to show acceptable ROAs and NCLs. Stress here is more about normalization from very low NPAs. All of these are secured loans, so resolution timelines (via SARFAESI or arbitration) stretch longer, although risk remains manageable.
- in the CESL segment, the management indicated that focus is on strengthening the traditional book, particularly by increasing CD and in-house digital lending. The management expects performance to start improving from Q4, including gains from the gold loan portfolio. Meanwhile, the partnership business has stopped.
- CIFIC has opened 75 gold loan branches in urban locations which led to a short-term increase in urban branch share. However, there is no change in branch strategy, ie ~90% of the overall network is still in Tier 3 to Tier 6 markets. Gold loans are being launched in urban areas first, with plans to gradually expand into semi-urban and rural regions.
- The management highlighted that half the borrowings are already benefiting from EBLR rate cuts; MCLR-linked gains should kick in by Q3. Overall, cost of funds is expected to ease by ~20bps, with 12-15bps likely showing up in NIMs after factoring in some yield pass-through.
- Guidance:
 - AUM to grow at 20-23%, with disbursement growth of ~10%.
 - The company expects ~12-15bps NIM improvement for the full year due to lower CoF (a 20bps drop), partially offset by yield compression in floating rate books.
 - The management aims to keep opex ratio at ~3%.
 - Credit cost is expected to remain at ~1.4-1.5%; the current elevated levels to see a reduction starting Q3, if monsoons end early and festive demand kicks in.

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Cholamandalam Investment: Standalone Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	176,137	237,200	291,590	345,796	409,286
Interest Expense	92,306	124,849	147,817	168,710	195,816
Net interest income	83,831	112,351	143,774	177,086	213,470
NII growth (%)	32.4	34.0	28.0	23.2	20.5
Non interest income	16,026	23,348	26,173	30,165	34,941
Total income	99,857	135,699	169,947	207,252	248,412
Operating expenses	40,818	53,388	67,482	79,935	92,357
PPOP	59,039	82,311	102,465	127,317	156,054
PPOP growth (%)	32.7	39.4	24.5	24.3	22.6
Provisions & contingencies	13,218	24,943	31,551	35,419	42,375
PBT	45,821	57,369	70,915	91,897	113,680
Extraordinary items	0	0	0	0	0
Tax expense	11,593	14,783	18,225	23,618	29,216
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	34,228	42,585	52,690	68,280	84,464
PAT growth (%)	28.4	24.4	23.7	29.6	23.7
Adjusted PAT	34,228	42,585	52,690	68,280	84,464
Diluted EPS (Rs)	41.1	50.6	62.5	80.2	97.3
Diluted EPS growth (%)	26.9	23.0	23.7	28.3	21.3
DPS (Rs)	2.0	2.0	2.0	2.0	2.0
Dividend payout (%)	4.9	4.0	3.2	2.5	2.1
Effective tax rate (%)	25.3	25.8	25.7	25.7	25.7
Net interest margins (%)	7.9	8.2	8.3	8.4	8.5
Cost-income ratio (%)	40.9	39.3	39.7	38.6	37.2
PAT/PPOP (%)	58.0	51.7	51.4	53.6	54.1
Shares outstanding (mn)	840.3	841.3	841.3	858.2	875.1

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
GNPL - Stage 3	36,450	52,130	60,695	71,829	87,340
NNPL - Stage 3	19,520	28,530	33,382	39,506	48,037
GNPL ratio - Stage 3 (%)	2.5	2.8	2.7	2.7	2.7
NNPL ratio - Stage 3 (%)	1.3	1.6	1.5	1.5	1.5
ECL coverage - Stage 3 (%)	46.4	45.3	45.0	45.0	45.0
ECL coverage - 1 & 2 (%)	0.6	0.6	0.7	0.7	0.7
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	17.2	15.0	20.0	20.0	19.0
Total credit costs (%)	1.0	1.5	1.5	1.4	1.4
NNPA to networth (%)	10.0	12.1	11.6	10.6	10.1
Capital adequacy					
Total CAR (%)	18.6	19.8	20.0	21.4	22.6
Tier-1 (%)	15.1	14.4	14.7	16.1	17.2
Miscellaneous					
Total income growth (%)	38.1	35.9	25.2	22.0	19.9
Opex growth (%)	46.8	30.8	26.4	18.5	15.5
PPOP margin (%)	4.7	5.0	5.0	5.2	5.3
Credit costs-to-PPOP (%)	22.4	30.3	30.8	27.8	27.2
Loan-to-Assets (%)	92.3	90.2	90.9	91.2	91.3
Yield on loans (%)	14.0	14.4	14.3	14.1	14.0
Cost of funds (%)	8.0	8.1	7.7	7.4	7.3
Spread (%)	6.0	6.3	6.6	6.7	6.7

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,681	1,683	1,683	1,716	1,750
Reserves & surplus	193,885	234,592	285,599	372,128	474,808
Net worth	195,565	236,274	287,281	373,845	476,558
Borrowings	1,344,736	1,749,461	2,105,022	2,473,360	2,913,711
Other liabilities & prov.	24,207	30,741	33,815	37,196	40,916
Total liabilities & equity	1,564,508	2,016,476	2,426,118	2,884,400	3,431,185
Net loans	1,444,243	1,819,299	2,204,212	2,631,234	3,133,022
Investments	41,002	63,904	76,892	49,467	58,274
Cash, other balances	43,202	94,007	100,405	156,996	192,459
Interest earning assets	1,528,447	1,977,210	2,381,509	2,837,697	3,383,756
Fixed assets	15,340	17,469	20,962	23,058	24,211
Other assets	20,721	21,798	23,647	23,645	23,218
Total assets	1,564,508	2,016,476	2,426,118	2,884,400	3,431,185
BVPS (Rs)	232.7	280.9	341.5	435.6	544.5
Adj. BVPS (INR)	232.7	280.9	341.5	435.6	544.5
Gross loans	1,469,450	1,853,400	2,246,827	2,681,827	3,194,073
Total AUM	1,456,290	1,847,460	2,242,331	2,676,738	3,187,205
On balance sheet	1,443,510	1,819,290	2,204,212	2,631,234	3,133,022
Off balance sheet	12,780	28,170	38,120	45,505	54,182
Disbursements	887,250	1,008,700	1,123,495	1,297,048	1,508,010
Disbursements growth (%)	33.4	13.7	11.4	15.4	16.3
Loan growth (%)	37.9	26.0	21.2	19.4	19.1
AUM growth (%)	36.7	26.9	21.4	19.4	19.1
Borrowings growth (%)	38.1	30.1	20.3	17.5	17.8
Book value growth (%)	33.9	20.7	21.6	27.6	25.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	34.9	28.1	22.7	17.9	14.7
P/B (x)	6.1	5.1	4.2	3.3	2.6
P/ABV (x)	6.1	5.1	4.2	3.3	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
Dupont-RoE split (%)					
NII/avg AUM	6.6	6.8	7.0	7.2	7.3
Other income	1.3	1.4	1.3	1.2	1.2
Securitization income	0	0	0	0	0
Opex	1.4	1.2	1.2	1.0	0.9
Employee expense	1.8	2.0	2.1	2.2	2.2
PPOP	4.7	5.0	5.0	5.2	5.3
Provisions	1.0	1.5	1.5	1.4	1.4
Tax expense	0.9	0.9	0.9	1.0	1.0
RoAUM (%)	2.7	2.6	2.6	2.8	2.9
Leverage ratio (x)	7.4	7.7	7.8	7.4	6.9
RoE (%)	20.2	19.7	20.1	20.7	19.9

Quarterly data					
Rs mn, Y/E Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
NII	25,796	27,128	28,869	30,557	31,838
NIM (%)	8.1	8.1	8.4	8.4	8.2
PPOP	18,499	19,221	21,276	23,315	24,117
PAT	9,422	9,631	10,865	12,667	11,359
EPS (Rs)	11.21	11.72	13.23	15.06	13.83

Source: Company, Emkay Research

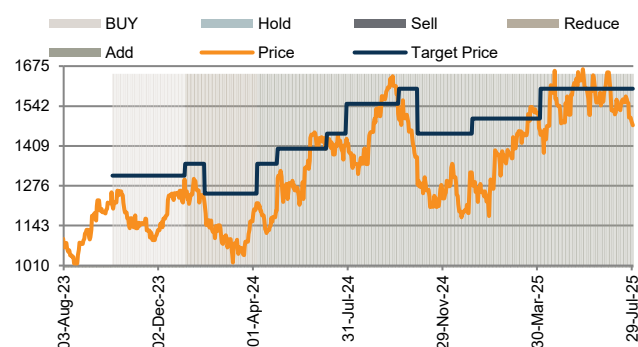
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
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
20-Aug-24	1,388	1,550	Add	Avinash Singh
29-Jul-24	1,433	1,550	Add	Avinash Singh
04-Jul-24	1,422	1,450	Add	Avinash Singh
05-Jun-24	1,289	1,400	Add	Avinash Singh
02-May-24	1,302	1,400	Add	Avinash Singh
06-Apr-24	1,218	1,350	Add	Avinash Singh
30-Jan-24	1,214	1,250	Reduce	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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