

Cholamandalam Inv. & Finance

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	CIFC IN
Equity Shares (m)	841
M.Cap.(INRb)/(USD\$)	1433.7 / 16.2
52-Week Range (INR)	1782 / 1168
1, 6, 12 Rel. Per (%)	3/4/27
12M Avg Val (INR M)	2752

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	135.7	169.9	204.8
PPP	82.3	103.9	126.0
PAT	42.6	51.3	67.1
EPS (INR)	50.6	59.8	78.2
EPS Gr. (%)	24	18	31
BV (INR)	281	356	432

Valuations

NIM (%)	6.9	7.0	7.2
C/I ratio (%)	39.3	38.8	38.5
RoAA (%)	2.4	2.4	2.6
RoE (%)	19.7	18.9	19.8
Payout (%)	4.0	3.3	3.2

Ratios

P/E (x)	33.6	28.4	21.7
P/BV (x)	6.1	4.8	3.9
Div. Yield (%)	0.1	0.1	0.1

Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	49.9	49.9	50.2
DII	17.3	16.1	16.6
FII	26.9	28.0	27.2
Others	6.0	6.1	6.0

FII Includes depository receipts

CMP: INR1,704

TP: INR1,935 (+14%)

Buy

Soft quarter; business volumes and asset quality to improve in 2H

Asset quality deteriorates; AUM growth at the lower end of guidance

- Cholamandalam Inv. & Finance (CIFC)'s 2QFY26 PAT grew ~20% YoY to INR11.5b (in line). PAT grew ~20% YoY in 1HFY26, and we expect its PAT to grow ~21% YoY in 2H.
- CIFC's NII grew ~25% YoY to ~INR33.8b in 2QFY26 (in line). Other income grew ~33% YoY to ~INR7b (~5% below est.), driven by higher fee income and assignment income of ~INR764m (PQ: INR1.5b).
- CIFC's opex rose ~23% YoY to ~INR16.2b (in line), and the cost-income ratio declined ~1pp QoQ to ~40% (PQ: 38% and PY: 41%). The sequential increase in opex was due to variable compensation/incentives and investments in building the gold and CD business. PPop grew ~28% YoY to INR24.6b.
- Yields (calc.) rose ~5bp QoQ to ~14.45%, and CoF (calc.) declined ~15bp QoQ to ~7.65%. NIM rose ~15bp QoQ to ~6.9%. Management guided for a further ~10-15bp NIM expansion in H2FY26, aided by benefits in CoF. We expect the NIM to expand to ~7%/7.2% in FY26/FY27 (vs. ~6.9% in FY25).
- Management reiterated that the 20%+ AUM growth target remains intact, and it does not appear to be at risk. The company shared that business momentum was very healthy in Oct'25, and it expects disbursements and sequential AUM growth to accelerate in 2HFY26.
- The company also guided for overall credit costs to decline, supported by a reduction in slippages and a gradual improvement in vehicle utilization levels in 2H, which should enhance borrower repayment capacity. It is targeting to maintain credit costs at around 1.6% for the full year. We model credit costs of 1.6%/1.4% for FY26/FY27E.
- We cut our FY26E EPS by 2-3% to factor in slightly lower loan growth and higher credit costs. We model a CAGR of 14%/20%/25% in disbursement /AUM/PAT over FY25-28E. CIFC will have to utilize its levers on NIM (and fee income) to offset the impact of moderation in AUM growth and elevated credit costs. We estimate RoA/RoE of ~2.7%/20% in FY28. **We reiterate our BUY rating with a TP of INR1,935 (premised on 4x Sep'27E BVPS).**
- **Key risks:** 1) weak macros translating into weaker vehicle demand and sustained lower capacity utilization; 2) higher business volumes, following the festive season and GST cuts, rebounding to previous normalized levels, and 3) deterioration in asset quality, particularly in the new businesses and vehicle finance, which could keep the credit costs high for longer than estimated.

AUM rises ~21% YoY; disbursements flat both YoY and QoQ

- Business AUM grew 21% YoY/3.4% QoQ to INR1.99t, with newer businesses now forming ~12% of the AUM mix.
- Total disbursements in 2QFY26 were flat YoY and QoQ at ~INR244b. New lines of businesses contributed ~19% to the disbursement mix (PQ: ~17% and PY: ~24%), and VF disbursements in 2QFY26 grew ~10% YoY.
- Gold loan disbursements in 2QFY26 stood at ~INR5.5b and are expected to pick up in 2HFY26, which should support overall gold loan growth.
- We model a total AUM CAGR of ~20% over FY25-28E.

Asset quality deteriorates across segments; GS3 up ~20bp QoQ

- GS3/NS3 deteriorated ~20bp/12bp QoQ to 3.35%/1.9%, while PCR on S3 declined ~50bp QoQ to ~43.2%. ECL/EAD rose ~7bp QoQ to 2.05% (PQ: ~1.97%). GS3 in newer businesses rose ~20bp QoQ to ~2.8% (PQ: 2.6% and PY: 1.6%).
- Stage 2 + Stage 3 (30+ dpd) rose ~25bp QoQ to ~6.45%.
- CIFC's 2Q credit costs stood at ~INR9b (~vs. est. of INR9.2b). This translated into annualized credit costs of ~1.85% (PY: ~1.55% and PQ: ~1.9%). GNPA/NNPA (RBI IRAC) rose ~30bp/20bp QoQ to ~4.6%/3.1%. In 2QFY26, write-offs (calc.) stood at ~INR6.4b, translating into ~1.6% of TTM AUM (PY: ~1.1% and PQ: 1.3%).
- CRAR stood at ~20% (Tier 1: ~14.6%) as of Sep'25.
- Management guided credit costs of ~1.6% in FY26 (vs. ~1.4% in FY25). We estimate credit costs (as a % of avg. assets) of ~1.6%/1.4% in FY26/FY27.

Key highlights from the management commentary

- Management indicated that origination yields in gold loans remained healthy, and the company does not intend to price below industry peers to chase growth.
- Credit cost losses in the CSEL portfolio have already peaked and are expected to moderate progressively in the subsequent quarters.
- While the benefits of all the actions taken by the government (personal income tax cut, GST cuts, reduction in interest rates) were not fully visible in 2QFY26, the medium-term outlook remains strong.

Valuation and View

- CIFC delivered a soft quarter, with disbursements remaining largely flat YoY/QoQ and credit costs staying elevated. Asset quality weakened across product segments. A key positive was NIM expansion of ~15bp QoQ.
- The stock trades at 3.9x FY27E P/BV. In order to sustain this premium valuation multiple, CIFC will have to give higher confidence in its ability to deliver on its AUM growth and credit costs guidance for FY26. Further, it might have to fully leverage its diversified product suite to deliver its medium-term AUM growth guidance of 20-25%. We estimate a CAGR of ~20%/25% in AUM/PAT over FY25-28 for an RoA/RoE of 2.7%/20% in FY28E. **We reiterate our BUY rating with a TP of INR1,935 (premised on 4x Sep'27E BVPS).**

Quarterly Performance

(INR M)

Y/E March	FY25				FY26E				FY25	FY26	2QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	53,695	57,680	61,587	64,180	66,501	68,942	71,631	75,055	2,37,200	2,82,129	68,496	1
Interest Expenses	27,957	30,551	32,718	33,623	34,663	35,155	35,858	36,727	1,24,849	1,42,403	35,182	0
Net Interest Income	25,738	27,128	28,869	30,557	31,838	33,787	35,773	38,328	1,12,351	1,39,726	33,313	1
YoY Growth (%)	39.7	34.6	33.0	29.8	23.7	24.55	23.9	25.4	34.0	24.4	22.8	
Other Income	4,595	5,248	6,537	7,027	6,807	6,959	7,754	8,610	23,348	30,130	7,329	-5
Total Income	30,333	32,376	35,406	37,584	38,645	40,746	43,526	46,938	1,35,699	1,69,856	40,643	0
YoY Growth (%)	42.6	36.8	37.2	29.0	27.4	25.9	22.9	24.9	35.9	25.2	25.5	
Operating Expenses	11,834	13,155	14,130	14,269	14,528	16,169	17,168	18,088	53,388	65,952	16,181	0
Operating Profit	18,499	19,221	21,276	23,315	24,117	24,578	26,359	28,850	82,311	1,03,903	24,462	0
YoY Growth (%)	38.1	35.3	40.4	43.2	30.4	27.9	23.9	23.7	39.4	26.2	27.3	
Provisions & Loan Losses	5,814	6,235	6,640	6,253	8,821	8,970	8,700	8,247	24,943	34,738	9,200	-2
Profit before Tax	12,685	12,986	14,636	17,062	15,296	15,608	17,659	20,603	57,369	69,165	15,262	2
Tax Provisions	3,263	3,355	3,771	4,395	3,937	4,054	4,556	5,276	14,783	17,823	3,938	3
Net Profit	9,422	9,631	10,865	12,667	11,359	11,553	13,103	15,327	42,585	51,342	11,324	2
YoY Growth (%)	29.8	26.3	24.0	19.7	20.6	20.0	20.6	21.0	24.4	20.6	17.6	
Key Parameters (Calc., %)												
Yield on loans	14.4	14.51	14.6	14.5	14.4	14.45	14.4	14.3	14.5	14.2		
Cost of funds	7.86	7.94	8.06	7.86	7.78	7.63	7.56	7.52	8.1	7.6		
Spread	6.5	6.6	6.6	6.6	6.6	6.8	6.8	6.8	6.5	6.6		
NIM	6.84	6.78	6.81	6.80	6.76	6.91	7.00	7.11	6.9	7.0		
C/I ratio	39.0	40.6	39.9	38.0	37.6	39.7	39.4	38.5	39.3	38.8		
Credit cost	1.55	1.56	1.57	1.39	1.87	1.83	1.70	1.53	1.5	1.7		
Tax rate	25.7	25.8	25.8	25.8	25.7	26.0	25.8	25.6	25.8	25.8		
Balance Sheet Parameters												
Disbursements (INR b)	243	243	258	264	243	244	286	303	1,009	1,076		
Growth (%)	21.6	12.9	15.3	6.6	0.0	0.5	10.8	14.5	13.7	6.7		
AUM (INR b)	1,554	1,646	1,746	1,847	1,921	1,992	2,098	2,215	1,847	2,215		
Growth (%)	35.4	32.5	30.5	26.9	23.6	21.0	20.2	19.9	26.9	19.9		
AUM mix (%)												
Vehicle finance	57.0	55.9	55.4	54.8	54.5	54.0	54.0	52.9	54.8	52.9		
Home Equity	20.7	21.2	21.5	22.4	22.9	23.2	23.5	24.6	22.4	24.6		
Home loans & Others	22.3	23.0	23.1	22.8	22.6	22.7	22.5	22.5	12.8	12.0		
Borrowings (INR b)	1,499	1,578	1,671	1,749	1,813	1,875	1,920	1,988	1,749	1,988		
Growth (%)	38.6	32.1	35.7	30.1	20.9	18.8	14.9	13.6	30.1	13.6		
Asset Quality Parameters												
GS 3 (INR B)	41.2	47.1	51.3	52.1	60.4	66.3			52.1	66.5		
GS 3 (%)	2.6	2.83	2.9	2.8	3.2	3.35			2.8	3.0		
NS 3 (INR B)	22.5	26.1	28.7	28.5	34.0	37.6			28.5	37.3		
NS 3 (%)	1.5	1.60	1.7	1.6	1.8	1.94			1.5	1.7		
PCR (%)	45.5	44.5	44.1	45.3	43.7	43.2			45.3	44.0		
Vehicle finance AUM mix (%)												
LCV	19.8	19.8	19.2	19.0	19.2	19.3			19.8	19.8		
Cars & MUV	22.8	23.1	23.7	24.1	24.5	24.8			22.8	23.1		
3W & SCV	3.6	3.6	3.6	3.5	3.5	3.5			3.6	3.6		
Used CV	27.4	27.6	27.6	27.7	27.6	27.6			27.4	27.6		
Tractor	6.5	6.2	6.0	5.6	5.3	5.1			6.5	6.2		
HCV	6.7	6.6	6.6	6.8	6.7	6.7			6.7	6.6		
CE	6.5	6.3	6.4	6.4	6.3	6.1			6.5	6.3		
Two wheeler	6.8	6.7	6.8	6.8	6.8	6.9			6.8	6.7		

E: MOFSL estimates



Key highlights from the management commentary

Guidance

- Management shared that AUM growth above 20% is not seen as at risk for FY26.
- Credit costs are expected to be 1.6% for the full year.
- The company hopes to maintain 20-25% growth in FY27.
- Home Loans are expected to grow at 30%. Non-mortgage businesses are expected to grow at 20%.
- The company expects further ~10-15bp improvement in NIMs in 2HFY26.
- The company highlighted that all government actions are positive. While the benefits of these actions were not fully visible in 2Q, the medium-term outlook looks strong.

Financial Highlights

- AUM grew 21% YoY, while disbursements remained flat YoY/QoQ in 2QFY26.
- Vehicle Finance AUM grew 17% YoY, and LAP grew 33% YoY.
- Home Loan (HL) disbursements were negative during the quarter, but AUM grew 28% YoY. SME growth was healthy.
- NCL performance has shown improvement QoQ across other segments, and the company remains confident about further improvement in 2HFY26.
- Management expects the business to be stronger in 2HFY26. There is some concern about the extended monsoon and its potential impact.
- The company holds strong liquidity and a comfortable ALM position.
- CRAR stands at 20%, with Tier-1 at 14.5%.
- Management expects stronger performance in 2HFY26.

Disbursements and AUM Growth

- Management does not see 20% AUM growth being at risk, and 2HFY26 is expected to be strong.
- The company shared that momentum has remained strong in Oct'25 and expects growth and disbursements to pick up in 2HFY26.
- 2Q disbursements were impacted by festive holidays, delaying registrations. The company expects the momentum to improve in Dec'25 quarter.
- From Aug 15 to Sep 22, the market was in a wait-and-watch mode; since then, the benefits of GST have been observed in vehicles and other businesses.
- Gold business disbursed INR5b. This will further increase in 2HFY26 and will contribute to its 2HFY26 growth.
- HL and LAP were affected by SRO closures and holidays, creating disbursement pushovers; however, Oct'25 has shown improvement.
- Pickup in volumes is expected in 2HFY26, with LCV and SCV improving in 3Q.
- Growth continues in the CV segment even if asset quality stress has not fully receded.
- LCV growth was 5.1% during April–Sept; buses drove HCV numbers, although the company does not finance buses.
- Maruti financing: the company is in the top 4 financiers, achieving the highest number last month.
- Investments in consumer durables and direct digital lending are supporting disbursements and AUM growth.

- LAP: BT-in is more than BT-out at 45%.
- In vehicle finance, ticket sizes are down 8%, but disbursements and units are up by 14% and 18%, respectively, which will largely offset the price decline.
- The SBPL segment is expected to grow at 30%, as past growth has been strong.

CSEL Segment

- CSEL's decline was due to the stoppage of disbursements in partnerships. The unsecured portfolio in CSEL witnessed higher delinquencies in some markets.
- Credit cost losses in CSEL have peaked and are expected to moderate going forward.
- In the partnership business, there were issues with partner selection and weaker collection strength. The company believes performance is better under direct control.
- A supply-side rush was not recognized in partnership business, affecting asset quality.

Credit Costs and Asset Quality

- Overall, the net increase in Stage 3 has declined versus 1Q, and Stage 2 levels are stabilizing. From 1Q to 2Q, net slippages have been coming down.
- Net Stage 3 stands at 2.24%, and this is expected to moderate going forward.
- Despite monsoon impact, from 1Q to 2Q, Stage 2 remained broadly flat, while Stage 3 absolute value improved during the quarter as compared to 1Q.
- Capacity utilization will improve going forward, as it was impacted by monsoons.
- INR6.4b of write-offs had been done in 2QFY26.
- In Tamil Nadu, asset quality is back on track, and no disappointments are likely.
- Karnataka faced some challenges due to rains and e-Khata issues, but delinquency levels are improving. All southern states are expected to improve going forward.
- Overall, NCL stands at 1.8%, with a focus on reducing it to 1.6% depending on 3Q and 4Q performance.
- Management shared that the slightly extended monsoon impact remains a concern.
- The company shared that post agriculture harvesting period, and once kharif prices come in, capacity utilization will improve, and asset quality will also start improving in the CV segment.

Vehicle Utilization

- Vehicle utilization has been improving over the last 30-40 days, with the best results expected from December.
- Capacity utilization improved in some markets; however, it deteriorated in some others. The company expects that the Dec'25 quarter should see further improvement.
- HCV growth is flat due to segment challenges. SCV has picked up, and LCV has increased, indicating improvements will come with a lag effect.
- Post-Kharif crop prices, retail purchases, and mining activity are expected to improve MHCV purchases.

- Improved capacity utilization will enhance repayment ability and reduce delinquency impact in Stage 2 and Stage 3, leading to better results in 3Q and 4Q.

Gold Loan Portfolio

- Yields in gold loans remain healthy at origination, and the company is not looking to price below industry peers.
- Focus is on providing easy access and a great customer experience. The company does not aim to engage in pricing wars with competitors.
- The strategy is to build a strong customer franchise with healthy marginal yields.

Tractor

- Tractor business yields have declined due to increased competition and higher dealer pay-outs, which will impact ROA.
- The company plans to drive tractor disbursements to grow, with expected improvement in the coming months.

Margins

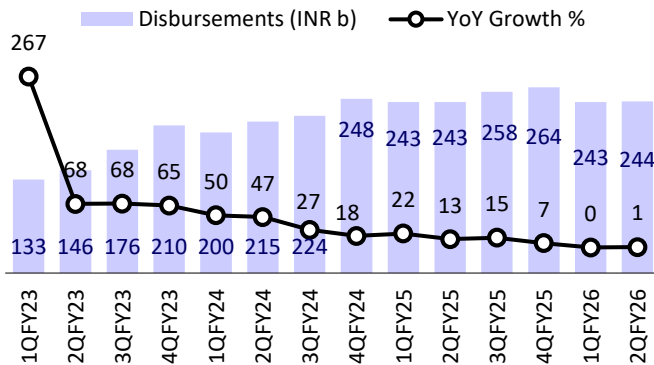
- NIM improved to 7.9%, and the company expects a further 10-15bp improvement in NIMs in 2HFY26.
- For both LAP and HL, 15bp has been passed on to customers.
- MCLR pass-through from banks is ongoing, with most already reflected and some remaining to come in 2HFY26
- CCD conversion of INR20b will also have some positive impact on margins over the next two quarters.

Home loans and LAP

- Home Loans and LAP should be evaluated individually, as they are at different growth stages. Last year, LAP growth was higher; this year, it moderated due to higher starting balances.
- Disbursement levels are considered achievable, with no change in origination strategy or ticket size.
- HL is in the affordable segment with an average ticket size of INR1.3m, while LAP is INR6.5-7m, making them non-comparable.
- No shift toward a more aggressive origination strategy; the drop in growth is a function of higher starting balances.

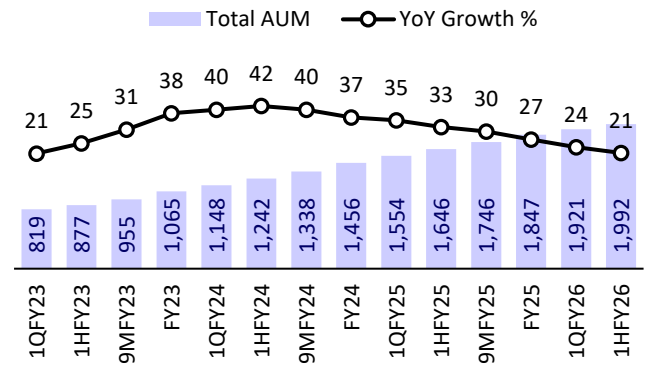
Key exhibits

Exhibit 1: Disbursements remained flat YoY



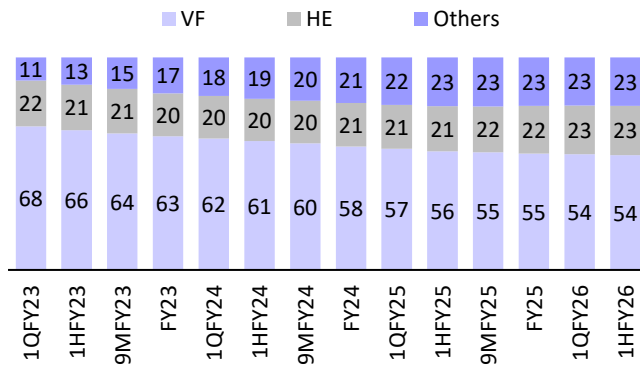
Source: MOFSL, Company

Exhibit 2: AUM grew 21% YoY



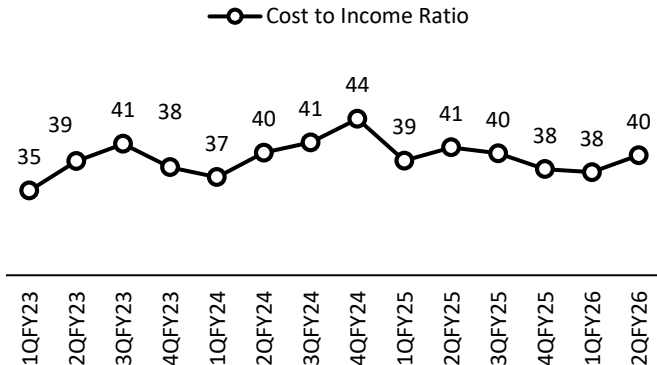
Source: MOFSL, Company

Exhibit 3: Vehicle Finance in the AUM mix has been gradually declining, implying a more diversified mix (%)



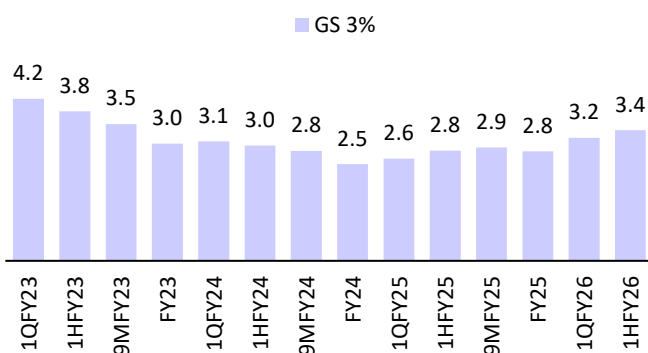
Source: MOFSL, Company

Exhibit 4: C/I ratio rose QoQ to 40%



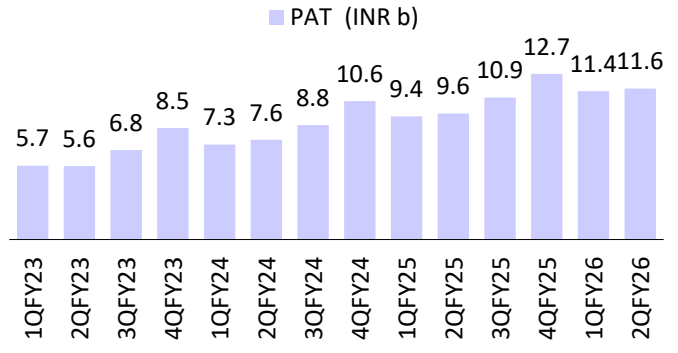
Source: MOFSL, Company

Exhibit 5: GS3 rose ~20bp QoQ to 3.35%



Source: MOFSL, Company,

Exhibit 6: PAT grew 20% YoY to INR11.6b

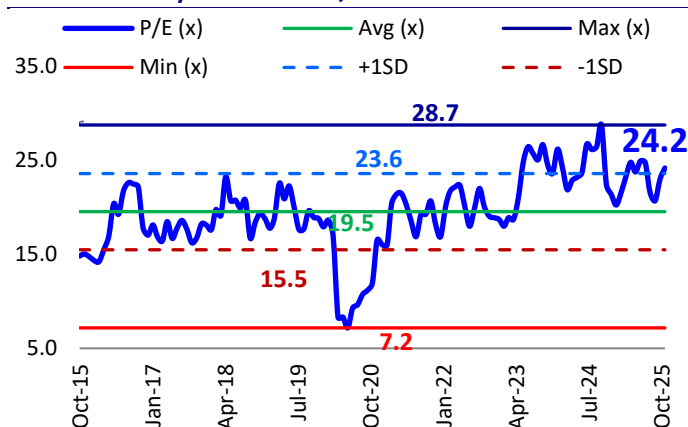


Source: MOFSL, Company

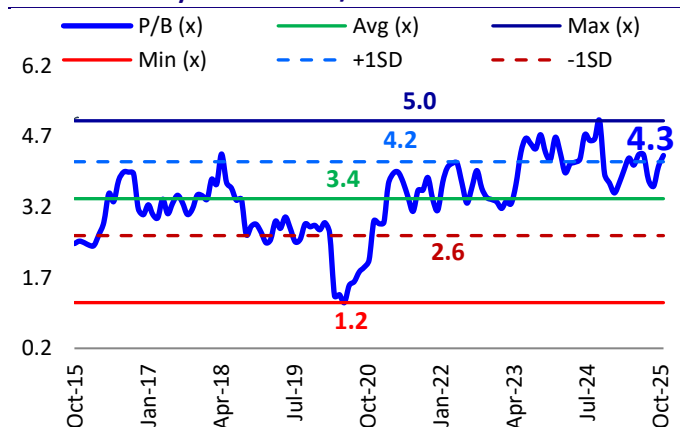
Exhibit 7: We cut our FY26 EPS estimates by 2-3% to factor in a slightly lower AUM growth and higher credit costs

INR B	Old Est.			New Est.			% change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII (incl. assignments)	146.0	175.9	210.2	144.5	174.1	208.6	-1.1	-1.0	-0.7
Other Income	24.3	29.2	35.2	25.4	30.7	37.2	4.3	5.3	5.6
Total Income	170.4	205.1	245.4	169.9	204.8	245.8	-0.3	-0.1	0.2
Operating Expenses	66.0	78.0	91.7	66.0	78.8	93.2	-0.1	1.0	1.6
Operating Profits	104.4	127.1	153.6	103.9	126.0	152.6	-0.4	-0.8	-0.7
Provisions	33.4	35.8	41.0	34.7	35.6	40.6	3.9	-0.5	-1.0
PBT	70.9	91.3	112.7	69.2	90.4	112.0	-2.5	-1.0	-0.6
Tax	18.3	23.5	29.0	17.8	23.3	28.9	-2.5	-1.0	-0.6
PAT	52.6	67.8	83.6	51.3	67.1	83.2	-2.5	-1.0	-0.6
AUM	2,234	2,690	0	2,215	2,667	0	-0.8	-0.9	-2.0
Loans	2,160	2,591	3,116	2,149	2,587	3,100	-0.5	-0.1	-0.5
Borrowings	2,005	2,386	2,855	1,988	2,366	2,825	-0.8	-0.9	-1.0
NIM	7.0	7.1	7.2	7.0	7.2	7.2			
Credit Cost	1.6	1.5	0.0	1.7	1.5	0.0			
RoA on AUM	2.4	2.6	2.7	2.4	2.6	2.7			
RoE	19.4	19.9	20.2	18.9	19.8	20.2			

Source: MOFSL, Company

Exhibit 8: One-year forward P/E


Source: Company, MOFSL

Exhibit 9: One-year forward P/B


Source: Company, MOFSL

Financials and valuations

Income Statement

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	78,417	88,772	93,251	1,18,084	1,75,637	2,37,200	2,82,129	3,31,749	3,95,272
Interest Expenses	45,922	45,759	42,988	57,488	92,306	1,24,849	1,42,403	1,61,965	1,90,774
Net Interest Income	32,495	43,013	50,263	60,596	83,331	1,12,351	1,39,726	1,69,783	2,04,498
Change (%)	11.8	32.4	16.9	20.6	37.5	34.8	24.4	21.5	20.4
Income from assignments	2,473	0	0	0	0	1,590	4,771	4,294	4,079
Other Operating Income	5,637	6,388	7,232	9,487	12,815	18,666	21,030	25,959	31,965
Other Income	3	596	905	2,209	3,711	3,092	4,329	4,762	5,238
Total Income	40,607	49,997	58,400	72,292	99,857	1,35,699	1,69,856	2,04,798	2,45,780
Change (%)	19.3	23.1	16.8	23.8	38.1	35.9	25.2	20.6	20.0
Total Operating Expenses	15,776	16,394	20,687	27,799	40,818	53,388	65,952	78,808	93,210
Change (%)	24.3	3.9	26.2	34.4	46.8	30.8	23.5	19.5	18.3
Employee Expenses	6,550	7,494	8,945	12,657	23,306	32,805	42,319	51,629	61,954
Business Origination Expenses	2,398	2,242	2,259	2,744	0	0	0	0	0
Other Operating Expenses	6,828	6,659	9,483	12,398	17,512	20,583	23,634	27,179	31,256
Operating Profit	24,831	33,603	37,712	44,494	59,039	82,311	1,03,903	1,25,990	1,52,570
Change (%)	16.3	35.3	12.2	18.0	32.7	39.4	26.2	21.3	21.1
Total Provisions	8,973	13,218	8,803	8,497	13,218	24,943	34,738	35,604	40,552
% of Operating Profit	36.1	39.3	23.3	19.1	22.4	30.3	33.4	28.3	26.6
PBT	15,857	20,384	28,909	35,997	45,821	57,369	69,165	90,386	1,12,019
Tax Provisions	5,334	5,235	7,442	9,335	11,593	14,783	17,823	23,292	28,866
Tax Rate (%)	33.6	25.7	25.7	25.9	25.3	25.8	25.8	25.8	25.8
Extraordinary Items	0	0	0	0	0	0	0	0	0
PAT	10,524	15,149	21,467	26,662	34,228	42,585	51,342	67,095	83,152
Change (%)	-11.3	44.0	41.7	24.2	28.4	24.4	20.6	30.7	23.9
Proposed Dividend	1,662	1,640	1,641	1,645	1,681	1,683	1,716	2,145	2,145

Balance Sheet

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	1,640	1,640	1,643	1,645	1,681	1,683	1,716	1,716	1,716
Equity Share Capital	1,640	1,640	1,643	1,645	1,681	1,683	1,716	1,716	1,716
Preference Share Capital	0	0	0	0	0	0	0	0	0
Reserves & Surplus	80,079	93,962	1,15,434	1,41,316	1,93,885	2,34,592	3,04,183	3,69,132	4,50,139
Net Worth for Equity Shareholders	81,718	95,602	1,17,077	1,42,961	1,95,565	2,36,274	3,05,900	3,70,849	4,51,856
Borrowings	5,50,054	6,37,300	6,91,735	9,73,561	13,44,736	17,49,461	19,88,157	23,65,750	28,25,374
Change (%)	8.8	15.9	8.5	40.7	38.1	30.1	13.6	19.0	19.4
Total Liabilities	6,39,930	7,45,484	8,23,634	11,35,155	15,64,508	20,16,476	23,29,409	27,77,253	33,23,982
Investments	729	16,188	20,762	36,280	41,002	63,904	59,645	68,607	79,110
Change (%)	0.0	2,120.0	28.3	74.7	13.0	55.9	-6.7	15.0	15.3
Loans	5,54,027	6,58,393	7,41,492	10,47,483	14,44,243	18,19,299	21,48,760	25,87,122	31,00,240
Change (%)	5.3	18.8	12.6	41.3	37.9	26.0	18.1	20.4	19.8
Net Fixed Assets	2,839	2,294	2,685	4,233	16,067	17,827	21,393	25,671	29,522
Total Assets	6,39,930	7,45,484	8,23,634	11,35,155	15,64,508	20,16,476	23,29,409	27,77,253	33,23,982

E: MOFSL Estimates

Financials and valuations

Ratios	(%)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Avg. Yield on Loans	14.5	14.6	13.3	13.2	14.1	14.5	14.2	14.0	13.9
Avg Cost of Funds	8.7	7.7	6.5	6.9	8.0	8.1	7.6	7.4	7.4
Spread of loans	5.8	6.9	6.9	6.3	6.1	6.5	6.6	6.6	6.6
NIM (on loans)	6.5	7.7	7.5	7.1	6.7	6.89	7.04	7.17	7.2
Profitability Ratios (%)									
RoE	14.7	17.1	20.2	20.5	20.2	19.7	18.9	19.8	20.2
RoA	1.7	2.2	2.7	2.7	2.5	2.4	2.4	2.6	2.7
Int. Expended / Int.Earned	58.6	51.5	46.1	48.7	52.6	52.6	50.5	48.8	48.3
Other Inc. / Net Income	13.9	14.0	13.9	16.2	16.5	16.0	14.9	15.0	15.1
Efficiency Ratios (%)									
Op. Exps. / Net Income	38.9	32.8	35.4	38.5	40.9	39.3	38.8	38.5	37.9
Empl. Cost/Op. Exps.	41.5	45.7	43.2	45.5	57.1	61.4	64.2	65.5	66.5
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	101	103	107	108	107	104	108	109	110
Net NPAs to Net Adv.	2.2	2.2	2.6	1.6	1.3	1.5	1.7	1.7	1.6
Assets/Equity	7.8	7.8	7.0	7.9	8.0	8.5	7.6	7.5	7.4
Average leverage	8.5	7.8	7.4	7.5	8.0	8.3	8.0	7.5	7.4
Valuations									
Book Value (INR)	100	117	143	174	233	281	356	432	527
BV Growth (%)	26.9	17.0	22.2	22.0	33.9	20.7	26.9	21.2	21.8
Price-BV (x)	17.1	14.6	11.9	9.8	7.3	6.1	4.8	3.9	3.2
EPS (INR)	13	18	26	32	41	51	60	78	97
EPS Growth (%)	-15.4	44.0	41.4	24.0	25.6	24.3	18.2	30.7	23.9
Price-Earnings (x)	132.4	92.0	65.0	52.4	41.7	33.6	28.4	21.7	17.5
Dividend per share	1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
E: MOFSL Estimates									

AUM Mix (%)									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	6,05,490	6,99,960	7,69,070	10,64,980	14,55,720	18,47,460	22,15,217	26,67,136	31,96,124
Change (%)	11.6	15.6	9.9	38.5	36.7	26.9	19.9	20.4	19.8
On Books AUM	5,51,350	6,58,380	7,41,420	10,47,360	14,43,510	18,19,290	21,48,760	25,87,122	31,00,240
Change (%)	4.8	19.4	12.6	41.3	37.8	26.0	18.1	20.4	19.8
% of AUM	91.1	94.1	96.4	98.3	99.2	98.5	97.0	97.0	97.0
Off Books AUM	54,140	41,580	27,650	17,620	12,210	28,170	66,457	80,014	95,884
Change (%)	223.8	-23.2	-33.5	-36.3	-30.7	130.7	135.9	20.4	19.8
% of AUM	8.9	5.9	3.6	1.7	0.8	1.5	3.0	3.0	3.0

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