

SHFL reported a good overall performance in Q3, with strong growth momentum in non-CV loans leading to a robust ~21% YoY and ~6% QoQ AUM growth to Rs2,142bn. Improving yields broadly offset the minor increase in borrowing cost, thus delivering NII in line with our expectations, but a prudent write-off and conservative provisioning-led higher credit cost resulted in PAT logging 4%/~3% below Consensus/our estimates, at Rs18.2bn. Asset quality continued to improve, with sequential decline in GS3/NS3. Overall, SHFL continues to deliver a decent performance, with growth, profitability and asset quality clocking in line with or better than Management guidance. To reflect the Q3 development, we have adjusted our FY24-26 estimates; however, our EPS/BVPS remains broadly unchanged. We reiterate our ADD rating on the stock, and revise Dec-24E TP to Rs2,550/share (FY25E P/BV: 1.7x).

### Shriram Finance: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Net profits	37,941	59,794	72,552	90,621	109,445
AUM growths (%)	9.1	15.9	21.1	16.2	16.1
NII growths (%)	11.0	27.5	19.5	21.0	17.8
NIMs (on-book) (%)	8.3	10.3	10.7	11.0	11.1
PPOP growth (%)	13.0	26.5	18.2	23.3	19.2
Adj. EPS (Rs)	115.6	168.1	193.8	242.0	292.3
Adj. EPS growth (%)	1.1	45.3	15.3	24.9	20.8
Adj. BV (INR)	1,035.3	1,162.8	1,250.3	1,434.1	1,700.8
Adj. BVPS growth (%)	11.3	12.3	7.5	14.7	18.6
RoA (%)	2.2	3.1	3.3	3.5	3.6
RoE (%)	11.7	15.5	16.0	17.6	18.4
P/E (x)	20.0	13.7	11.9	9.5	7.9
P/ABV (x)	2.2	2.0	1.8	1.6	1.4

Source: Company, Emkay Research

### Decent performance with continuous calibrated growth

SHFL reported a decent performance in Q3FY24, with AUM growing 5.7% QoQ to Rs2,142bn and coming slightly above our estimates. Robust asset yields offset the slight increase in borrowing cost, leading to NII registering at Rs49.1bn, matching our estimates. However, PAT at Rs18.2bn was marginally below our estimates, primarily due to higher credit cost on account of a prudent write-off (Rs7.25bn) and incremental provisioning of Rs5.25bn. Management also indicated a marginal 4bps increase in PD, and the LGD on stage-2 increasing by 6bps. Management expects AUM to grow above 20% for full FY24. Asset quality continued to show improvement, with GS3/NS3 reducing sequentially to 5.66%/2.72%, by 13bps/8bps, respectively. **(Exhibit 5)**

### Synergistic growth in non-vehicle segments to drive profitable growth

SHFL is leveraging its branch network of Shriram Transport and SCUF, to reach deeper pockets in multiple product segments (MSME, Gold, TWL, and PL). Company has introduced GL in 600 branches of Shriram Transport, and is expected to double this in FY25. Further, its eligible customer database for PL stands at 3mn and Company is seeing steady growth in that segment; however, it plans to keep growth at 20-25% here and limit exposure of PL at 6% of it book (though the Board has approved a limit of 8%), pointing to the management's conscious and risk-calibrated growth approach in this segment. Overall, the management remains confident about delivering an over-15% AUM growth post FY24, with NIM holding up at current levels of ~8.9% and credit cost tracking ~2%.

### We give a minor tweak to our estimates; reiterate ADD

We adjust our FY24-26 estimates to factor-in the Q3 developments. This results in very limited changes (-1% to 1%) to our key estimates for FY24-26. We reiterate our ADD rating on the stock, with revised Dec-24E TP of Rs2,550/share (FY25E P/B: 1.7x; TP nudged up from Rs2,450/share earlier). **(Exhibits 2-4)**

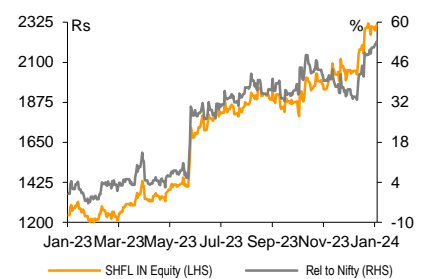
Target Price – 12M	Dec-24
Change in TP (%)	4.1
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	10.5
CMP (25-Jan-24) (Rs)	2,307.2

Stock Data	Ticker
52-week High (Rs)	2,353
52-week Low (Rs)	1,190
Shares outstanding (mn)	375.7
Market-cap (Rs bn)	867
Market-cap (USD mn)	10,427
Net-debt, FY24E (Rs mn)	60,767
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	2,631.5
ADTV-3M (USD mn)	31.7
Free float (%)	-
Nifty-50	21,353
INR/USD	83.1
<b>Shareholding, Sep-23</b>	
Promoters (%)	25.5
FPIs/MFs (%)	54.7/15.2

### Price Performance

(%)	1M	3M	12M
Absolute	12.2	27.0	84.0
Rel. to Nifty	12.2	13.8	54.1

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



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## Exhibit 1: Actual vs Estimate

SHFL Q3FY24 (Rs mn)	Change						Variation
	Q3FY23	Q2FY24	Q3FY24	QoQ chg	YoY chg	Q3FY24E	
NII	41,921	45,947	49,110	6.9%	17.1%	48,714	0.8%
Opex	11,928	14,618	15,311	4.7%	28.4%	14,913	2.7%
PPoP	33,016	34,808	36,893	6.0%	11.7%	36,738	0.4%
Provision	9,173	11,286	12,497	10.7%	36.2%	11,658	7.2%
PBT	23,844	23,523	24,396	3.7%	2.3%	25,080	-2.7%
PAT	17,770	17,508	18,183	3.9%	2.3%	18,684	-2.7%
AUM	1,774,980	2,026,410	2,142,335	5.7%	20.7%	2,113,213	1.4%
GS3	6.29%	5.79%	5.66%	-13bps	-63bps	5.65%	1bps
NS3	3.20%	2.80%	2.72%	-8bps	-48bps	2.79%	-7bps

Source: Company, Emkay Research

## Exhibit 2: Revision in estimates

Y/e Mar (Rs mn)	FY24E			FY25E			FY26E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Disbursement	1,353,422	1,353,422	0.0%	1,582,845	1,582,368	0.0%	1,850,213	1,849,154	-0.1%
AUM	2,223,519	2,249,420	1.2%	2,598,682	2,614,592	0.6%	3,036,562	3,035,931	0.0%
Net Interest Income	194,518	196,170	0.8%	234,699	237,260	1.1%	279,735	279,318	-0.1%
Operating expenses	58,475	58,723	0.4%	67,763	67,357	-0.6%	78,313	76,523	-2.3%
PPOP	144,522	145,958	1.0%	177,012	180,030	1.7%	213,222	214,613	0.7%
PAT	73,380	72,552	-1.1%	88,814	90,621	2.0%	108,595	109,445	0.8%
EPS (Rs)	196	194	-1.1%	237	242	2.0%	290	292	0.8%
BV	1,286	1,284	-0.1%	1,471	1,473	0.1%	1,697	1,701	0.2%
Networth	481,439	480,793	-0.1%	550,714	551,477	0.1%	635,418	636,844	0.2%
Disbursement growth	21.0%	21.0%	0bps	17.0%	16.9%	-4bps	16.9%	16.9%	-3bps
AUM growth	19.7%	21.1%	139bps	16.9%	16.2%	-64bps	16.9%	16.1%	-74bps
Total PCR as a % of AUM	50.00%	52.00%	200bps	50.00%	52.00%	200bps	50.00%	52.00%	200bps
NIM	10.7%	10.7%	2bps	10.9%	11.0%	2bps	11.2%	11.1%	-5bps
Opex-to-AUM	2.9%	2.9%	-1bps	2.8%	2.8%	-4bps	2.8%	2.7%	-7bps
Cost-to-Income	28.8%	28.7%	-12bps	27.7%	27.2%	-46bps	26.9%	26.3%	-58bps
Credit Cost	2.16%	2.27%	11bps	2.30%	2.30%	0bps	2.29%	2.29%	0bps
GS3	5.8%	5.7%	-10bps	5.7%	5.7%	-5bps	5.6%	5.6%	0bps
NS3	3.1%	2.9%	-17bps	3.0%	2.9%	-14bps	3.0%	2.9%	-12bps
ROA	3.3%	3.3%	-5bps	3.5%	3.5%	5bps	3.6%	3.6%	2bps
ROE	16.21%	16.03%	-17bps	17.21%	17.56%	35bps	18.31%	18.42%	11bps

Source: Company, Emkay Research

## Exhibit 3: SOTP-based valuation

Entity name	Mar-25E BVPS (Rs)	No. of shares (mn)	Target multiple (x)	Holdco Discount	M-Cap estimate (Rs mn)	Price per share (Rs)
Shriram Finance (Standalone) - A	1,434	374	1.7	0%	936,068	2,500
Shriram Housing (Standalone) - B	46	374	2.0	15%	29,056	50
Shriram Finance Valuation = A+B						2,550

Source: Company, Emkay Research

## Exhibit 4: Valuation multiples

	CMP/TP (Rs/sh)	Upside	Mkt Cap (Rs bn)	P/BV			P/E			RoA (%)			RoE (%)			Book Value (Rs/sh)			Adj. EPS (Rs)		
				FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
At current market price	2307	10.5%	866.7	1.85x	1.61x	1.36x	11.9x	9.5x	7.9x	3.3	3.5	3.6	16.0	17.6	18.4	1,250	1,434	1,701	194	242	292
AT target price	2550			2.04x	1.78x	1.50x	13.2x	10.5x	8.7x	3.3	3.5	3.6	16.0	17.6	18.4	1,250	1,434	1,701	194	242	292

Source: Company, Emkay Research

## Exhibit 5: Q3FY24 Result Snapshot

(Rs mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY chg	QoQ chg
Net Interest Income	42,372	42,764	42,773	47,072	49,884	17.7%	6.0%
Other Income	2,572	2,506	2,398	2,354	2,320	-9.8%	-1.4%
Total Income	44,944	45,270	45,171	49,426	52,204	16.2%	5.6%
Operating Expenses	11,928	14,459	13,908	14,618	15,311	28.4%	4.7%
Operating Profit	33,016	30,810	31,262	34,808	36,893	11.7%	6.0%
Provisions	9,173	11,846	8,786	11,286	12,497	36.2%	10.7%
Credit costs	2.1%	2.6%	1.9%	2.3%	2.4%	28bps	12bps
PBT	23,844	18,964	22,476	23,523	24,396	2.3%	3.7%
Tax	6,074	5,881	5,722	6,014	6,213	2.3%	3.3%
Tax rate	25.5%	31.0%	25.5%	25.6%	25.5%		
PAT	17,770	13,083	16,754	17,508	18,183	2.3%	3.9%
Total AUM	1,774,980	1,856,829	1,932,147	2,026,410	2,142,335	20.7%	5.7%
Net worth	424,202	433,066	449,262	460,347	470,545	10.9%	2.2%
GS3	6.29%	6.21%	6.03%	5.79%	5.66%	-63bps	-13bps
NS3	3.20%	3.19%	2.89%	2.80%	2.82%	-38bps	2bps
PCR	50.7%	50.1%	55.2%	53.1%	53.4%	266bps	28bps

Source: Company, Emkay Research

## Exhibit 6: AUM trend

AUM trend (Rs bn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Commercial Vehicles	810	828	851	877	906	933	959	984	1,025
Passenger Vehicles	263	270	282	300	318	339	363	397	415
Construction Equipment	128	130	132	134	139	144	146	151	162
Farm Equipment	32	33	32	33	33	35	34	35	34
MSME	170	170	162	169	177	191	200	213	231
Two Wheelers	88	88	84	85	100	104	100	104	121
Gold	41	41	42	44	44	45	50	54	59
Personal Loans	35	42	44	51	58	67	79	88	95
<b>Total</b>	<b>1,568</b>	<b>1,602</b>	<b>1,630</b>	<b>1,694</b>	<b>1,775</b>	<b>1,857</b>	<b>1,932</b>	<b>2,026</b>	<b>2,142</b>

Source: Company, Emkay Research

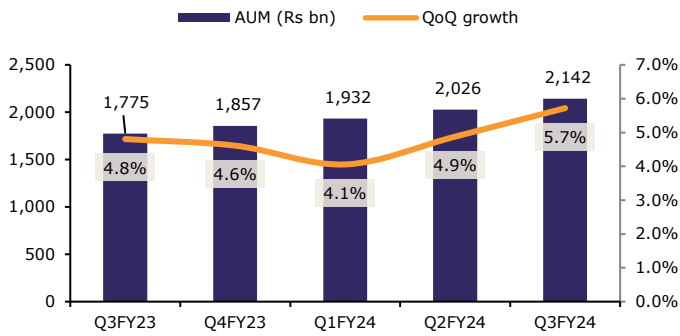
## Exhibit 7: Disbursement Trend

Disbursement trend (Rs bn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
CV	118	122	120	128	144
PV	57	56	59	74	61
CE	18	19	17	20	28
FE/tractor	5	6	5	6	5
MSME	29	36	31	36	43
2-Wheeler	32	23	22	24	37
Gold	21	25	28	31	31
PL	18	23	23	29	29
Total	298	311	305	346	378

Source: Company, Emkay Research

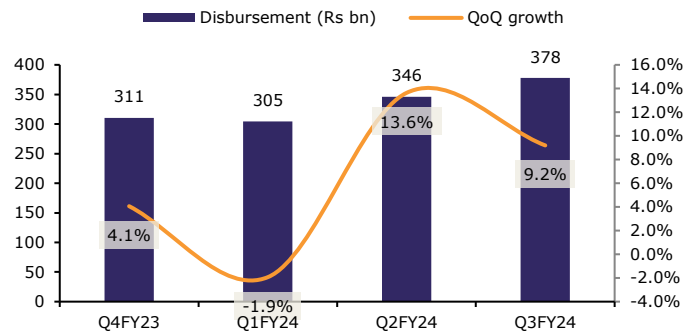
## Result in Charts

**Exhibit 8: AUM growth on account of strong vehicle and LAP disbursement**



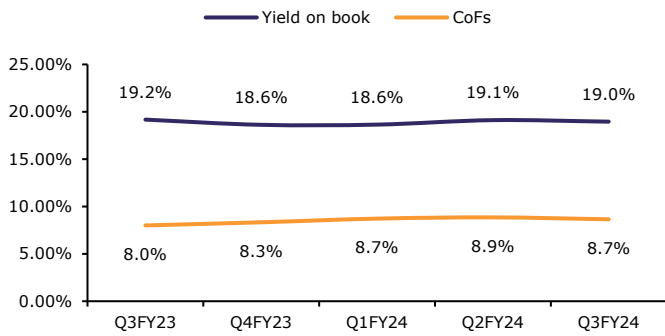
Source: Company, Emkay Research

**Exhibit 9: Strong disbursement growth primarily led by TWL growing 57%, supported by CVs, CEs and MSMEs**



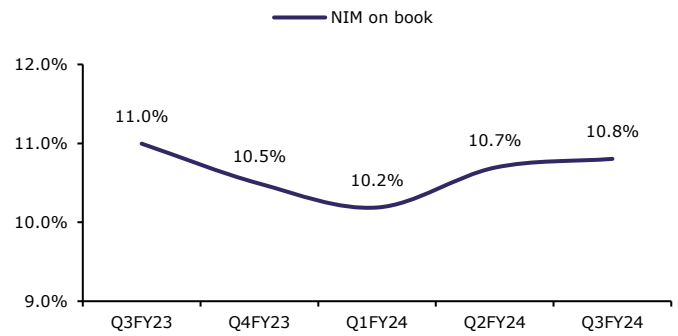
Source: Company, Emkay Research

**Exhibit 10: Yield and CoFs remain broadly stable**



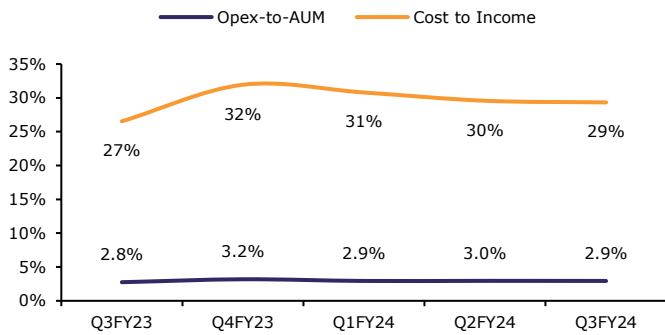
Source: Company, Emkay Research

**Exhibit 11: NIMs on book AUM came in at 10.8%**



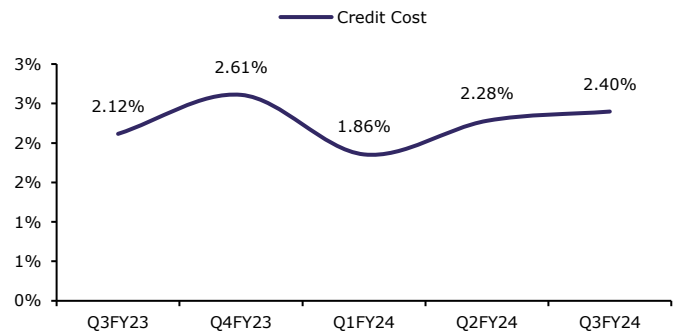
Source: Company, Emkay Research

**Exhibit 12: Marginal improvement in Opex-to-AUM**



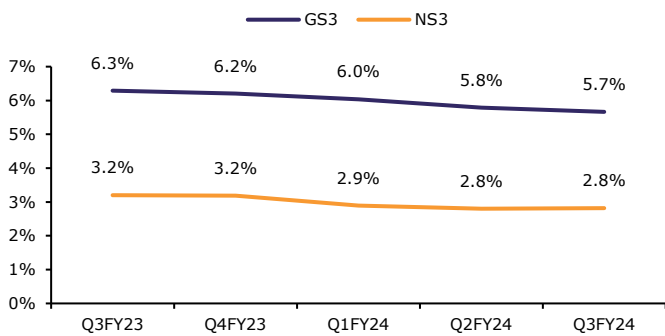
Source: Company, Emkay Research

**Exhibit 13: Incremental provision in Q3 was Rs5.2bn**



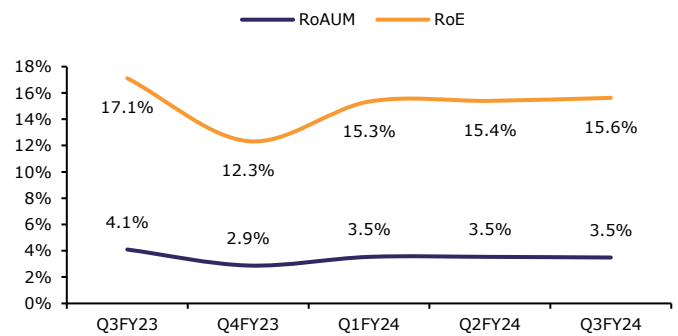
Source: Company, Emkay Research

**Exhibit 14: Asset quality continues to improve sequentially**



Source: Company, Emkay Research

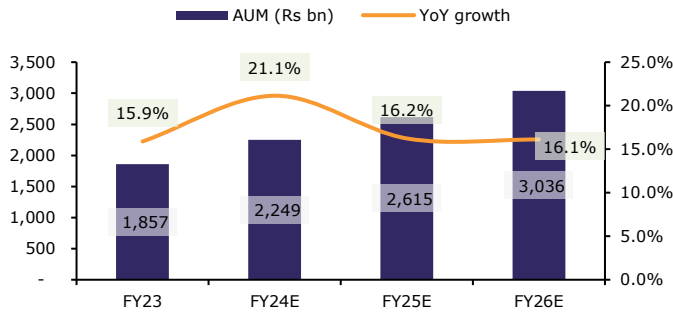
**Exhibit 15: RoAUM & ROE remain broadly stable**



Source: Company, Emkay Research

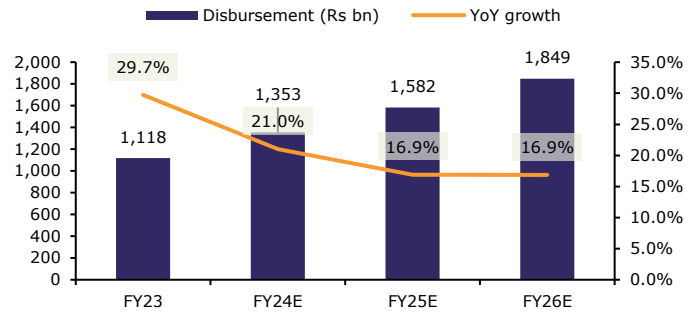
## Story in charts

**Exhibit 16: AUM is expected to grow >20% in FY24E**



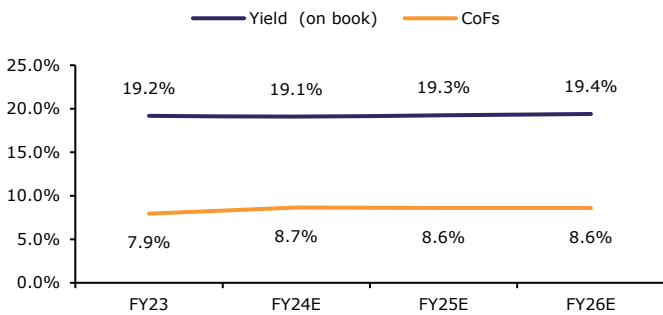
Source: Company, Emkay Research

**Exhibit 17: Disbursement growth driven by all product segments**



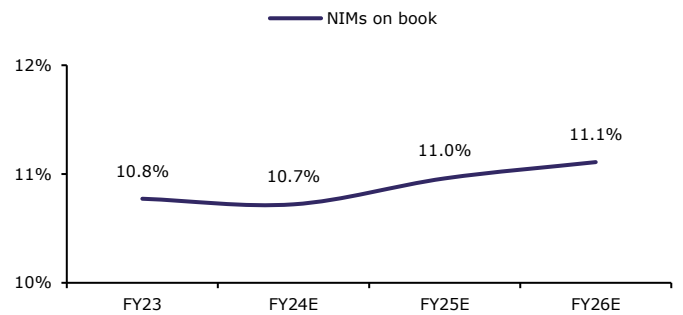
Source: Company, Emkay Research

**Exhibit 18: We expect a marginal improvement in yields, led by improved product mix**



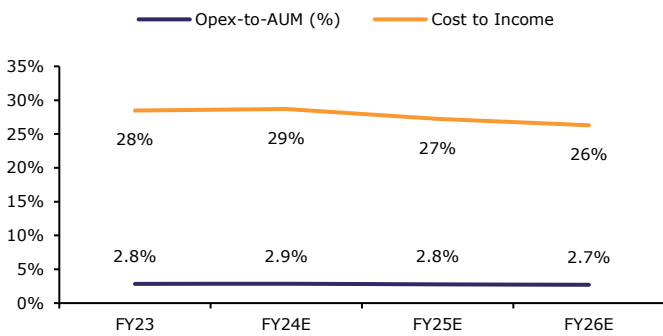
Source: Company, Emkay Research

**Exhibit 19: Margin to improve on account of stable CoFs and improved yields**



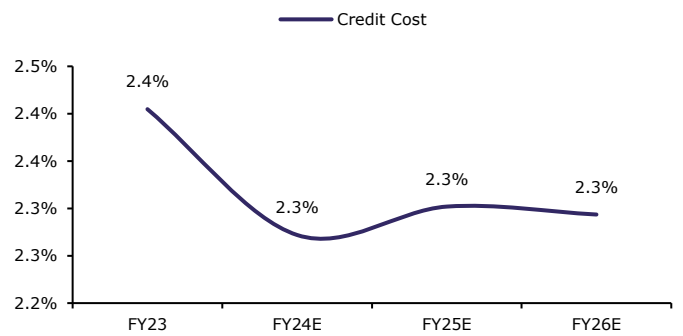
Source: Company, Emkay Research

**Exhibit 20: Opex to moderate, as investment in tech starts yielding benefits**



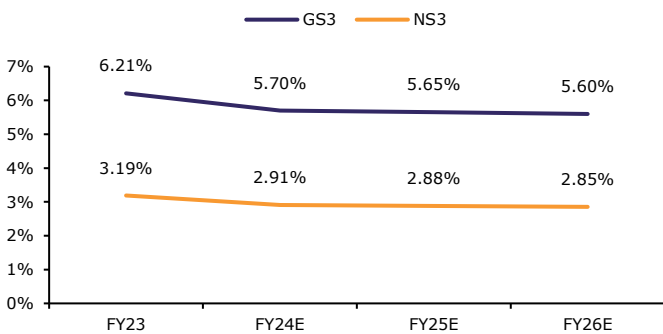
Source: Company, Emkay Research

**Exhibit 21: We expect credit cost to remain at ~2.3% levels**



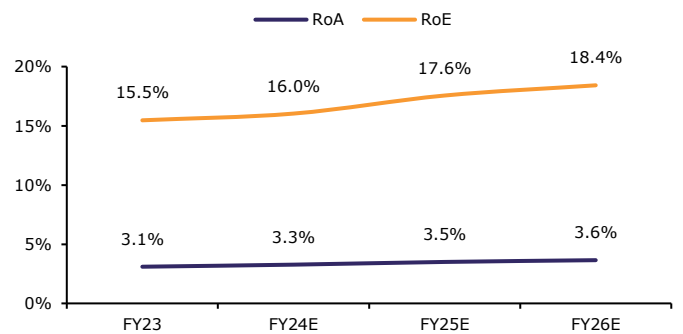
Source: Company, Emkay Research

**Exhibit 22: Asset quality to gradually improve over FY24-26E**



Source: Company, Emkay Research

**Exhibit 23: ROA and ROE to expand on the back of improved margins**



Source: Company, Emkay Research

## Management Call highlights

### Business Update:

- Automobile Sector Performance: CV sales aggregated to ~0.24mn units this quarter vs 0.23mn units in Q3FY23 (9M Q3FY24 sales at ~0.7mn units). HCV sales came in at 91k units as against ~86k units in the same period a year ago, whereas sale of LCVs was ~0.14mn units, flat YoY, and Passenger Vehicles registered sales growth of 8.3% in Q3FY24 with sales of ~1mn units as against 0.9mn units in Q3FY23. 2-wheelers recorded robust sales in Q3FY24, growing ~23% YoY, with sale of 4.7mn units vs 3.85mn units in Q3FY23, indicating strong rural and semi-urban demand. Three-wheeler sales were 0.19mn units in Q3FY24 vs 0.14mn units in Q3FY23; Tractor sales stood at 0.23mn units in current quarter vs 0.22mn units in Q3FY23. The management believes both, agri activity and income, will continue to grow further and lead to increase in demand for mechanized farming and construction equipment.
- In the CE segment, sales in Q3 stood at ~33k units as against ~26k units in Q3FY23, indicating continued strong infra spend and real-estate activity.
- Disbursement for the quarter stood at ~Rs378bn, registering ~27% YoY/9.2% QoQ growth. Segmental disbursement – CVs: Rs144bn; PVs: Rs61bn; CE: Rs28bn; Tractors/farm equipment: Rs4.6bn; MSMEs: Rs43bn; 2Ws: Rs37bn; Gold: Rs31bn; and PL: Rs29bn. Housing business disbursement stood at ~Rs16.98bn.
- Borrowings in Q3 stood at ~Rs1,775bn (incremental borrowing of ~Rs240bn in Q3FY24) and Company maintains a 3-month liability repayment in liquid assets (which stood at ~Rs175bn), and LCR of 256%. Incremental cost of borrowing stood at 8.95% higher than that in the previous quarter (8.7% in Q2FY24). SHFL has raised ECB of USD750mn at a coupon of 6.65% and fully-hedged cost at ~9.5% (~10%, including withholding Tax). ALM remained positive across product buckets.
- Provisioning – Stage 1 PD: 7.89%, similar to Q2FY24; Stage 2 PD: 18.25% (vs ~18.29%); and LGD: 41.39% (vs 41.45% in Q2). Write-off for the quarter stood at ~Rs7.25bn and incremental provisioning at Rs5.25bn.
- Growth in the housing business is primarily on account of increasing market penetration and the small base. In Housing, co-lending and DA book account for 20-21% of the total book.
- Management is looking at capital infusion in Shriram Housing (as it is growing), and is exploring various options. The main objective is to provide growth capital.
- There was a 20bps impact on Tier-1 capital (mainly on the PL segment) due to the RBI's recent RWA guidance; Company expects some impact on CoFs, as some of the banks have increased their lending rate, while some have raised the lending rate on incremental borrowing.

### Guidance:

- AUM growth of ~20% for full FY24 and 15% growth going forward. The CV segment will continue growing at 12-15%.
- Credit cost to come in at ~2%, with further improvement in asset quality. Management is does not see any risk emerging in any business segment that it operates in.
- The Board has approved a cap of 8% on the PL, whereas the management would like to restrict it to 6% and grow the book at ~20-25% in a risk calibrated manner.
- With respect to branch expansion, 136 branches have been added in the last one year and management maintains its guidance of adding ~100-150 branches which is a combination of conversion of rural centers and new branches.
- Expects margins to uphold at 8.9%, as the management is confident of managing its liability by optimizing the mix and given its ability to pass on the increase in costs.

## Shriram Finance: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	248,605	286,074	341,983	407,943	477,601
Interest Expense	122,668	125,458	150,016	175,688	204,097
<b>Net interest income</b>	<b>125,937</b>	<b>160,616</b>	<b>191,968</b>	<b>232,255</b>	<b>273,504</b>
NII growth (%)	11.0	27.5	19.5	21.0	17.8
Non interest income	9,441	11,956	12,713	15,132	17,632
<b>Total income</b>	<b>135,378</b>	<b>172,572</b>	<b>204,681</b>	<b>247,387</b>	<b>291,136</b>
Operating expenses	37,788	49,131	58,723	67,357	76,523
<b>PPOP</b>	<b>97,590</b>	<b>123,441</b>	<b>145,958</b>	<b>180,030</b>	<b>214,613</b>
PPOP growth (%)	13.0	26.5	18.2	23.3	19.2
Provisions & contingencies	47,485	41,592	46,645	55,983	64,798
<b>PBT</b>	<b>50,105</b>	<b>81,849</b>	<b>99,313</b>	<b>124,047</b>	<b>149,815</b>
Extraordinary items	0	0	0	0	0
Tax expense	12,164	22,056	26,761	33,426	40,370
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
<b>Reported PAT</b>	<b>37,941</b>	<b>59,794</b>	<b>72,552</b>	<b>90,621</b>	<b>109,445</b>
PAT growth (%)	8.5	57.6	21.3	24.9	20.8
<b>Adjusted PAT</b>	<b>37,941</b>	<b>59,794</b>	<b>72,552</b>	<b>90,621</b>	<b>109,445</b>
<b>Diluted EPS (Rs)</b>	<b>115.6</b>	<b>168.1</b>	<b>193.8</b>	<b>242.0</b>	<b>292.3</b>
Diluted EPS growth (%)	1.1	45.3	15.3	24.9	20.8
<b>DPS (Rs)</b>	<b>23.4</b>	<b>35.0</b>	<b>42.6</b>	<b>53.2</b>	<b>64.3</b>
<b>Dividend payout (%)</b>	<b>0.0</b>	<b>21.9</b>	<b>22.0</b>	<b>22.0</b>	<b>22.0</b>
Effective tax rate (%)	24.3	26.9	26.9	26.9	26.9
Net interest margins (%)	8.3	10.3	10.7	11.0	11.1
Cost-income ratio (%)	27.9	28.5	28.7	27.2	26.3
PAT/PPOP (%)	38.9	48.4	49.7	50.3	51.0
Shares outstanding (mn)	337.2	374.4	374.4	374.4	374.4

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>Asset quality</b>					
GNPL - Stage 3	109,766	113,822	126,598	145,859	167,866
NNPL - Stage 3	55,051	56,749	60,767	70,012	80,575
GNPL ratio - Stage 3 (%)	6.9	6.2	5.7	5.7	5.6
NNPL ratio - Stage 3 (%)	3.7	3.2	2.9	2.9	2.9
ECL coverage - Stage 3 (%)	49.8	50.1	52.0	52.0	52.0
ECL coverage - 1 & 2 (%)	3.8	3.3	3.1	3.1	3.1
Gross slippage - Stage 3	0	0	0	0	0
Gross slippage ratio (%)	0.0	0.0	0.0	0.0	0.0
Write-off ratio (%)	0.0	1.6	1.6	1.6	1.6
Total credit costs (%)	3.1	2.4	2.3	2.3	2.3
NNPA to networth (%)	15.8	13.1	12.6	12.7	12.7
<b>Capital adequacy</b>					
Total CAR (%)	0.0	0.0	0.0	0.0	0.0
Tier-1 (%)	0.0	0.0	0.0	0.0	0.0
<b>Miscellaneous</b>					
Total income growth (%)	13.0	27.5	18.6	20.9	17.7
Opex growth (%)	12.9	30.0	19.5	14.7	13.6
PPOP margin (%)	6.4	7.1	7.1	7.4	7.6
Credit costs-to-PPOP (%)	48.7	33.7	32.0	31.1	30.2
Loan-to-Assets (%)	81.1	84.4	87.2	87.5	87.7
Yield on loans (%)	14.6	18.9	19.1	19.3	19.4
Cost of funds (%)	8.9	8.3	8.7	8.6	8.6
Spread (%)	5.7	10.6	10.5	10.7	10.8

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	3,372	3,744	3,744	3,744	3,744
Reserves & surplus	345,675	429,322	477,048	547,732	633,100
<b>Net worth</b>	<b>349,047</b>	<b>433,066</b>	<b>480,793</b>	<b>551,477</b>	<b>636,844</b>
<b>Borrowings</b>	<b>1,451,285</b>	<b>1,579,063</b>	<b>1,889,512</b>	<b>2,196,257</b>	<b>2,550,182</b>
<b>Other liabilities &amp; prov.</b>	<b>21,405</b>	<b>24,509</b>	<b>26,960</b>	<b>29,656</b>	<b>32,622</b>
<b>Total liabilities &amp; equity</b>	<b>1,821,737</b>	<b>2,036,639</b>	<b>2,397,265</b>	<b>2,777,390</b>	<b>3,219,648</b>
Net loans	1,476,890	1,719,846	2,091,024	2,431,066	2,823,507
Investments	86,454	85,651	94,216	103,637	114,001
Cash, other balances	229,680	158,174	133,168	157,350	189,676
<b>Interest earning assets</b>	<b>1,793,024</b>	<b>1,963,671</b>	<b>2,318,408</b>	<b>2,692,054</b>	<b>3,127,185</b>
Fixed assets	0	0	0	0	0
Other assets	28,714	72,968	78,858	85,337	92,464
<b>Total assets</b>	<b>1,821,737</b>	<b>2,036,639</b>	<b>2,397,266</b>	<b>2,777,391</b>	<b>3,219,649</b>
BVPS (Rs)	1,035.3	1,192.3	1,284.1	1,472.9	1,700.8
Adj. BVPS (INR)	1,035.3	1,162.8	1,250.3	1,434.1	1,700.8
Gross loans	1,588,027	1,833,384	2,221,018	2,581,580	2,997,599
<b>Total AUM</b>	<b>1,602,269</b>	<b>1,856,829</b>	<b>2,249,420</b>	<b>2,614,592</b>	<b>3,035,931</b>
On balance sheet	1,588,027	1,833,384	2,221,018	2,581,580	2,997,599
Off balance sheet	14,242	23,444	28,401	33,012	38,332
Disbursements	862,132	1,118,484	1,353,422	1,582,368	1,849,154
Disbursements growth (%)	65.2	29.7	21.0	16.9	16.9
Loan growth (%)	8.8	16.5	21.6	16.3	16.1
AUM growth (%)	9.1	15.9	21.1	16.2	16.1
Borrowings growth (%)	3.0	0.0	19.7	16.2	16.1
Book value growth (%)	11.3	15.2	7.7	14.7	15.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	20.0	13.7	11.9	9.5	7.9
P/B (x)	2.2	2.0	1.8	1.6	1.4
P/ABV (x)	2.2	2.0	1.8	1.6	1.4
P/PPOP (x)	2.4	1.9	1.6	1.3	1.1
Dividend yield (%)	1.0	1.5	1.8	2.3	2.8
<b>DuPont-RoE split (%)</b>					
NII/avg AUM	8.2	9.3	9.4	9.5	9.7
Other income	0.5	0.6	0.4	0.4	0.4
Securitization income	0.1	0.1	0.2	0.2	0.2
Opex	1.2	1.4	1.3	1.2	1.2
Employee expense	1.3	1.4	1.5	1.5	1.5
<b>PPOP</b>	<b>6.4</b>	<b>7.1</b>	<b>7.1</b>	<b>7.4</b>	<b>7.6</b>
Provisions	3.1	2.4	2.3	2.3	2.3
Tax expense	0.8	1.2	1.3	1.4	1.4
<b>RoAUM (%)</b>	<b>2.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.7</b>	<b>3.9</b>
Leverage ratio (x)	4.8	4.5	4.5	4.7	4.8
<b>RoE (%)</b>	<b>11.7</b>	<b>15.5</b>	<b>16.0</b>	<b>17.6</b>	<b>18.4</b>
<b>Quarterly data</b>					
Rs mn, Y/E Mar	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
NII	41,921	41,810	42,004	45,947	49,110
NIM (%)	10.6	10.2	10.1	10.6	10.8
PPOP	33,016	30,810	31,262	34,808	36,893
PAT	17,770	13,083	16,754	17,508	18,183
EPS (Rs)	49.94	34.94	44.75	46.76	48.56

Source: Company, Emkay Research

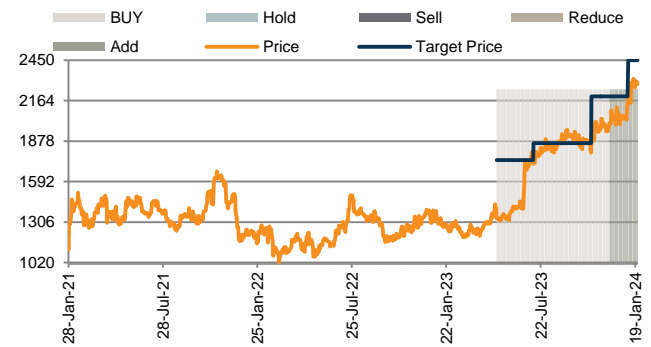


## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
05-Jan-24	2,172	2,450	Add	Avinash Singh
30-Nov-23	2,007	2,195	Add	Avinash Singh
27-Oct-23	1,935	2,195	Buy	Avinash Singh
08-Jul-23	1,719	1,865	Buy	Avinash Singh
28-Apr-23	1,333	1,745	Buy	Avinash Singh

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research



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