

26 April 2025

Risk-reward remains favorable

Shriram Finance's (SHFL IN) Q4 earnings although in-line were mixed on account of elevated credit costs and lower margin with tad lower business traction. Said that, excess liquidity on the balance sheet (INR 310bn) and increased debt (ECB: INR 336.5bn) towards fiscal end weighed upon NIMs. Disbursements at 14%+YoY run-rate indicated a tepid undertone, underpinned by sluggish underlying CV volumes with tad elevated delinquencies. MSME and personal loans (PLs) have witnessed a rebound, with non-vehicle finance share (19.7% of AUM) proving as a key catalyst to SHFL sustaining its AUM CAGR at 17%. On the asset quality front, while certain geographic credit risks exist, write-off and stage 2 pool are under control. Credit costs at 2.4% spiked 40bps QoQ, with write-offs climbing to INR 23.45bn, but the management's confidence as regards achieving 2% credit cost in the near future may be EPS-accretive. For a high-return profile book, we **maintain Accumulate** at a raised TP of INR 734.

**PAT in line; higher provisions and liquidity strain margins:** Q4FY25 PAT at INR 21.4 bn (as estimated), up 2.8% QoQ/9.9% YoY, was dragged by higher provisions (INR 15.63 bn, +17.9% QoQ). NII grew 3.9% QoQ/14.3% YoY to INR 60.5bn, while PPoP at INR 43.4bn was a slight beat (+6.1% QoQ/11% YoY). COB remained flat at 8.95%, with incremental cost at 8.86%, but there was a pressure on NIM, which contracted 23bps QoQ/77bps YoY, due to elevated liquidity of INR 310bn from ECB deals and inflating interest expenses. Attrition was steady, with a reduced team size reflecting improved productivity. FY26 NIM guidance is 8.4-8.6%, with a 25bps margin improvement expected as liquidity normalizes.

**Broad-based growth as SHFL eyes 15%+ growth in FY26:** In Q4FY25, disbursements rose 14.4% YoY to INR 448.48bn, and AUM grew 3.4% QoQ/17.1% YoY to INR 2.63tn. CV growth remained modest at 2.4% QoQ/10.9% YoY due to weak government capex, though replacement demand and used vehicle activity may drive 12-15% growth ahead. PL gained traction, rising 11.1% QoQ/7% YoY, with stress peaking and focus on low-risk 2W borrowers. Farm equipment (FE) grew 9% QoQ/40.1% YoY, while PV and Construction equipment (CE) rose 4.3% and 0.1% QoQ, respectively. MSME growth is expected to moderate to 20%+ YoY from 42% as the base effects ease; 70-80% of loans are property-backed with ticket sizes of INR 0.5-0.6mn and IRRs of 16-24%. Gold AUM declined 11.9% QoQ/23.2% YoY amid higher redemptions. FY26 growth is projected at 15%+, driven by macro conditions.

**Maintain Accumulate; TP raised to INR 734:** FY25 concluded on a mixed note for SHFL. While the concerns seem transient, margin trajectory and credit costs deceleration are key catalysts to incremental valuation trigger. While Q4 exhibited higher-than-anticipated credit costs, a revamped provision policy, confidence on curbing stage 2 flows and a 2% credit cost forecast may boost RoAs to 3% and RoEs to 17% in FY25-28E. We largely maintain our estimates and introduce FY28E. A resilient balance sheet prompts us to **reiterate Accumulate** with a raised TP of INR 734 (from INR 621), valuing SHFL at 1.9x FY27E P/ABV, which is the fair value multiple adequately factoring in positives and business risks, in our assessment.

Key Financials

| YE March                             | FY24    | FY25    | FY26E   | FY27E   | FY28E   |
|--------------------------------------|---------|---------|---------|---------|---------|
| NII (INR mn)                         | 196,869 | 228,351 | 269,778 | 315,622 | 366,216 |
| YoY (%)                              | 16.1    | 16.0    | 18.1    | 17.0    | 16.0    |
| PPoP (INR mn)                        | 142,020 | 162,609 | 190,978 | 221,074 | 253,793 |
| YoY (%)                              | 15.1    | 14.5    | 17.4    | 15.8    | 14.8    |
| PAT after minority interest (INR mn) | 71,905  | 82,716  | 100,194 | 118,294 | 133,647 |
| YoY (%)                              | 20.3    | 15.0    | 21.1    | 18.1    | 13.0    |
| EPS (INR)                            | 38.3    | 44.0    | 53.3    | 63.0    | 71.1    |
| Core RoE (%)                         | 15.7    | 15.8    | 16.6    | 17.1    | 16.8    |
| RoA (%)                              | 3.3     | 3.1     | 3.2     | 3.2     | 3.0     |
| P/E (x)                              | 17.1    | 14.9    | 12.3    | 10.4    | 9.2     |
| P/ABV (x)                            | 2.5     | 2.2     | 1.9     | 1.7     | 1.4     |

Note: Pricing as on 25 April 2025; Source: Company, Elara Securities Estimate

Rating: [Accumulate](#)  
Target Price: [INR 734](#)  
Upside: [12%](#)  
CMP: [INR 655](#)  
As on 25 April 2025

Key data

|                            |              |
|----------------------------|--------------|
| Bloomberg                  | SHFL IN      |
| Reuters Code               | SHMF.NS      |
| Shares outstanding (mn)    | 1,880.4      |
| Market cap (INR bn/USD mn) | 1,232/14,428 |
| EV (INR bn/USD mn)         | 2,644/31,285 |
| ADTV 3M (INR mn/USD mn)    | 4,528/52     |
| 52 week high/low           | 730/439      |
| Free float (%)             | 74           |

Note: as on 25 April 2025; Source: Bloomberg

Price chart



Source: Bloomberg

|                  | Q1 FY25 | Q2 FY25 | Q3 FY25 | Q4 FY25 |
|------------------|---------|---------|---------|---------|
| Shareholding (%) |         |         |         |         |
| Promoter         | 25.4    | 25.4    | 25.4    | 25.4    |
| % Pledge         | 0.0     | 0.0     | 0.0     | 0.0     |
| FII              | 54.3    | 53.3    | 53.1    | 53.1    |
| DII              | 15.2    | 16.2    | 15.9    | 15.9    |
| Others           | 5.1     | 5.1     | 5.6     | 5.6     |

Source: BSE

| Price performance (%) | 3M    | 6M    | 12M   |
|-----------------------|-------|-------|-------|
| Nifty                 | 4.1   | (0.6) | 6.5   |
| Shriram Finance       | 24.2  | 5.9   | 31.5  |
| NSE Mid-cap           | 3.8   | (1.1) | 7.6   |
| NSE Small-cap         | (3.0) | (8.4) | (1.4) |

Source: Bloomberg

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## Financials (YE March)

| Income statement (INR mn)         | FY24             | FY25             | FY26E            | FY27E            | FY28E            |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| NII                               | 196,869          | 228,351          | 269,778          | 315,622          | 366,216          |
| Other income                      | 3,377            | 3,912            | 4,088            | 4,088            | 3,475            |
| Gross Income                      | 200,246          | 232,263          | 273,866          | 319,710          | 369,691          |
| Operating expenses                | 58,226           | 69,654           | 82,888           | 98,636           | 115,898          |
| <b>PPOP</b>                       | <b>142,020</b>   | <b>162,609</b>   | <b>190,978</b>   | <b>221,074</b>   | <b>253,793</b>   |
| Provisions                        | 45,183           | 53,117           | 57,083           | 62,990           | 75,193           |
| <b>PBT</b>                        | <b>96,836</b>    | <b>109,493</b>   | <b>133,895</b>   | <b>158,084</b>   | <b>178,600</b>   |
| Tax                               | 24,932           | 26,776           | 33,701           | 39,790           | 44,954           |
| <b>PAT</b>                        | <b>71,905</b>    | <b>82,716</b>    | <b>100,194</b>   | <b>118,294</b>   | <b>133,647</b>   |
| Balance Sheet (INR mn)            | FY24             | FY25             | FY26E            | FY27E            | FY28E            |
| Capital                           | 3,758            | 3,761            | 3,758            | 3,758            | 3,758            |
| Reserves and Surplus              | 481,926          | 559,045          | 661,902          | 780,196          | 913,843          |
| Net worth                         | 485,684          | 562,806          | 665,660          | 783,954          | 917,601          |
| Borrowings                        | 1,858,411        | 2,341,973        | 2,678,117        | 3,195,775        | 3,743,606        |
| Other liabilities                 | 28,669           | 30,551           | 63,119           | 66,647           | 68,767           |
| <b>Total Liabilities</b>          | <b>2,372,764</b> | <b>2,935,329</b> | <b>3,406,895</b> | <b>4,046,376</b> | <b>4,729,973</b> |
| Fixed assets                      | 14,067           | 11,895           | 11,246           | 12,930           | 14,866           |
| Loans                             | 2,079,294        | 2,453,928        | 2,895,635        | 3,416,849        | 4,031,882        |
| Investments                       | 106,566          | 155,987          | 188,545          | 225,071          | 268,903          |
| Cash and bank balances            | 76,112           | 213,657          | 213,355          | 276,425          | 273,364          |
| Other assets                      | 96,724           | 99,862           | 98,114           | 115,101          | 140,959          |
| <b>Total Assets</b>               | <b>2,372,764</b> | <b>2,935,329</b> | <b>3,406,895</b> | <b>4,046,376</b> | <b>4,729,974</b> |
| Per Share data & Valuation Ratios | FY24             | FY25             | FY26E            | FY27E            | FY28E            |
| EPS- (INR)                        | 38.3             | 44.0             | 53.3             | 63.0             | 71.1             |
| BV (INR)                          | 258.5            | 299.3            | 341.6            | 392.9            | 453.8            |
| ABV- (INR)                        | 258.5            | 299.3            | 341.6            | 392.9            | 453.8            |
| P/E- (x)                          | 17.1             | 14.9             | 12.3             | 10.4             | 9.2              |
| P/ABV-(x)                         | 2.5              | 2.2              | 1.9              | 1.7              | 1.4              |
| Yield and Cost (%)                |                  |                  |                  |                  |                  |
| Yield on advances                 | 16.7             | 17.3             | 17.5             | 17.5             | 17.5             |
| Interest Income/ Avg. assets      | 15.7             | 16.2             | 17.0             | 17.1             | 17.3             |
| Interest Expense/ Avg. assets     | 6.8              | 7.0              | 7.3              | 7.3              | 7.3              |
| Net Interest Margin (%)           | 8.9              | 8.6              | 8.5              | 8.5              | 8.3              |
| Asset Quality (%)                 |                  |                  |                  |                  |                  |
| Gross NPA                         | 5.5              | 5.5              | 5.5              | 5.5              | 5.5              |
| Net NPA                           | 2.7              | 2.7              | 2.7              | 2.7              | 2.7              |
| % coverage of NPA - RHS           | 50.0             | 50.0             | 50.0             | 50.0             | 50.0             |
| Capital Adequacy                  |                  |                  |                  |                  |                  |
| Tier 1                            | 28.4             | 27.3             | 25.8             | 24.6             | 23.5             |
| CAR                               | 31.5             | 30.8             | 29.7             | 29.0             | 28.5             |
| Growth Rates                      |                  |                  |                  |                  |                  |
| Loan growth                       | 21               | 18               | 18               | 18               | 18               |
| Earnings growth (RHS)             | 20               | 15               | 21               | 18               | 13               |
| Business Ratios                   |                  |                  |                  |                  |                  |
| RoAA (%)                          | 3.3              | 3.1              | 3.2              | 3.2              | 3.0              |
| Core RoE (%) -RHS                 | 15.7             | 15.8             | 16.6             | 17.1             | 16.8             |
| Dividend Yield (%)                | 0.9              | 1.1              | 1.2              | 1.4              | 1.4              |
| Leverage (x)                      | 4.8              | 5.1              | 5.3              | 5.4              | 5.5              |

Note: Pricing as on 25 April 2025; Source: Company, Elara Securities Estimate

**Asset strain lingers; SHFL leans on write-offs as rural stress weighs**

In Q4FY25, GS3 declined to 4.55% from 5.38% in Q3, led by INR 23.45bn technical write-off with no P&L impact. Credit costs stood at 2.4%, with INR 2.33bn debit due to higher Stage 3. While rural stress persisted in states of Chhattisgarh, Madhya Pradesh, and Bihar, improving monsoons and *Rabi* cash flows should aid recovery, especially in PVs. Urban credit demand softened due to lower government capex but should rebound. MSME GS2 movement is stable, with limited YoY increase and no Stage 1 flow-through. PCR normalized to 43%, and provisioning rose slightly on elevated GS2/GS1. Asset quality outlook remains positive. We expect credit costs of 2%+ over FY26-28E.

**Exhibit 1: SHFL – Q4FY25 results highlight**

| Profit and loss statement (INR mn) | Q4FY25        | Q4FY24        | YoY chg<br>(%/bps) | Q3FY25        | QoQ chg<br>(%/bps) | Comments   |
|------------------------------------|---------------|---------------|--------------------|---------------|--------------------|--|
| Interest income                    | 113,275       | 93,714        | 20.9               | 106,031       | 6.8                |  |
| Interest expenses                  | 52,763        | 40,354        | 30.8               | 47,805        | 10.4               |  |
| <b>Net interest income</b>         | <b>60,512</b> | <b>53,361</b> | <b>13.4</b>        | <b>58,227</b> | <b>3.9</b>         | NII at INR 60,512mn was in line with estimates and grew 3.9% QoQ/14.3% YoY   |
| Operating & other income           | 1,296         | 1,236         | 4.9                | 981           | 32.2               | Other income at INR 1,296mn rose by 32.2% QoQ/4.9% YoY   |
| <b>Net revenue</b>                 | <b>61,808</b> | <b>54,597</b> | <b>13.2</b>        | <b>59,207</b> | <b>4.4</b>         |  |
| Operating expenses                 | 18,456        | 15,541        | 18.8               | 18,358        | 0.5                | Opex at INR 18,456mn was flat QoQ/ up 18.8% YoY, below estimates   |
| Staff cost                         | 9,057         | 8,249         | 9.8                | 9,704         | (6.7)              |  |
| <b>Operating profit</b>            | <b>43,353</b> | <b>39,056</b> | <b>11.0</b>        | <b>40,850</b> | <b>6.1</b>         | PPoP for the quarter stood at INR 43,353mn (up 6.1% QoQ/11% YoY), a slight beat on estimates due to lower-than-expected opex   |
| Provisions                         | 15,633        | 12,615        | 23.9               | 13,258        | 17.9               | Provisions spiked to INR 15,633mn, up by 17.9% QoQ/23.9% YoY, well above estimates, proving to be a drag to the bottomline.  |
| <b>Profit before tax</b>           | <b>27,720</b> | <b>26,441</b> | <b>4.8</b>         | <b>27,592</b> | <b>0.5</b>         |  |
| Tax                                | 6,326         | 6,983         | (9.4)              | 6,788         | (6.8)              |  |
| <b>Profit after tax</b>            | <b>21,394</b> | <b>19,459</b> | <b>9.9</b>         | <b>20,804</b> | <b>2.8</b>         | PAT at INR 21,394mn was in line with estimates (INR 21,375mn), up 2.8% QoQ/9.9% YoY due to subdued NII, elevated provisions.   |
| <b>Business details</b>            |               |               |                    |               |                    |  |
| Total AUM                          | 26,31,903     | 22,48,620     | 17.0               | 25,44,697     | 3.4                | AUM grew by 3.4% QoQ/17% YoY to reach INR 2,632bn, also in line with our estimates. The growth was driven by the MSME segment along with personal loan and farm equipment. |
| Cost to income (%)                 | 29.9          | 28.5          | 139 bps            | 31.0          | (115)bps           | The cost-income ratio improved by 115bps QoQ but went up 139bps YoY to 29.9%   |
| <b>Asset quality</b>               |               |               |                    |               |                    |  |
| Gross NPA (%)                      | 4.55          | 5.45          | (90)bps            | 5.38          | (83)bps            | Asset quality improved as GNPA declined to 4.55%, down by 83bps QoQ and 90bps YoY, aided by technical write-offs of fully provided GS3 assets.                             |
| Net NPA (%)                        | 2.64          | 2.70          | (6)bps             | 2.68          | (4)bps             |  |
| Coverage ratio (%)                 | 45.39         | 51.79         | (640)bps           | 51.64         | (624)bps           |  |
| NIM reported                       | 8.25          | 9.02          | (77)bps            | 8.48          | (23)bps            | Pressure on NIM as it contracted 23bps QoQ/77bps YoY due to high liquidity on the book   |
| Credit cost (%)                    | 2.42          | 2.30          | 12 bps             | 2.13          | 28 bps             |  |
| NIM calculated (%)                 | 9.35          | 9.72          | (37)bps            | 9.36          | (1)bps             |  |

Source: Company, Elara Securities Research

## Conference call – Key takeaways

### Business updates

- ▶ MHCV segment has registered growth, while LCV recorded a 2% YoY decline. Total CV sales declined by 1.2% YoY. The PV segment grew 2% YoY, 2W sales grew 9.1% YoY, and 3W sales increased 6.7% YoY. Tractors saw a marginal 1% YoY decline, while CE remained flat YoY.
- ▶ The underlying CV segment has not grown YoY due to a slowdown in government capex, leading to a decline in sales and, consequently, financing. Replacement demand is expected to remain despite the broader economic conditions.
- ▶ The number of used vehicle transactions is projected to grow in the coming years, with a lag starting this year, following robust CV sales in the past three years. CV growth is expected to be in the range of 12-15%.
- ▶ MSME growth is likely to moderate to >20% YoY, with previously high growth figures attributed to a smaller base. MSME loans remain predominantly secured – 70-80% backed by residential or commercial properties with average ticket size of INR 0.5-0.6mn, and IRR ranging from 16% to 24%.
- ▶ Overall growth for FY26 is projected at 15%+ in the medium term, with potential to exceed this level depending on macroeconomic performance.
- ▶ Redemptions have outpaced disbursements, resulting in a decline in gold AUM.
- ▶ Personal loans are seeing renewed traction, with no notable concerns. Industry stress has peaked, and these loans are being extended to two-wheeler customers with established repayment records.
- ▶ Disbursements for Q4 stood at INR 448.48bn, growing 14.4% YoY.
- ▶ Attrition has remained steady, with the number of team members declining due to enhanced productivity.
- ▶ In Q3, employee expenses were elevated due to festival season quarter incentive schemes with two-wheelers but the same did not emerge in Q4
- ▶ Cost-to-income ratio is expected to be in the 27-28% range and may take around a year to moderate.

### Margin analysis

- ▶ Two-wheeler loans have an IRR in the range of 16-22%.
- ▶ Borrowings stood at INR 2,341.9bn in Q4, up from INR 2,234.6bn in Q3.
- ▶ COB was 8.95%, remaining flat QoQ, with a slight decline. Incremental COB declined to 8.86% for Q4FY25.
- ▶ Liquidity remains slightly elevated (INR 310bn) due to large transactions of ECB done in Dec-end and INR 800mn done in Mar quarter, covering liabilities for six months. The target is to normalize this to three months – around INR 190bn – in the next two quarters. This normalization is expected to result in a 25bps improvement in margins.
- ▶ NIM guidance is in the range of 8.4-8.6%, with benefits of rate cuts expected to pass through to customers.
- ▶ Higher debt levels and excess liquidity have contributed to elevated interest expenses, with no one-off or exceptional costs attributed.
- ▶ Leverage stood at 4.16x, reflecting a marginal increase.
- ▶ Funds mobilized during the quarter were slightly lower due to surplus liquidity.
- ▶ Decisions regarding direct assignment or securitization are aligned with the overall fund mobilization strategy.

- ▶ Bank borrowings are expected to take longer to adjust to interest rate cuts, whereas capital market borrowings are likely to reprice more quickly. Overall, a 15-20bps reduction in COB is anticipated in FY26.

#### Asset quality

- ▶ LGD was 30.09%.
- ▶ GS3 assets stood at 4.55% in Q4FY25, down from 5.38% in Q3FY25. The reduction in GNPA is primarily due to a technical write-off of fully provided assets, amounting to INR 23.45bn. There was no impact on the P&L.
- ▶ In the past two quarters, macroeconomic conditions were challenging, particularly in certain geographies and remote areas where stress had built up. However, rural economic conditions are improving, aided by return of favorable rainfall, which is expected to support further recovery. In contrast, urban demand has softened, mainly due to a slowdown in government capex, leading to weaker urban credit demand. Despite this, credit costs remain well-managed and under control.
- ▶ Credit costs were recorded at 2.4%, and are targeted to remain below 2%. Measures are underway to ensure that this is achieved. Write-offs led debit to P&L of INR 2.33bn, primarily due to increase in Stage 3.
- ▶ There is no concern regarding forward flow from Stage 1 to Stage 2 assets in the upcoming quarters.
- ▶ Most PV financing is concentrated in rural markets. Economic slowdown in Chhattisgarh, Madhya Pradesh, and Bihar contributed to the spike in GS2 for PVs. As rural conditions improve, a decline in GS2 is expected.
- ▶ No significant increase in repossession activity has been observed across the industry. The share of 'SHFL reposessed vehicles' in the Shriram Automall portfolio is lower, but revenue from these vehicles is higher. Additionally, some vehicles may be listed directly by the customers for an exchange.
- ▶ The movement in GS2 within MSME is not a concern. While there are QoQ fluctuations, the YoY rise is limited to just 7bps. Moreover, this shift is largely from GS3 to GS2, not from GS1 to GS2.
- ▶ PCR declined from 51% to 43%, having been elevated during Covid. The current level reflects a normalization aligned with macroeconomic recovery and continues to offer an adequate buffer.
- ▶ Provisioning requirements have been slightly higher due to an elevated GS3 (net of write-offs) and a larger quantum of GS2 and GS1 assets.
- ▶ Above-normal monsoon predictions and improved *Rabi* crop cash flows are expected to support asset quality improvements in the coming quarters.

#### Exhibit 2: AUM growth moderates with off-book share declining sequentially

| AUM composition (INR mn) | Q1FY23           | Q2FY23           | Q3FY23           | Q4FY23           | Q1FY24           | Q2FY24           | Q3FY24           | Q4FY24           | Q1FY25           | Q2FY25           | Q3FY25           | Q4FY25           |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>On book</b>           | <b>1,615,704</b> | <b>1,677,709</b> | <b>1,758,412</b> | <b>1,833,384</b> | <b>1,907,219</b> | <b>1,995,947</b> | <b>2,110,562</b> | <b>2,216,677</b> | <b>2,302,462</b> | <b>2,398,225</b> | <b>2,511,678</b> | <b>2,599,159</b> |
| Balance sheet assets     | 1,409,853        | 1,482,206        | 1,567,663        | 1,620,893        | 1,677,638        | 1,760,068        | 1,876,421        | 1,942,207        | 2,026,949        | 2,068,058        | 2,136,049        | 2,231,870        |
| Securitized assets       | 205,851          | 195,503          | 190,750          | 212,491          | 229,581          | 235,879          | 234,141          | 274,469          | 275,513          | 330,167          | 375,630          | 367,289          |
| <b>Off book</b>          | <b>13,997</b>    | <b>15,882</b>    | <b>16,568</b>    | <b>23,444</b>    | <b>24,928</b>    | <b>30,463</b>    | <b>31,773</b>    | <b>31,943</b>    | <b>31,974</b>    | <b>32,200</b>    | <b>33,019</b>    | <b>32,744</b>    |
| <b>Total AUM</b>         | <b>1,629,700</b> | <b>1,693,591</b> | <b>1,774,980</b> | <b>1,856,829</b> | <b>1,932,147</b> | <b>2,026,410</b> | <b>2,142,335</b> | <b>2,248,620</b> | <b>2,334,436</b> | <b>2,430,426</b> | <b>2,544,697</b> | <b>2,631,903</b> |
| AUM composition (%)      | Q1FY23           | Q2FY23           | Q3FY23           | Q4FY23           | Q1FY24           | Q2FY24           | Q3FY24           | Q4FY24           | Q1FY25           | Q2FY25           | Q3FY25           | Q4FY25           |
| <b>On book</b>           | <b>99.1</b>      | <b>99.1</b>      | <b>99.1</b>      | <b>98.7</b>      | <b>98.7</b>      | <b>98.5</b>      | <b>98.5</b>      | <b>98.6</b>      | <b>98.6</b>      | <b>98.7</b>      | <b>98.7</b>      | <b>98.8</b>      |
| Balance sheet assets     | 86.5             | 87.5             | 88.3             | 87.3             | 86.8             | 86.9             | 87.6             | 86.4             | 86.8             | 85.1             | 83.9             | 84.8             |
| Securitized assets       | 12.6             | 11.5             | 10.7             | 11.4             | 11.9             | 11.6             | 10.9             | 12.2             | 11.8             | 13.6             | 14.8             | 14.0             |
| <b>Off book</b>          | <b>0.9</b>       | <b>0.9</b>       | <b>0.9</b>       | <b>1.3</b>       | <b>1.3</b>       | <b>1.5</b>       | <b>1.5</b>       | <b>1.4</b>       | <b>1.4</b>       | <b>1.3</b>       | <b>1.3</b>       | <b>1.2</b>       |

Source: Company, Elara Securities Research

**Exhibit 3: AUM growth with rising mix of non-CV portfolio; MSME, two-wheelers and PL inch up higher**

| Product-wise AUM composition | Q4FY24       |              | Q1FY25       |              | Q2FY25       |              | Q3FY25       |              | Q4FY25       |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              | Amt (INR bn) | % mix        | Amt (INR bn) | % mix        | Amt (INR bn) | % mix        | Amt (INR bn) | % mix        | Amt (INR bn) | % mix        |
| Commercial Vehicles          | 1,069        | 47.6         | 1,097        | 47.0         | 1,122        | 46.2         | 1,158        | 45.5         | 1,186        | 46.6         |
| Passenger Vehicles           | 432          | 19.2         | 460          | 19.7         | 490          | 20.2         | 519          | 20.4         | 541          | 21.3         |
| Construction Equipment       | 170          | 7.5          | 170          | 7.3          | 176          | 7.3          | 179          | 7.0          | 179          | 7.0          |
| Farm Equipment               | 37           | 1.7          | 40           | 1.7          | 45           | 1.8          | 48           | 1.9          | 52           | 2.1          |
| MSME                         | 262          | 11.7         | 288          | 12.3         | 323          | 13.3         | 346          | 13.6         | 374          | 14.7         |
| Two Wheelers                 | 126          | 5.6          | 129          | 5.5          | 131          | 5.4          | 154          | 6.1          | 156          | 6.1          |
| Gold Loans                   | 63           | 2.8          | 61           | 2.6          | 61           | 2.5          | 55           | 2.2          | 48           | 1.9          |
| Personal Loans               | 90           | 4.0          | 89           | 3.8          | 83           | 3.4          | 87           | 3.4          | 96           | 3.8          |
| Others                       | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total AUM</b>             | <b>2,249</b> | <b>100.0</b> | <b>2,334</b> | <b>100.0</b> | <b>2,430</b> | <b>100.0</b> | <b>2,545</b> | <b>100.0</b> | <b>2,632</b> | <b>103.4</b> |

Source: Company, Elara Securities Research

**Exhibit 4: Personal loan gained traction; MSME focus stayed strong; gold loans dipped sequentially**

| Product AUM (INR mn)   | Q4FY24           | Q1FY25           | Q2FY25           | Q3FY25           | Q4FY25           |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| Commercial Vehicles    | 1,069,351        | 1,096,792        | 1,121,941        | 1,157,669        | 1,185,605        |
| Change QoQ (%)         | 4.4              | 2.6              | 2.3              | 3.2              | 2.4              |
| Change YoY (%)         | 14.6             | 14.4             | 14.0             | 13.0             | 10.9             |
| Passenger Vehicles     | 431,962          | 459,823          | 490,003          | 518,839          | 541,045          |
| Change QoQ (%)         | 4.0              | 6.4              | 6.6              | 5.9              | 4.3              |
| Change YoY (%)         | 27.5             | 26.7             | 23.4             | 24.9             | 25.3             |
| Construction Equipment | 169,540          | 170,410          | 176,377          | 178,611          | 178,782          |
| Change QoQ (%)         | 4.5              | 0.5              | 3.5              | 1.3              | 0.1              |
| Change YoY (%)         | 18.0             | 16.5             | 17.1             | 10.1             | 5.5              |
| Farm Equipment         | 37,153           | 39,822           | 44,677           | 47,756           | 52,066           |
| Change QoQ (%)         | 10.7             | 7.2              | 12.2             | 6.9              | 9.0              |
| Change YoY (%)         | 6.8              | 16.5             | 28.4             | 42.3             | 40.1             |
| MSME                   | 262,270          | 288,024          | 322,997          | 346,321          | 374,136          |
| Change QoQ (%)         | 13.6             | 9.8              | 12.1             | 7.2              | 8.0              |
| Change YoY (%)         | 36.9             | 43.7             | 51.6             | 50.0             | 42.7             |
| Two Wheelers           | 125,524          | 129,091          | 130,891          | 154,109          | 155,806          |
| Change QoQ (%)         | 3.4              | 2.8              | 1.4              | 17.7             | 1.1              |
| Change YoY (%)         | 21.1             | 28.8             | 25.6             | 26.9             | 24.1             |
| Gold                   | 62,998           | 61,225           | 60,805           | 54,881           | 48,367           |
| Change QoQ (%)         | 6.9              | (2.8)            | (0.7)            | (9.7)            | (11.9)           |
| Change YoY (%)         | 40.7             | 22.8             | 12.5             | (6.8)            | (23.2)           |
| Personal Loans         | 89,823           | 89,251           | 82,735           | 86,512           | 96,097           |
| Change QoQ (%)         | (5.8)            | (0.6)            | (7.3)            | 4.6              | 11.1             |
| Change YoY (%)         | 34.6             | 12.7             | (6.4)            | (9.3)            | 7.0              |
| <b>Total AUM</b>       | <b>2,248,620</b> | <b>2,334,436</b> | <b>2,430,426</b> | <b>2,544,697</b> | <b>2,631,903</b> |
| Change QoQ (%)         | 5.0              | 3.8              | 4.1              | 4.7              | 3.4              |
| Change YoY (%)         | 21.1             | 20.8             | 19.9             | 18.8             | 17.0             |

Source: Company, Elara Securities Research

**Exhibit 5: GS3 declined to 4.55% from 5.38%, led by technical write-off; PCR drawn down to 43.33%**

| Asset quality (INR mn)     | Q4FY23      | Q1FY24      | Q2FY24      | Q3FY24      | Q4FY24      | Q1FY25      | Q2FY25      | Q3FY25      | Q4FY25      |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross Stage 3              | 113,822     | 115,089     | 115,563     | 119,523     | 120,812     | 124,078     | 127,642     | 135,212     | 118,388     |
| ECL provision- Stage 3     | 57,073      | 60,475      | 61,362      | 63,793      | 62,567      | 63,460      | 65,986      | 69,818      | 51,243      |
| Net Stage 3                | 56,749      | 54,613      | 54,202      | 55,730      | 58,244      | 60,618      | 61,656      | 65,393      | 67,145      |
| <b>Gross stage 3 (%)</b>   | <b>6.2</b>  | <b>6.0</b>  | <b>5.8</b>  | <b>5.7</b>  | <b>5.5</b>  | <b>5.4</b>  | <b>5.3</b>  | <b>5.4</b>  | <b>4.6</b>  |
| Net stage 3 (%)            | 3.1         | 2.9         | 2.7         | 2.6         | 2.6         | 2.6         | 2.6         | 2.6         | 2.6         |
| Coverage ratio (%) Stage 3 | 50.1        | 52.5        | 53.1        | 53.4        | 51.8        | 51.1        | 51.7        | 51.6        | 43.3        |
| Gross stage 1              | 1,556,199   | 1,642,486   | 1,737,133   | 1,843,116   | 1,945,799   | 2,025,068   | 2,112,198   | 2,207,826   | 2,301,615   |
| ECL provision- stage 1     | 45,413      | 47,817      | 53,115      | 57,364      | 63,741      | 69,197      | 73,272      | 77,432      | 79,701      |
| Net stage 1                | 1,510,786   | 1,594,669   | 1,684,018   | 1,785,752   | 1,882,058   | 1,955,871   | 2,038,926   | 2,130,394   | 2,221,914   |
| <b>Gross stage 1 (%)</b>   | <b>84.9</b> | <b>86.1</b> | <b>87.0</b> | <b>87.3</b> | <b>87.8</b> | <b>88.0</b> | <b>88.1</b> | <b>87.9</b> | <b>88.6</b> |
| ECL provision (%) stage 1  | 2.9         | 2.9         | 3.1         | 3.1         | 3.3         | 3.4         | 3.5         | 3.5         | 3.5         |
| Gross stage 2              | 163,363     | 149,644     | 143,250     | 147,923     | 150,067     | 153,317     | 158,385     | 168,641     | 179,156     |
| ECL provision- stage 2     | 11,053      | 10,465      | 9,743       | 10,450      | 11,075      | 11,586      | 12,420      | 13,286      | 14,286      |
| Net stage 2                | 152,310     | 139,179     | 133,507     | 137,474     | 138,992     | 141,731     | 145,965     | 155,355     | 164,870     |
| <b>Gross stage 2 (%)</b>   | <b>8.9</b>  | <b>7.9</b>  | <b>7.2</b>  | <b>7.0</b>  | <b>6.8</b>  | <b>6.7</b>  | <b>6.6</b>  | <b>6.7</b>  | <b>6.9</b>  |
| ECL provision (%) stage 2  | 6.8         | 7.0         | 6.8         | 7.1         | 7.4         | 7.6         | 7.8         | 7.9         | 8.0         |

Source: Company, Elara Securities Research

**Exhibit 6: Broad-based improvement in GS3 led by sharp recovery in CVs, CEs, PVs**

| Product wise GS 3 (%)        | Q3FY24     | Q4FY24     | Q1FY25     | Q2FY25     | Q3FY25     | Q4FY25     |
|------------------------------|------------|------------|------------|------------|------------|------------|
| Commercial Vehicles          | 6.1        | 5.9        | 5.9        | 5.8        | 5.9        | 4.9        |
| <i>Change QoQ (bps)</i>      |            | (24)       | (4)        | (6)        | 12         | (103)      |
| Passenger Vehicles           | 5.4        | 5.3        | 5.3        | 5.2        | 5.1        | 4.2        |
| <i>Change QoQ (bps)</i>      |            | (8)        | (7)        | (8)        | (10)       | (88)       |
| Construction Equipment       | 6.6        | 6.3        | 6.2        | 6.3        | 6.6        | 5.6        |
| <i>Change QoQ (bps)</i>      |            | (30)       | (8)        | 10         | 24         | (95)       |
| Farm Equipment               | 9.7        | 8.8        | 8.9        | 8.9        | 8.7        | 7.9        |
| <i>Change QoQ (bps)</i>      |            | (91)       | 11         | (7)        | (15)       | (83)       |
| MSME                         | 5.2        | 5.0        | 4.9        | 4.6        | 4.8        | 4.1        |
| <i>Change QoQ (bps)</i>      |            | (27)       | (10)       | (22)       | 11         | (67)       |
| Two Wheelers                 | 3.3        | 3.2        | 3.1        | 3.1        | 3.2        | 3.1        |
| <i>Change QoQ (bps)</i>      |            | (18)       | (5)        | (2)        | 8          | (7)        |
| Gold                         | 1.9        | 1.9        | 1.9        | 2.0        | 2.0        | 2.1        |
| <i>Change QoQ (bps)</i>      |            | 2          | 1          | 1          | 9          | 2          |
| Personal Loans               | 5.0        | 4.9        | 4.6        | 4.5        | 4.5        | 4.2        |
| <i>Change QoQ (bps)</i>      |            | (14)       | (34)       | (10)       | 9          | (37)       |
| <b>Overall gross stage 3</b> | <b>5.7</b> | <b>5.5</b> | <b>5.4</b> | <b>5.3</b> | <b>5.4</b> | <b>4.6</b> |
| <i>Change QoQ (bps)</i>      |            | (21)       | (6)        | (7)        | 6          | (83)       |

Source: Company, Elara Securities Research

**Exhibit 7: GS2 trends higher by 18bps, led by FEs, PVs, and gold**

| Product wise GS 2 (%)        | Q3FY24     | Q4FY24     | Q1FY25     | Q2FY25     | Q3FY25     | Q4FY25     |
|------------------------------|------------|------------|------------|------------|------------|------------|
| Commercial Vehicles          | 6.7        | 6.7        | 6.6        | 6.6        | 6.6        | 6.7        |
| <i>Change QoQ (bps)</i>      |            | (3)        | (10)       | 4          | 3          | 4          |
| Passenger Vehicles           | 6.4        | 6.2        | 6.3        | 6.1        | 6.2        | 6.6        |
| <i>Change QoQ (bps)</i>      |            | (11)       | 4          | (20)       | 13         | 41         |
| Construction Equipment       | 7.0        | 6.7        | 6.6        | 6.3        | 6.5        | 6.4        |
| <i>Change QoQ (bps)</i>      |            | (24)       | (9)        | (37)       | 24         | (15)       |
| Farm Equipment               | 10.1       | 9.7        | 9.7        | 10.7       | 10.3       | 11.2       |
| <i>Change QoQ (bps)</i>      |            | (39)       | (3)        | 102        | (46)       | 92         |
| MSME                         | 8.2        | 7.4        | 7.2        | 7.0        | 7.2        | 7.5        |
| <i>Change QoQ (bps)</i>      |            | (72)       | (28)       | (19)       | 28         | 26         |
| Two Wheelers                 | 7.3        | 6.1        | 5.7        | 5.7        | 5.8        | 6.1        |
| <i>Change QoQ (bps)</i>      |            | (113)      | (48)       | 1          | 11         | 36         |
| Gold                         | 9.4        | 7.5        | 7.7        | 8.0        | 8.4        | 8.8        |
| <i>Change QoQ (bps)</i>      |            | (192)      | 27         | 26         | 41         | 41         |
| Personal Loans               | 7.8        | 8.1        | 7.7        | 7.5        | 7.9        | 7.8        |
| <i>Change QoQ (bps)</i>      |            | 28         | (36)       | (29)       | 46         | (8)        |
| <b>Overall gross stage 2</b> | <b>7.0</b> | <b>6.8</b> | <b>6.7</b> | <b>6.6</b> | <b>6.7</b> | <b>6.9</b> |
| <i>Change QoQ (bps)</i>      |            | (24)       | (11)       | (6)        | 11         | 18         |

Source: Company, Elara Securities Research

## Exhibit 8: Rural economy has suffered due to poor monsoons, so rural percentage mix declined

| Geographic compositions | Branches     |              |              |              | AUM          |              |              |              |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                         | Q4FY24       |              | Q4FY25       |              | Q4FY24       |              | Q4FY25       |              |
|                         | Nos          | % mix        | Nos          | % mix        | INR bn       | % mix        | INR bn       | % mix        |
| Urban                   | 413          | 13.4         | 435          | 13.5         | 1,130        | 50.2         | 1,327        | 50.4         |
| Semi Urban              | 1,031        | 33.5         | 1,079        | 33.5         | 335          | 14.9         | 398          | 15.1         |
| Rural                   | 1,638        | 53.1         | 1,706        | 53.0         | 784          | 34.9         | 908          | 34.5         |
| <b>Total</b>            | <b>3,082</b> | <b>100.0</b> | <b>3,220</b> | <b>100.0</b> | <b>2,249</b> | <b>100.0</b> | <b>2,632</b> | <b>100.0</b> |

Source: Company, Elara Securities Research

## Exhibit 9: Increased reach in rural areas for last-mile connectivity across geographical units

| Geographical units (GU) branches | Urban      | Semi-urban   | Rural        | Total        |
|----------------------------------|------------|--------------|--------------|--------------|
| <b>GU1</b>                       |            |              |              |              |
| Puducherry                       | 3          | 5            | 6            | 14           |
| Tamil Nadu                       | 74         | 208          | 493          | 775          |
| <b>GU1 Total</b>                 | <b>77</b>  | <b>213</b>   | <b>499</b>   | <b>789</b>   |
| <b>GU2</b>                       |            |              |              |              |
| Andhra Pradesh                   | 29         | 113          | 163          | 305          |
| Odisha                           | 3          | 21           | 33           | 57           |
| Telangana                        | 46         | 62           | 108          | 216          |
| <b>GU2 total</b>                 | <b>78</b>  | <b>196</b>   | <b>304</b>   | <b>578</b>   |
| <b>GU3</b>                       |            |              |              |              |
| Bihar                            | 16         | 40           | 37           | 93           |
| Goa                              | -          | 1            | 4            | 5            |
| Jharkhand                        | 12         | 18           | 10           | 40           |
| Maharashtra                      | 61         | 82           | 141          | 284          |
| Uttar Pradesh                    | 41         | 93           | 52           | 186          |
| Uttarakhand                      | -          | 11           | 8            | 19           |
| <b>GU3 total</b>                 | <b>130</b> | <b>245</b>   | <b>252</b>   | <b>627</b>   |
| <b>GU4</b>                       |            |              |              |              |
| Dadra and Nagar Haveli           | -          |              | 1            | 1            |
| Delhi                            | 20         | 3            |              | 23           |
| Gujarat                          | 22         | 48           | 40           | 110          |
| Haryana                          | 3          | 43           | 25           | 71           |
| Himachal Pradesh                 | -          | 4            | 38           | 42           |
| Jammu and Kashmir                | 1          | 5            | 11           | 17           |
| Madhya Pradesh                   | 20         | 68           | 112          | 200          |
| New Delhi                        | -          | -            |              | -            |
| Punjab                           | 10         | 35           | 27           | 72           |
| Chandigarh                       | 3          |              |              | 3            |
| Rajasthan                        | 16         | 56           | 74           | 146          |
| <b>GU4 total</b>                 | <b>95</b>  | <b>262</b>   | <b>328</b>   | <b>685</b>   |
| <b>GU5</b>                       |            |              |              |              |
| Assam                            | 3          | 10           | 18           | 31           |
| Chandigarh                       | -          |              | -            | -            |
| Chhattisgarh                     | 6          | 18           | 47           | 71           |
| Karnataka                        | 26         | 69           | 131          | 226          |
| Kerala                           | 3          | 26           | 97           | 126          |
| Manipur                          | -          | 1            | -            | 1            |
| Meghalaya                        | -          | 1            | -            | 1            |
| Sikkim                           | -          | 1            | 2            | 3            |
| Tripura                          | -          | 3            | 2            | 5            |
| West Bengal                      | 17         | 32           | 26           | 75           |
| Andaman & Nicobar                |            | 1            |              | 1            |
| <b>GU 5 total</b>                | <b>55</b>  | <b>162</b>   | <b>323</b>   | <b>540</b>   |
| <b>Grand total</b>               | <b>435</b> | <b>1,078</b> | <b>1,706</b> | <b>3,219</b> |

Source: Company, Elara Securities Research



**Exhibit 10: Key metrics saw contraction in NIMs; C/I improved; ROA stable**

| Operating metrics        | Q4FY22  | Q1FY23  | Q2FY23  | Q3FY23  | Q4FY23  | Q1FY24  | Q2FY24  | Q3FY24  | Q4FY24  | Q1FY25  | Q2FY25  | Q3FY25  | Q4FY25  |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| NIM (on AUM) (%)         | 6.6     | 8.1     | 8.3     | 8.5     | 8.6     | 8.3     | 8.9     | 9.0     | 9.0     | 8.8     | 8.7     | 8.5     | 8.3     |
| Cost to income ratio (%) | 19.9    | 23.2    | 24.5    | 22.3    | 28.3    | 27.3    | 25.7    | 28.7    | 28.5    | 29.0    | 30.0    | 31.0    | 29.9    |
| ROA (%)                  | 1.9     | 2.7     | 3.0     | 3.4     | 2.5     | 3.1     | 3.1     | 3.1     | 3.2     | 3.1     | 3.1     | 2.9     | 2.9     |
| ROE (%)                  | 11.1    | 14.5    | 15.6    | 17.1    | 12.2    | 15.2    | 15.4    | 15.5    | 16.4    | 16.0    | 16.0    | 15.4    | 15.6    |
| Tier 1 (%)               | 20.7    | 21.5    | 21.5    | 21.4    | 21.2    | 21.3    | 21.1    | 20.0    | 19.6    | 19.5    | 19.4    | 20.3    | 20.0    |
| Tier 2 (%)               | 2.3     | 1.7     | 1.7     | 1.6     | 1.4     | 1.1     | 1.1     | 1.0     | 0.8     | 0.8     | 0.8     | 0.7     | 0.6     |
| Total CRAR (%)           | 23.0    | 23.1    | 23.2    | 23.0    | 22.6    | 22.4    | 22.2    | 21.0    | 20.3    | 20.3    | 20.2    | 21.0    | 20.7    |
| Net worth (INR mn)       | 259,046 | 390,347 | 405,489 | 423,157 | 432,021 | 448,216 | 459,301 | 469,499 | 485,684 | 504,550 | 520,310 | 550,392 | 567,085 |

Source: Company, Elara Securities Research

**Exhibit 11: Share of ECB loans rose while share of securitization dropped**

| Borrowing mix              | Q1FY24         |       | Q3FY24         |       | Q4FY24         |       | Q1FY25         |       | Q2FY25         |       | Q3FY25         |       | Q4FY25         |       |
|----------------------------|----------------|-------|----------------|-------|----------------|-------|----------------|-------|----------------|-------|----------------|-------|----------------|-------|
|                            | Amt (INR bn)   | % Mix | Amt (INR bn)   | % Mix | Amt (INR bn)   | % Mix | Amt (INR bn)   | % Mix | Amt (INR bn)   | % Mix | Amt (INR bn)   | % Mix | Amt (INR bn)   | % Mix |
| Non-convertible debentures | 287.2          | 17.7  | 309.5          | 17.4  | 316.3          | 17.0  | 321.2          | 16.8  | 372.7          | 17.9  | 373.2          | 16.7  | 383.0          | 16.4  |
| Public deposit             | 386.5          | 23.9  | 431.2          | 24.3  | 444.4          | 23.9  | 474.9          | 24.8  | 502.0          | 24.2  | 533.6          | 23.9  | 560.9          | 24.0  |
| Securitisation             | 241.8          | 14.9  | 249.5          | 14.1  | 291.4          | 15.7  | 290.6          | 15.2  | 344.7          | 16.6  | 390.4          | 17.5  | 380.5          | 16.2  |
| Subordinated debts         | 44.2           | 2.7   | 43.4           | 2.4   | 43.0           | 2.3   | 26.3           | 1.4   | 30.1           | 1.4   | 25.6           | 1.1   | 25.1           | 1.1   |
| Term loan                  | 393.7          | 24.3  | 460.9          | 26.0  | 456.4          | 24.6  | 474.9          | 24.8  | 465.5          | 22.4  | 479.5          | 21.5  | 493.4          | 21.1  |
| External commercial bond   | 126.4          | 7.8   | 108.5          | 6.1   | 109.5          | 5.9   | 111.5          | 5.8   | 154.4          | 7.4   | 157.1          | 7.0   | 158.5          | 6.8   |
| ECB loans                  | 112.5          | 6.9   | 120.1          | 6.8   | 144.7          | 7.8   | 159.0          | 8.3   | 163.1          | 7.8   | 261.4          | 11.7  | 336.5          | 14.4  |
| Other borrowings           | 16.4           | 1.0   | 26.9           | 1.5   | 29.0           | 1.6   | 33.8           | 1.8   | 34.3           | 1.7   | 12.9           | 0.6   | 0.0            | 0.0   |
| Commercial papers          | 10.6           | 0.7   | 24.6           | 1.4   | 23.7           | 1.3   | 25.2           | 1.3   | 11.4           | 0.5   | 0.9            | 0.0   | 4.0            | 0.2   |
| <b>Total</b>               | <b>1,619.5</b> |       | <b>1,774.6</b> |       | <b>1,858.4</b> |       | <b>1,917.4</b> |       | <b>2,078.2</b> |       | <b>2,234.6</b> |       | <b>2,341.9</b> |       |

Source: Company, Elara Securities Research

**Exhibit 12: Recommend Accumulate with TP of INR 734 at 1.9x FY27E P/ABV**

|                                  |             |
|----------------------------------|-------------|
| <b>PT calculation and upside</b> |             |
| Fair price - EVA (INR)           | 223         |
| Fair price - P/ABV (INR)         | 1,246       |
| <b>Average of the two (INR)</b>  | <b>734</b>  |
| <b>Target P/ABV (x)</b>          | <b>1.9</b>  |
| <b>Target P/E (x)</b>            | <b>11.7</b> |
| Current price, INR               | 656         |
| <b>Upside (%)</b>                | <b>12</b>   |
| Dividend yield (%)               | 0           |
| <b>Total return (%)</b>          | <b>12</b>   |

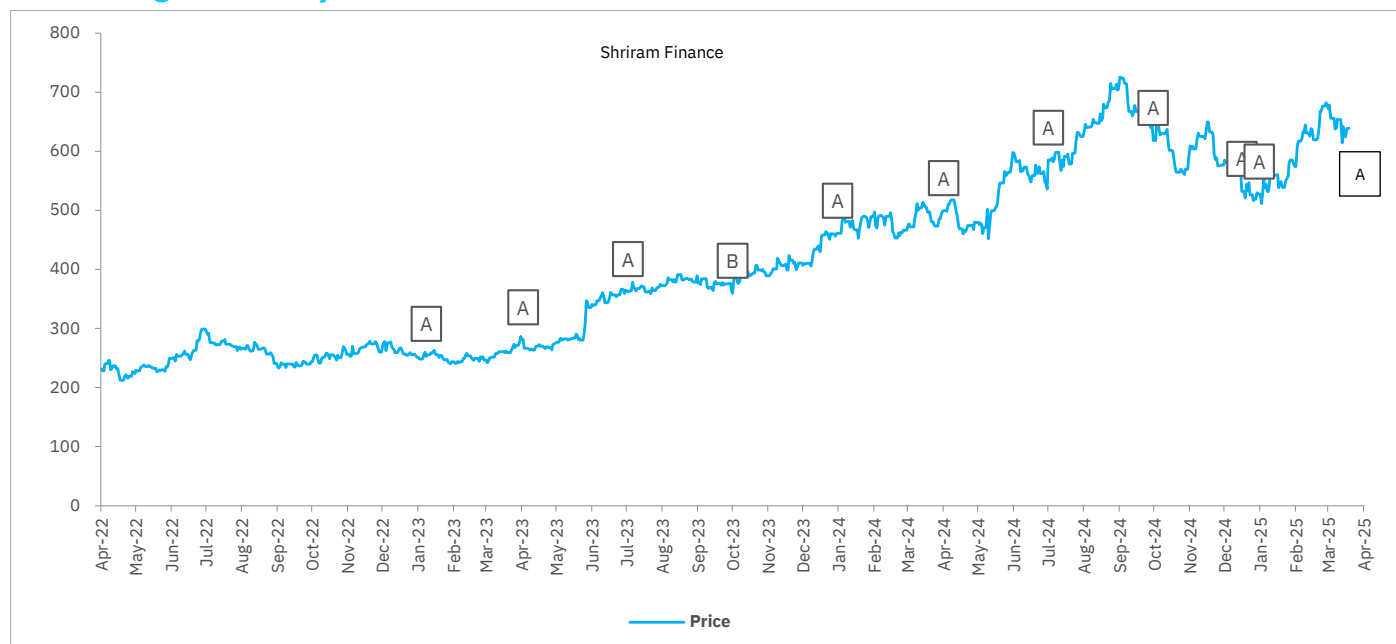
Note: pricing as on 25 April 2025; Source: Elara Securities Estimate

**Exhibit 13: Change in estimate**

| INR mn              | Old     |            | Revised |            | % Change |             | New     |
|---------------------|---------|------------|---------|------------|----------|-------------|---------|
|                     | FY26E   | FY27E      | FY26E   | FY27E      | FY26E    | FY27E       | FY28E   |
| Net interest income | 276,790 | 323,731    | 269,778 | 315,622    | (2.5)    | (2.5)       | 366,216 |
| Operating profit    | 199,780 | 233,055    | 190,978 | 221,074    | (4.4)    | (5.1)       | 253,793 |
| Net profit          | 101,765 | 119,503    | 100,194 | 118,294    | (1.5)    | (1.0)       | 133,647 |
| EPS (INR)           | 54.2    | 63.6       | 53.3    | 63.0       | (1.7)    | (1.0)       | 71.1    |
| <b>TP (INR)</b>     |         | <b>621</b> |         | <b>734</b> |          | <b>18.3</b> |         |

Source: Elara Securities Estimate

## Coverage History



| Date        | Rating     | Target Price (INR) | Closing Price (INR) |
|-------------|------------|--------------------|---------------------|
| 02-Feb-2023 | Accumulate | 1,391              | 1,265               |
| 27-Apr-2023 | Accumulate | 1,487              | 1,406               |
| 27-Jul-2023 | Accumulate | 1,903              | 1,812               |
| 26-Oct-2023 | Buy        | 2,152              | 1,798               |
| 25-Jan-2024 | Accumulate | 2,540              | 1,307               |
| 26-Apr-2024 | Accumulate | 2,778              | 2,500               |
| 26-Jul-2024 | Accumulate | 3,140              | 2,925               |
| 25-Oct-2024 | Accumulate | 3,419              | 3,093               |
| 10-Jan-2025 | Accumulate | 684                | 532                 |
| 25-Jan-2025 | Accumulate | 621                | 527                 |
| 25-Apr-2025 | Accumulate | 734                | 655                 |

## Guide to Research Rating

|                       |                             |
|-----------------------|-----------------------------|
| <b>BUY (B)</b>        | Absolute Return >+20%       |
| <b>ACCUMULATE (A)</b> | Absolute Return +5% to +20% |
| <b>REDUCE (R)</b>     | Absolute Return -5% to +5%  |
| <b>SELL (S)</b>       | Absolute Return < -5%       |

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