

After slipping into loss in 3Q, CREDAG was able to post profit (of Rs472mn) in Q4, mainly on improvement in margin and contained provisions. MFI asset quality continues to take a hit from MFIN guardrails as well as the adverse impact of the ordinance in Karnataka (which led to Rs1.5bn additional credit cost in Q4FY25). We believe full implementation of MFIN guardrails alongside adverse impact of the recent TN ordinance could keep MFI stress elevated in H1FY26. The company expects AUM growth of 14-18% in FY26, led by retail finance, albeit softer MFI growth due to accelerated write-offs in H1FY26 (expects a rebound in H2FY26). We cut FY26E earnings by 4.9%, factoring in the slower growth/elevated LLP. However, we retain ADD while revising up our TP by ~26% to Rs1,225 (Rs975 earlier), implying 2x FY27E ABV (at a premium to peers, including SFBs), given CREDAG's credible track record to ride the MFI recovery story and deliver strong RoA (3-5% over FY26-28E). We also take comfort in its strong capital buffers and management pedigree vs peers.

Soft AUM growth continues, though recovery expected from H2FY26

CREDAG reported continued soft GLP growth, at 4.6% YoY/(2.9%) QoQ, largely on account of muted MFI growth amid the current stressed environment, stricter MFIN guardrails, and focus on collections instead of disbursement/GLP growth. The company expects overall AUM growth of 14-18% – with MFI contributing 8-12% and the rest driven by retail finance. However, due to the impact of the ordinance in Karnataka, MFI growth in FY26 is anticipated to be lower. Further, the company did not see any impact from the recent TN ordinance at ground level.

NPA's surge QoQ due to MFIN guardrails and Karnataka Ordinance effect

CREDAG saw a jump in GNPA's by 77bps QoQ to 4.8% and in PAR 0+ by 10bps QoQ to 6.9%, mainly due to higher stress seen in the MFI portfolio. GLP with CREDAG+3 lenders reduced to ~15% vs 19% in Q3FY25, while borrowers with CREDAG+3 lenders reduced ~20% vs 24% in Q3FY25. However, as part of its early risk recognition and conservative provisioning policy, CREDAG undertook an accelerated write-off of Rs4.8bn, of loan accounts with 180+DPD. The company believes accelerated write-offs shall be taken in H1FY26 with the aim of normalizing asset quality by Sep-25.

We retain ADD; revise up our TP to Rs1,225

We cut our FY26 earnings estimates by 4.9%, factoring in the slower growth and elevated LLP. However, we retain ADD on CREDAG while revising up our TP to Rs1,225 from Rs975 earlier, implying 2x FY27E ABV (at a premium to peers, including SFBs), given CREDAG's credible track record of riding the MFI recovery and delivering strong RoA (3-5% over FY26-28E). Key risks: Slower than expected recovery in MFI, management attrition.

Target Price – 12M	Mar-26
Change in TP (%)	25.6
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	2.1

Stock Data	CREDAG IN
52-week High (Rs)	1,553
52-week Low (Rs)	750
Shares outstanding (mn)	159.7
Market-cap (Rs bn)	192
Market-cap (USD mn)	2,241
Net-debt, FY25E (Rs mn)	NA
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	2,039.9
ADTV-3M (USD mn)	23.9
Free float (%)	33.3
Nifty-50	25,019.8
INR/USD	85.5

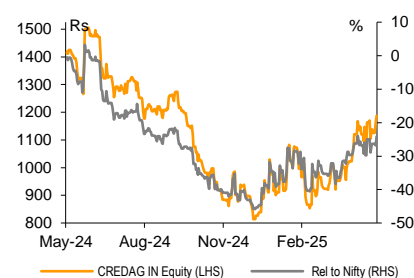
Shareholding, Mar-25

Promoters (%)	66.4
FPIs/MFs (%)	11.4/12.7

Price Performance

(%)	1M	3M	12M
Absolute	10.9	24.2	(15.5)
Rel. to Nifty	3.9	13.8	(24.3)

1-Year share price trend (Rs)



CreditAccess Grameen: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profits	14,459	5,314	9,157	15,028	19,586
AUM growth (%)	27.0	(2.9)	14.0	18.0	22.0
NII growth (%)	49.8	14.4	1.9	15.7	20.5
NIMs (%)	13.0	13.4	13.0	12.8	12.8
PPOP growth (%)	58.7	10.3	(2.8)	17.3	22.4
Adj. EPS (Rs)	90.9	33.3	57.3	94.1	122.6
Adj. EPS growth (%)	73.1	(63.3)	72.1	64.1	30.3
Adj. BV (INR)	407.3	409.7	489.3	600.6	738.2
Adj. BVPS growth (%)	27.2	0.6	19.4	22.7	22.9
RoA (%)	5.7	1.9	3.1	4.3	4.7
RoE (%)	24.8	7.9	12.2	16.8	18.0
P/E (x)	13.3	36.2	21.0	12.8	9.8
P/ABV (x)	3.0	2.9	2.5	2.0	1.6

Source: Company, Emkay Research

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Key Concall takeaways

Outlook on loans and margins

- The management targets AUM growth of 14-18% in FY26, with the MFI book expected to grow 8-12%. Retail finance is expected to be a key growth driver going forward. The average ticket size is likely to be stable at current levels: Rs0.17mn for secured business loans, Rs0.55-0.56mn for unsecured business loans, and Rs0.68mn for home loans.
- Bihar's GLP and borrower base declined following a strategic pullback between Sep-24 and Jan-25, aimed at safeguarding the portfolio amid rising overleveraging concerns. The company indicated that it did not intend to exit Bihar, as it expects the strong recovery trends to continue with better controls in place.
- Disbursement momentum was impacted by the shift in focus toward portfolio stability from growth, with disbursement rates falling to 57% in Feb-25 and 65% in Mar-25 compared with normal levels.
- New-to-credit share increased, from 30% to 43%, over recent quarters. Further, the company is offering Retail finance in the state of Karnataka, Maharashtra, Tamil Nadu, and Madhya Pradesh.
- NIMs are expected to be range-bound at 12.6-12.8%, owing to optimization of CoB, and partly offset by potential interest reversals on fresh slippages.

Asset quality

- PAR levels are expected to remain elevated in H1FY26, with stabilization anticipated from H2FY26 onward, as the MFI environment improves. Early risk recognition, conservative provisioning, and accelerated write-off shall be taken in H1FY26 to normalize the asset quality by Sep-25. Accordingly, the management has guided to credit cost of 5.5-6% for FY26.
- Karnataka witnessed ~5% accretion in PAR 0+ during Q4FY25, largely driven by impact of the local ordinance; delinquencies are expected to normalize by the end of Q1FY26.
- Unlike Karnataka, where delinquencies spiked amid a hostile environment prompting the government to issue an ordinance, the measure in TN is purely precautionary. Therefore, a similar rise in delinquencies is not anticipated.
- Total write-offs in Q4FY25 stood at Rs5.2bn, including Rs4.8bn of accelerated write-offs, which led to an additional credit cost of Rs1.5bn. Further, write-offs are expected to normalize post Sep-25, supporting recovery in H2FY26.
- The proportion of GLP associated with borrowers having more than three lenders declined, from 25.3% to 14.7%, while the share of borrowers with unsecured indebtedness of over Rs0.2mn dropped to 10.8% from 19.1%.
- Only ~40% of PAR was attributable to over-leveraging of borrowers, while the remaining is linked to various other factors such as income disruptions, heatwaves, floods, etc.
- The company indicated a temporary blip in PAR accretion in Apr-25 due to employee holidays, festivals, and staff transitions; however, by 14-May-25, the trend had normalized, with new PAR accretion at 0.12%, indicating a return to stability.
- Center attendance has shown improvement across all major geographies, including Uttar Pradesh, Bihar, Jharkhand, and Odisha.
- Collection efficiency (X bucket) stood at 99.2% in Apr-25 (99.5%, excluding Karnataka) and improved to 99.7% in May-25 (excluding Karnataka).

Others

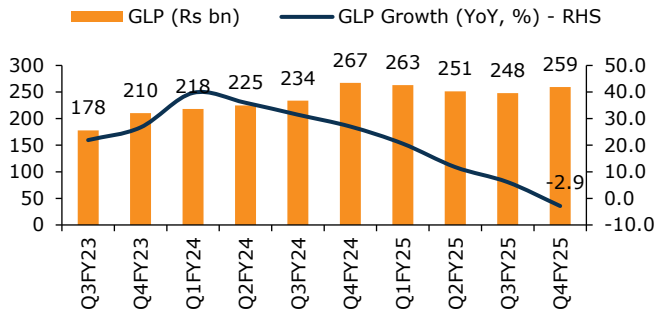
- The industry continues to face KYC standardization issues, especially due to restrictions on using Aadhaar numbers in credit bureau records. Voter ID is now the primary KYC document, with additional portal-based validation implemented for fraud control.

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- The decline in borrower count during Q4FY25 was primarily due to controlled measures implemented in Bihar, targeting vintage customers (up to 4 years old). However, borrower numbers have started recovering from Apr-25.
- Liquidity stood at Rs 23.4bn (8.4% of total assets). Capital sanctions in hand: ~Rs37bn; sanctions in the pipeline: ~Rs47bn.
- The employee base increased, from 19,333 in Dec-24 to 20,970 in Mar-25. The annualized attrition rate for Q4FY25 stood at 30.5%.
- Employee additions in Q4FY25 were primarily focused on Tamil Nadu, to address the higher attrition seen in Q3, while other states saw steady hiring as there was no large attrition in other states.
- Current MD would retire on 25-Jun-2025; he will transition to Non-Executive Nominee Director. CEO Ganesh Narayanan would take over as MD and CEO from 26-Jun-2025 for a five-year term.

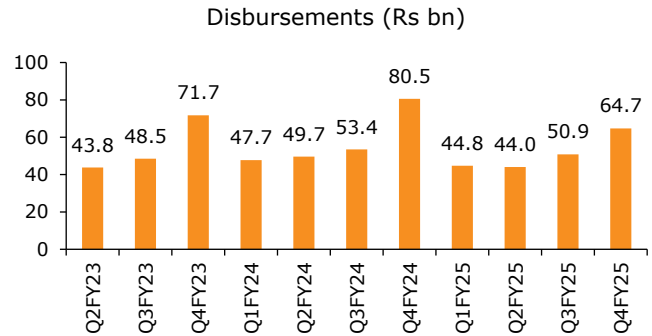
Story in Charts

Exhibit 1: GLP growth slips, hit by MFIN guardrails and asset quality salvo...



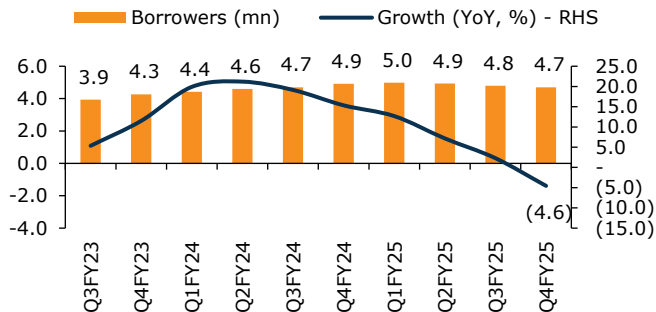
Source: Company, Emkay Research

Exhibit 2:while disbursement rate is improving QoQ.



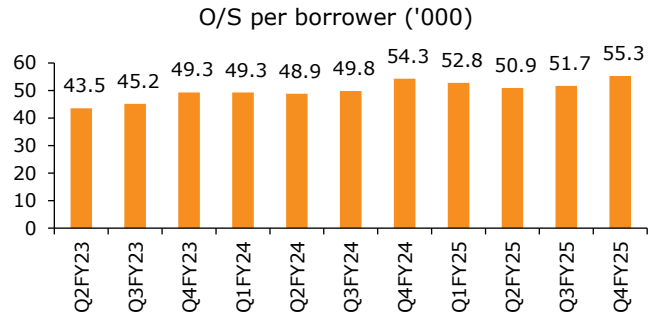
Source: Company, Emkay Research

Exhibit 3: Borrower growth remains slow



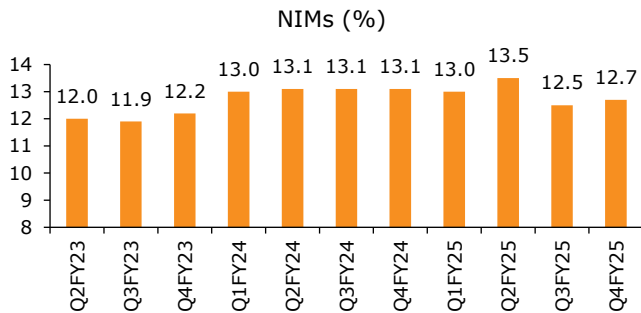
Source: Company, Emkay Research

Exhibit 4: Loans outstanding per borrower ease QoQ



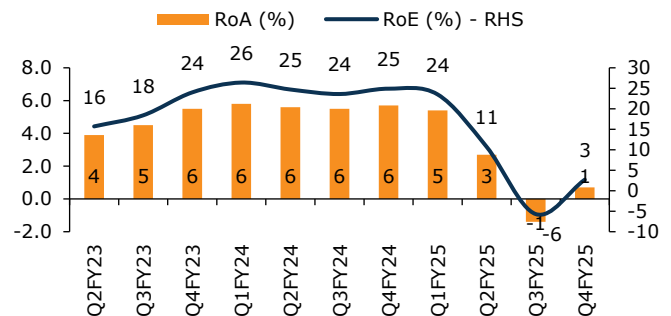
Source: Company, Emkay Research

Exhibit 5: Improvement in yields and stable cost led to 20bps improvement in margin...



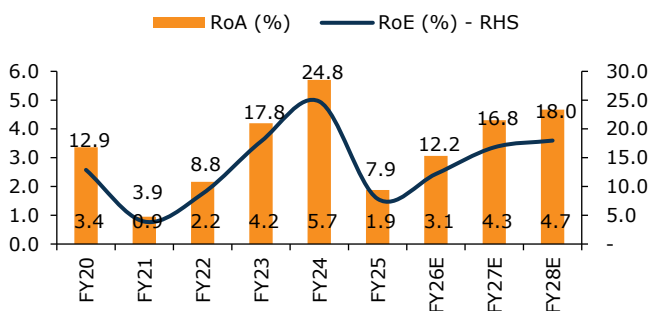
Source: Company, Emkay Research

Exhibit 6: ...which, coupled with contained opex and lower LLP, led to profit in Q4



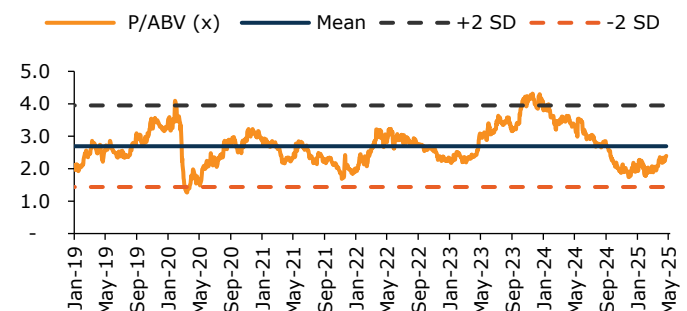
Source: Company, Emkay Research

Exhibit 7: RoA to improve gradually over FY26-28E, as MFI stress eases



Source: Company, Emkay Research

Exhibit 8: The stock trades at 2.4x, its one-year forward P/ABV



Source: Bloomberg, Emkay Research

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Exhibit 9: PAR-15+ stands at 6.6% vs 6.3% QoQ, largely led by borrowers with >3 lenders (which stands at 2.4%)

PAR 15+ Mar-25	Borrower Vintage with CA Grameen				
Lender Overlap	0-2 years	2-4 years	4-6 years	>6 years	Total %
Unique	3.1%	3.0%	3.3%	2.9%	3.1%
CA Grameen + 1	4.7%	4.5%	4.6%	4.5%	4.5%
CA Grameen + 2	7.3%	6.9%	7.4%	7.1%	7.1%
CA Grameen + 3	12.6%	12.8%	12.9%	12.3%	12.6%
CA Grameen + >=4	29.4%	30.0%	27.6%	24.1%	27.8%
Total %	7.3%	6.8%	6.4%	5.9%	6.6%

PAR 15+ Mar-25	Borrower Vintage with CA Grameen				
Total Unsecured Indebtedness (INR)	0-2 years	2-4 years	4-6 years	>6 years	Total %
<=50,000	4.9%	9.2%	5.4%	3.8%	5.4%
50,000 to <= 1,00,000	5.9%	6.4%	6.2%	5.6%	6.0%
1,00,000 to <=1,50,000	8.0%	5.6%	5.5%	5.4%	6.0%
1,50,000 to <=2,00,000	10.3%	6.8%	6.0%	4.9%	6.3%
>2,00,000	16.9%	11.8%	11.2%	9.6%	11.4%
Total %	7.3%	6.8%	6.4%	5.9%	6.6%

Key Highlights:
Mar-25 / Dec-24 / Sep-24

Unique Borrowers:

PAR 15+: 3.1% / 2.8% / 1.9%

Excl. Karnataka:

PAR 15+: 2.7% / 3.2%

Borrowers with 4 lenders:

PAR 15+: 12.6% / 10.1% / 6.1%

Excl. Karnataka:

PAR 15+: 11.7% / 11.7%

Borrowers with > 4 lenders:

PAR 15+: 27.8% / 22.1% / 12.2%

Excl. Karnataka:

PAR 15+: 27.2% / 26.1%

Borrowers with > INR 2 Lakh unsecured indebtedness:

PAR 15+: 11.4% / 9.9% / 5.7%

Excl. Karnataka:

PAR 15+: 10.7% / 13.1%

Understanding PAR Impact:**Breakup of PAR 15+ of 6.6%:**

- Unique Borrowers: 1.0%
- Borrowers with 2 lenders: 1.4%
- Borrowers with 3 lenders: 1.4%
- Borrowers with > 3 lenders: 2.4%
- Borrowers with > INR 2 Lakh unsecured indebtedness: 1.2%

Borrowers with > 3 lenders account for ~41% of overall PAR 15+

Source: Company, Emkay Research; Note: 1 lakh = 0.1mn

Exhibit 10: GLP with CREDAG+3 lenders improves QoQ; stands at ~15% vs 19% in Q3FY25, while Borrowers with CREDAG+3 lenders stand reduced at ~20% vs 24% in Q3FY25.

GLP % - Mar-25	Borrower Vintage with CA Grameen				
Lender Overlap	0-2 years	2-4 years	4-6 years	>6 years	Total %
Unique	9.1%	7.1%	5.4%	12.5%	34.1%
CA Grameen + 1	7.7%	7.0%	5.3%	10.9%	31.1%
CA Grameen + 2	5.5%	5.2%	3.3%	6.1%	20.1%
CA Grameen + 3	3.0%	2.3%	1.4%	2.5%	9.2%
CA Grameen + >=4	2.0%	1.3%	0.7%	1.5%	5.5%
Total %	27.3%	22.9%	16.2%	33.6%	100.0%

Borrowers % - Mar-25	Borrower Vintage with CA Grameen				
Lender Overlap	0-2 years	2-4 years	4-6 years	>6 years	Total %
Unique	12.4%	6.2%	4.0%	8.5%	31.1%
CA Grameen + 1	10.6%	6.2%	4.0%	7.4%	28.3%
CA Grameen + 2	8.0%	5.2%	2.8%	4.5%	20.5%
CA Grameen + 3	5.0%	3.0%	1.4%	2.1%	11.4%
CA Grameen + 4 >=	4.1%	2.3%	0.9%	1.5%	8.7%
Total %	40.0%	22.9%	13.0%	24.0%	100.0%

GLP % - Mar-25	Borrower Vintage with CA Grameen				
Total Unsecured Indebtedness (INR)	0-2 years	2-4 years	4-6 years	>6 years	Total %
<=50,000	5.7%	1.4%	0.8%	1.5%	9.3%
50,000 to <= 1,00,000	10.1%	6.3%	3.7%	6.4%	26.5%
1,00,000 to <=1,50,000	6.9%	8.6%	6.1%	11.3%	32.9%
1,50,000 to <=2,00,000	2.9%	4.6%	3.7%	9.2%	20.4%
>2,00,000	1.6%	2.1%	1.9%	5.2%	10.8%
Total	27.3%	22.9%	16.2%	33.6%	100.0%

Total Indebtedness = MFI + Unsecured Retail Finance

Borrowers % - Mar-25	Borrower Vintage with CA Grameen				
Total Unsecured Indebtedness (INR)	0-2 years	2-4 years	4-6 years	>6 years	Total %
<=50,000	10.8%	3.4%	1.6%	3.2%	19.0%
50,000 to <= 1,00,000	13.5%	6.6%	3.5%	5.8%	29.4%
1,00,000 to <=1,50,000	9.2%	7.1%	4.1%	7.0%	27.3%
1,50,000 to <=2,00,000	4.0%	3.7%	2.4%	4.8%	14.9%
>2,00,000	2.6%	2.1%	1.4%	3.3%	9.5%
Total	40.0%	22.9%	13.0%	24.0%	100.0%

Key Highlights:
Mar-25 / Dec-24 / Aug-24

Unique Borrowers:

GLP %: 34.1% / 31.6% / 26.6%

Borrowers %: 31.1% / 29.7% / 26.3%

Borrowers with > 3 lenders:

GLP %: 14.7% / 18.8% / 25.3%

Borrowers %: 20.1% / 23.6% / 28.6%

Borrowers with > INR 2 Lakh unsecured indebtedness:

GLP %: 10.8% / 13.3% / 19.1%

Borrowers %: 9.5% / 11.6% / 16.7%

Source: Company, Emkay Research

Exhibit 11: Actuals vs Estimates (Q4FY25)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	9,299	8,576	9,445	8%	-2%	Higher NII and other income led to a beat
PPOP	6,340	5,547	6,265	14%	1%	Higher net income and contained opex led to a beat
PAT	472	-2,544	352	NA	34%	Higher net income and lower provisions helped in reporting profits

Source: Emkay Research

Exhibit 12: Quarterly Summary

(Rs mn)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY (%)	QoQ (%)	FY24	FY25A	YoY (%)
Interest Earned	14,041	14,628	14,170	13,376	13,543	-4	1	49,001	55,717	14
Interest Expenses	4,822	5,103	4,846	4,749	4,778	-1	1	17,324	19,476	12
Net Interest Income	9,219	9,525	9,324	8,628	8,765	-5	2	31,677	36,241	14
Global NIMs (reported)	13.1	13.0	13.5	12.5	12.7	-40bps	20bps	13.0	13.4	41bps
Non-interest Income	550	498	369	443	535	-3	21	2,725	1,844	-32
Operating Expenses	2,943	2,929	2,972	2,841	2,959	1	4	10,493	11,702	12
Pre Provisioning Profit	6,827	7,093	6,721	6,229	6,340	-7	2	23,910	26,383	10
Provision & Contingencies	1,533	1,746	4,202	7,519	5,829	280	-22	4,518	19,295	327
PBT	5,294	5,347	2,520	-1,289	511	-90	NA	19,392	7,088	-63
Income Tax Expense (Gain)	1,324	1,371	659	-294	39	-97	NA	4,933	1,775	-64
Net Profit/(Loss)	3,970	3,976	1,861	-995	472	-88	NA	14,459	5,314	-63
Gross NPA (%)	1.2	1.5	2.4	4.0	4.8	358bps	77bps	1.2	4.8	357bps
Net NPA (%)	0.4	0.5	0.8	1.3	1.7	138bps	45bps	0.4	1.7	138bps
Net Advances (Rs bn)	251	246	235	231	243	-3	5	251	243	-3

Source: Company, Emkay Research

Exhibit 13: Revision in estimates

Y/E Mar (Rs mn)	FY26E			FY27E			FY28E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	38,678	39,219	1.4%	44,360	45,616	2.8%	NA	54,603	NA
PPOP	25,099	25,653	2.2%	28,796	30,082	4.5%	NA	36,835	NA
PAT	9,624	9,157	-4.9%	15,109	15,028	-0.5%	NA	19,586	NA
EPS (Rs)	60.3	57.3	-4.9%	94.7	94.1	-0.6%	NA	122.6	NA
BV (Rs)	511.4	505.8	-1.1%	620.1	613.9	-1.0%	NA	750.6	NA

Source: Emkay Research

Exhibit 14: Key Assumptions

(%)	FY25A	FY26E	FY27E	FY28E
Loan Growth	(3.3)	14.2	19.0	22.4
Borrowings Growth	3.3	14.0	16.0	22.0
NIM	13.4	13.0	12.8	12.8
GNPA	4.8	3.2	2.1	1.6
Credit Cost	7.7	5.0	3.2	2.8

Source: Emkay Research

Exhibit 15: Key Ratios and Trends

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Balance Sheet									
Loans (Rs bn)	190	198	209	221	251	246	235	231	243
-growth (YoY)	29.0	40.2	37.4	34.7	31.8	24.4	12.7	4.4	(3.3)
-growth (QoQ)	16.1	4.1	5.3	5.8	13.7	(1.8)	(4.5)	(2.0)	5.2
Loan composition (%)									
- IGL	95.5	94.8	93.8	93.2	92.6	91.5	90.4	89.6	89.6
- Family Welfare	0.3	0.7	0.7	0.4	0.3	0.8	0.8	0.6	0.3
- Home Improvement	3.3	3.6	3.9	4.2	4.4	4.7	5.0	4.8	4.2
- Retail Finance	0.8	1.0	1.6	2.1	2.7	2.9	3.8	5.0	5.9
Asset Quality									
GNPA (%)	1.2	0.9	0.8	1.0	1.2	1.5	2.4	4.0	4.8
NNPA (%)	0.4	0.3	0.2	0.3	0.4	0.5	0.8	1.3	1.7
PCR (%)	65.7	72.4	71.1	71.8	72.1	71.1	70.8	70.2	65.8
ROE decomposition %									
NII	13.6	13.7	13.2	13.0	13.6	13.5	13.7	12.8	12.7
Other Income	0.6	0.4	0.9	0.8	0.8	0.7	0.5	0.7	0.8
Opex	4.3	4.4	4.4	4.1	4.3	4.1	4.4	4.2	4.3
PPOP	9.9	9.7	9.7	9.7	10.0	10.0	9.9	9.2	9.2
Provisioning Cost	2.1	1.4	1.6	2.0	2.3	2.5	6.2	11.1	8.4
PBT	7.8	8.3	8.0	7.7	7.8	7.6	3.7	(1.9)	0.7
Tax	2.0	2.1	2.0	2.0	1.9	1.9	1.0	(0.4)	0.1
ROA	5.9	6.2	6.0	5.7	5.8	5.6	2.7	(1.5)	0.7
Leverage (x)	4.0	4.1	4.0	4.0	4.1	4.1	3.9	3.9	4.0
ROE	23.2	25.4	24.1	22.9	24.2	22.8	10.6	(5.8)	2.7

Source: Company, Emkay Research

CreditAccess Grameen: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	49,001	55,717	57,355	64,871	77,298
Interest Expense	17,324	19,476	20,434	22,155	25,843
Net interest income	31,677	36,241	36,922	42,716	51,455
NII growth (%)	49.8	14.4	1.9	15.7	20.5
Non interest income	2,725	1,844	2,297	2,900	3,147
Total income	34,402	38,085	39,219	45,616	54,603
Operating expenses	10,493	11,702	13,565	15,533	17,768
PPOP	23,910	26,383	25,653	30,082	36,835
PPOP growth (%)	58.7	10.3	(2.8)	17.3	22.4
Provisions & contingencies	4,518	19,295	13,384	9,937	10,580
PBT	19,392	7,088	12,269	20,145	26,254
Extraordinary items	-	-	-	-	-
Tax expense	4,933	1,775	3,113	5,117	6,669
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	14,459	5,314	9,157	15,028	19,586
PAT growth (%)	75.0	(63.3)	72.3	64.1	30.3
Adjusted PAT	14,459	5,314	9,157	15,028	19,586
Diluted EPS (Rs)	90.9	33.3	57.3	94.1	122.6
Diluted EPS growth (%)	73.1	(63.3)	72.1	64.1	30.3
DPS (Rs)	10.0	12.0	13.0	14.0	14.0
Dividend payout (%)	11.1	36.1	22.7	14.9	11.4
Effective tax rate (%)	25.4	25.0	25.4	25.4	25.4
Net interest margins (%)	13.0	13.4	13.0	12.8	12.8
Cost-income ratio (%)	30.5	30.7	34.6	34.1	32.5
PAT/PPOP (%)	60.5	20.1	35.7	50.0	53.2
Shares outstanding (mn)	159.4	159.7	159.7	159.7	159.7

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,594	1,597	1,597	1,597	1,597
Reserves & surplus	64,105	67,962	79,195	96,460	118,281
Net worth	65,699	69,559	80,792	98,057	119,878
Borrowings	197,989	204,458	232,127	270,425	329,891
Other liabilities & prov.	24,772	4,005	6,514	9,878	10,620
Total liabilities & equity	288,460	278,022	320,434	378,360	460,389
Net loans	251,050	242,745	277,109	329,648	403,619
Investments	14,389	8,930	14,459	15,690	17,820
Cash, other balances	13,138	14,427	15,153	17,578	21,443
Interest earning assets	278,577	266,102	306,722	362,915	442,881
Fixed assets	6,136	6,071	6,718	7,051	7,401
Other assets	3,747	5,850	6,994	8,393	10,107
Total assets	288,460	278,022	320,434	378,360	460,389
BVPS (Rs)	412.8	436.0	505.8	613.9	750.6
Adj. BVPS (INR)	407.3	409.7	489.3	600.6	738.2
Gross loans	253,199	250,475	283,567	334,609	408,223
Total AUM	267,140	259,480	295,807	349,052	425,844
On balance sheet	253,323	250,836	283,975	335,090	408,810
Off balance sheet	13,817	8,644	11,832	13,962	17,034
Disbursements	231,340	204,370	292,645	351,174	431,944
Disbursements growth (%)	24.8	(11.7)	43.2	20.0	23.0
Loan growth (%)	31.8	(3.3)	14.2	19.0	22.4
AUM growth (%)	27.0	(2.9)	14.0	18.0	22.0
Borrowings growth (%)	35.2	3.3	14.0	16.0	22.0
Book value growth (%)	27.2	5.6	16.0	21.4	22.3

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
GNPL - Stage 3	3,026	11,930	9,095	7,087	6,577
NNPL - Stage 3	877	4,199	2,637	2,126	1,973
GNPL ratio - Stage 3 (%)	1.2	4.8	3.2	2.1	1.6
NNPL ratio - Stage 3 (%)	0.3	1.7	1.0	0.6	0.5
ECL coverage - Stage 3 (%)	71.0	64.8	71.0	70.0	70.0
ECL coverage - 1 & 2 (%)	0	0	0	0	0
Gross slippage - Stage 3	4,073	18,786	11,343	10,038	10,206
Gross slippage ratio (%)	1.6	7.5	4.0	3.0	2.5
Write-off ratio (%)	125.3	323.9	117.9	131.4	150.0
Total credit costs (%)	2.0	7.7	5.0	3.2	2.8
NNPA to networth (%)	1.3	5.8	3.1	2.1	1.6
Capital adequacy					
Total CAR (%)	23.1	25.4	24.0	25.4	26.2
Tier-1 (%)	22.2	24.5	23.3	24.8	25.6
Miscellaneous					
Total income growth (%)	47.2	10.7	3.0	16.3	19.7
Opex growth (%)	26.2	11.5	15.9	14.5	14.4
PPOP margin (%)	10.0	10.0	9.2	9.3	9.5
Credit costs-to-PPOP (%)	18.9	73.1	52.2	33.0	28.7
Loan-to-Assets (%)	87.0	87.3	86.5	87.1	87.7
Yield on loans (%)	21.8	22.3	21.8	21.0	20.7
Cost of funds (%)	10.1	9.7	9.3	8.8	8.6
Spread (%)	11.8	12.6	12.5	12.2	12.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	13.3	36.2	21.0	12.8	9.8
P/B (x)	2.9	2.8	2.4	2.0	1.6
P/ABV (x)	3.0	2.9	2.5	2.0	1.6
P/PPOP (x)	8.0	7.3	7.5	6.4	5.2
Dividend yield (%)	0.8	1.0	1.1	1.2	1.2
Dupont-RoE split (%)					
NII	12.5	12.8	12.3	12.2	12.3
Other income	1.1	0.7	0.8	0.8	0.8
Securitization income	-	-	-	-	-
Opex	4.1	4.1	4.5	4.4	4.2
Employee expense	3.0	2.7	2.9	3.0	2.8
PPOP	9.4	9.3	8.6	8.6	8.8
Provisions	1.8	6.8	4.5	2.8	2.5
Tax expense	1.9	0.6	1.0	1.5	1.6
RoA (%)	5.7	1.9	3.1	4.3	4.7
Leverage ratio (x)	4.3	4.2	4.0	3.9	3.8
RoE (%)	24.8	7.9	12.2	16.8	18.0

Quarterly data					
Rs mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
NII	9,219	9,525	9,324	8,628	8,765
NIM (%)	13.1	13.0	13.5	12.5	12.7
PPOP	6,827	7,093	6,721	6,229	6,340
PAT	3,970	3,976	1,861	(995)	472
EPS (Rs)	24.9	24.9	11.7	(6.2)	3.0

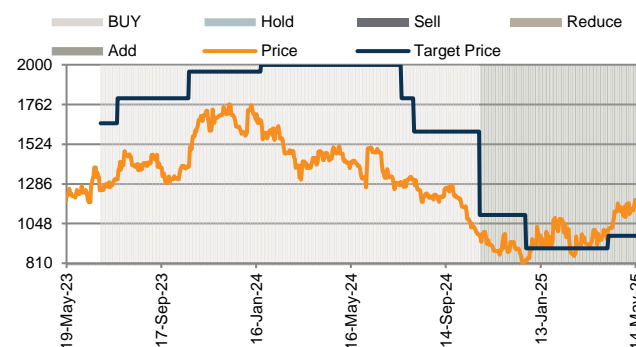
Source: Company, Emkay Research

RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
09-Apr-25	1,017	975	Add	Anand Dama
25-Jan-25	917	900	Add	Anand Dama
25-Dec-24	827	900	Add	Anand Dama
27-Oct-24	982	1,100	Add	Anand Dama
04-Aug-24	1,312	1,600	Buy	Anand Dama
19-Jul-24	1,285	1,800	Buy	Anand Dama
08-May-24	1,429	2,000	Buy	Anand Dama
22-Jan-24	1,667	2,000	Buy	Anand Dama
30-Nov-23	1,697	1,960	Buy	Anand Dama
27-Oct-23	1,571	1,960	Buy	Anand Dama
22-Oct-23	1,390	1,960	Buy	Anand Dama
23-Jul-23	1,314	1,800	Buy	Anand Dama
01-Jul-23	1,248	1,650	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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