

Strong growth and profitability outlook

BFSI - NBFCs ▶ Result Update ▶ July 29, 2024

TARGET PRICE (Rs): 1,550

CIFC put up a good show in Q1FY25 in terms of AUM growth, asset quality, and opex, albeit credit cost was elevated on account of seasonality and pressure on collections due to the elections. The management indicated that Q1 performance has been better than expected, and maintains its AUM growth guidance to 25-30% for coming 5 years, given with higher growth rate in the HL and LAP segments compared with the Vehicle segment. The management aspires to achieve pre-tax ROA of 4% in the medium-to-long term, and guided to pre-tax ROA of 3.5% in the near term on the back of better margins, improved efficiency, and stable credit cost of ~1.2%. CIFC will intensify focus on building a more granular book and increasing its mix of high-yield product which would lead to better profitability. Factoring in the recent performance and management commentary, we revise up our FY25-27 estimates and reiterate our ADD rating, raising Jun-25E TP to Rs1,550/sh (from Rs1,450 earlier), implying FY26E P/B of 4.4x. (Exhibits 2 & 3).

Cholamandalam Investment: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profits	26,662	34,228	45,608	58,652	73,999
AUM growths (%)	38.5	36.7	28.0	25.5	22.7
NII growths (%)	20.2	32.4	37.6	28.4	26.1
NIMs (%)	7.9	7.9	8.2	8.1	8.2
PPOP growth (%)	18.0	32.7	40.0	27.7	25.7
Adj. EPS (Rs)	32.4	41.1	54.2	69.7	87.9
Adj. EPS growth (%)	24.0	26.9	31.8	28.6	26.2
Adj. BV (INR)	173.7	234.9	284.5	352.2	461.9
Adj. BVPS growth (%)	21.9	35.2	21.2	23.8	31.1
RoA (%)	2.7	2.5	2.6	2.7	2.7
RoE (%)	20.5	20.2	21.0	21.9	21.6
P/E (x)	43.6	34.3	26.0	20.2	16.0
P/ABV (x)	8.1	6.0	5.0	4.0	3.1

Source: Company, Emkay Research

Good performance overall; elevated credit cost affects profitability

CIFC posted a good performance, with PAT at Rs9.4bn coming in line with our estimates; AUM continues to grow, at 7% sequentially, while disbursement for the quarter was moderate on account of seasonality. NIMs+Fees for the quarter witnessed a sequential contraction of ~27bps owing to lower fee income, whereas opex remains sequentially flat, with opex-to-AUM at 3.14% (vs 3.68% QoQ; 2.84% YoY). Asset quality was broadly stable, with GS3/NS3 at 2.6%/1.4% (vs 2.5%/1.3%), whereas credit cost for the quarter was elevated due to seasonality and impact of the elections in May. ROA/ROE for the quarter stood at 2.4%/18.9% (vs 2.5%/19.9% in Q1FY24). (Exhibits 1 & 4)

Unhindered growth trajectory, with granular book and improved profitability

The management indicated that CIFC's Q1 performance was better than expected, on account of a lower than estimated impact of the elections; going forward, it expects its book to keep tracking the growth path, at 25-30%, with strong focus on profitability. To achieve its aspirational growth and ROA (pre-tax) of 3.5%, the management highlighted that focus will be on building a more granular book and increasing the disbursement share of high-yield products on a risk adjusted basis (unsecured book restricted at ~8%). The management expects its opex-to-AUM to moderate on account of improved efficiency, while it guided to overall credit cost to log in the 1-1.2% range. In terms of capital adequacy, the management does not expect any capital raise in the next 3 years and see any improvement in Tier 1 capital, due to conversion of CCD in FY27. However, to sustain the ~25-30% AUM growth over the next 5 years, external capital infusion in the next five years is likely.

Minor upward revision to our FY25-27 estimates; reiterate ADD

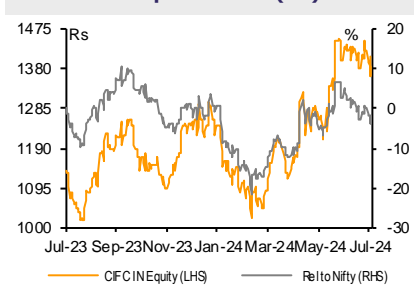
Considering CIFC's Q1FY25 performance and Management commentary on growth and profitability, we adjust our FY25-27 estimates which leads to a few key changes to our estimates: i) AUM and disbursement growing 1-4%. ii) NIMs+fees expanding by 10-15bps. iii) Opex-to-AUM moderating by ~10bps. iv) EPS/PAT increasing ~3-6%, resulting in ROE expanding by ~15-90bps. We reiterate ADD on the stock, raising Jun-25E TP to Rs1,550/sh (from Rs1,450 earlier), implying FY26E P/B of 4.4x (Exhibits 2 & 3). Currently trading at FY26E P/BV of 4.0x, valuations appear expensive, but the product and geographical diversification-led strong growth and profitability path warrants a premium.

Target Price – 12M	Jun-25
Change in TP (%)	6.9
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	9.9
CMP (26-Jul-24) (Rs)	1,411.0

Stock Data	Ticker
52-week High (Rs)	1,476
52-week Low (Rs)	997
Shares outstanding (mn)	840.2
Market-cap (Rs bn)	1,186
Market-cap (USD mn)	14,159
Net-debt, FY25E (Rs mn)	22,977
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	1,941.0
ADTV-3M (USD mn)	23.2
Free float (%)	-
Nifty-50	24,835
INR/USD	83.7
Shareholding, Jun-24	
Promoters (%)	50.3
FPIs/MFs (%)	26.6/16.9

Price Performance

(%)	1M	3M	12M
Absolute	(1.3)	20.4	23.6
Rel. to Nifty	(5.2)	8.7	(1.6)

1-Year share price trend (Rs)**Avinash Singh**

avinash.singh@emkayglobal.com
+91 22 6612 1327

Kishan Rungta

kishan.rungta@emkayglobal.com
+91 22 6624 2490

Exhibit 1: Actual vs Estimates

CIFIC - Q1FY25 (Rs mn)						Change		1QFY25	
Result Snapshot	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	QoQ	YoY	Estimates	variation
Business Assets	1,147,960	1,242,450	1,338,320	1,456,290	1,554,420	7%	35%	1,529,266	1.6%
Disbursement	200,160	215,420	223,840	247,850	243,320	-2%	22%	252,807	-3.8%
NII	18,421	20,153	21,709	23,548	25,738	9%	40%	24,954	3.1%
PPoP	13,399	14,206	15,157	16,278	18,499	14%	38%	17,220	7.4%
Provision	3,723	3,998	3,588	1,908	5,814	205%	56%	4,433	31.2%
PBT	9,675	10,208	11,569	14,370	12,685	-12%	31%	12,787	-0.8%
PAT	7,260	7,625	8,762	10,581	9,422	-11%	30%	9,501	-0.8%
Credit Cost	1.35%	1.34%	1.11%	0.55%	1.54%	100bps	20bps	1.19%	36bps
GS3	3.06%	2.96%	2.82%	2.48%	2.62%	14bps	-44bps	2.50%	12bps
NS3	1.70%	1.58%	1.57%	1.34%	1.45%	10bps	-25bps	1.3%	11bps

Source: Company, Emkay Research

Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	Revised	change	Earlier	Revised	change	Earlier	Revised	change
Disbursement	1,094,875	1,094,875	0.0%	1,331,680	1,331,680	0.0%	1,598,840	1,617,361	1.2%
AUM	1,848,892	1,863,992	0.8%	2,298,926	2,340,221	1.8%	2,770,633	2,871,075	3.6%
Net interest income	113,171	115,352	1.9%	144,093	148,154	2.8%	177,807	186,768	5.0%
Total Income	133,544	135,793	1.7%	166,421	170,722	2.6%	203,853	213,416	4.7%
Opex	54,536	53,125	-2.6%	66,365	65,165	-1.8%	78,578	80,775	2.8%
Provisions	19,752	21,286	7.8%	25,178	26,617	5.7%	31,222	33,047	5.8%
PPOP	79,009	82,669	4.6%	100,056	105,556	5.5%	125,274	132,641	5.9%
PAT	44,028	45,608	3.6%	55,634	58,652	5.4%	69,881	73,999	5.9%
EPS (Rs)	52.3	54.2	3.6%	66.1	69.7	5.4%	83.0	87.9	5.9%
BV (Rs)	283	285	0.7%	347	352	1.6%	428	462	8.0%
Networth	237,912	239,492	0.7%	291,866	296,463	1.6%	360,066	388,781	8.0%
NIMs+Fees	8.08%	8.18%	10bps	8.02%	8.12%	10bps	8.04%	8.19%	15bps
Cost-to-income ratio	40.8%	39.1%	-172bps	39.9%	38.2%	-171bps	38.5%	37.8%	-70bps
Opex-to-AUM	3.3%	3.2%	-10bps	3.2%	3.1%	-10bps	3.1%	3.1%	0bps
Disbursement growth	23.4%	23.4%	0bps	21.6%	21.6%	0bps	20.1%	21.5%	139bps
AUM growth	27.0%	28.0%	104bps	24.3%	25.5%	121bps	20.5%	22.7%	217bps
Credit costs	1.2%	1.3%	9bps	1.2%	1.3%	5bps	1.2%	1.3%	4bps
ROA	2.5%	2.6%	8bps	2.6%	2.7%	10bps	2.6%	2.7%	9bps
ROE	20.3%	21.0%	65bps	21.0%	21.9%	88bps	21.4%	21.6%	16bps

Source: Company, Emkay Research

Exhibit 3: Valuation matrix

	CMP/TP (Rs/sh)	Upside	Mkt Cap (Rs bn)	P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			EPS (Rs)		
				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
At current market price	1,411	10%	1,185.5	5.0	4.0	3.1	26.0	20.2	16.0	2.6	2.7	2.7	21.0	21.9	21.6	284.5	352.2	461.9	54.2	69.7	87.9
At target price	1,550		1,185.5	5.4	4.4	3.4	28.6	22.2	17.6	2.6	2.7	2.7	21.0	21.9	21.6	284.5	352.2	461.9	54.2	69.7	87.9

Source: Company, Emkay Research

Exhibit 4:

CIFIC - Q1FY25 (Rs mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY chg	QoQ chg
Net Interest Income	18,421	20,153	21,709	23,548	25,738	39.7%	9.3%
Other Income	2,845	3,514	4,088	5,580	4,595	61.5%	-17.7%
Total Income	21,265	23,667	25,797	29,128	30,333	42.6%	4.1%
Operating Expenses	7,867	9,461	10,640	12,850	11,834	50.4%	-7.9%
Operating Profit	13,399	14,206	15,157	16,278	18,499	38.1%	13.6%
Provisions	3,723	3,998	3,588	1,908	5,814	56.2%	204.7%
Credit costs	1.3%	1.3%	1.1%	0.5%	1.5%	20bps	100bps
PBT	9,675	10,208	11,569	14,370	12,685	31.1%	-11.7%
Tax	2,415	2,583	2,807	3,788	3,263	35.1%	-13.9%
Tax rate	25.0%	25.3%	24.3%	26.4%	25.7%	76bps	-64bps
PAT	7,260	7,625	8,762	10,581	9,422	29.8%	-11.0%
Disbursements	200,160	215,420	223,840	247,850	243,320	21.6%	-1.8%
Total AUM	1,147,960	1,242,450	1,338,320	1,456,290	1,554,420	35.4%	6.7%
Net Worth	150,270	158,073	185,977	195,565	205,246	36.6%	5.0%
ROA	2.4%	2.3%	2.5%	2.8%	2.3%	-15bps	-53bps
ROE	19.8%	19.8%	20.4%	22.2%	18.8%	-100bps	-338bps
GS3	3.06%	2.96%	2.82%	2.48%	2.62%	-44bps	14bps
NS3	1.70%	1.58%	1.57%	1.34%	1.45%	-25bps	10bps
PCR	45.40%	47.32%	45.13%	46.45%	45.50%	10bps	-95bps

Source: Company, Emkay Research

Exhibit 5: AUM trend

(Rs bn)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Vehicle Finance	528.8	553.8	576.1	612.9	669.4	710.7	754.0	796.4	845.0	886.4
Home loans (and Business Finance)	55.9	59.4	64.5	72.8	84.5	95.3	108.0	120.9	134.6	145.7
Home Equity (LAP)	168.0	176.8	188.4	200.0	215.9	228.7	247.2	268.9	298.6	321.4
New Segment	16.4	29.4	47.7	69.1	95.2	113.4	133.3	152.1	178.1	201.0
Total	769.1	819.3	876.7	954.7	1,065.0	1,148.0	1,242.5	1,338.3	1,456.3	1,554.4

Source: Company, Emkay Research

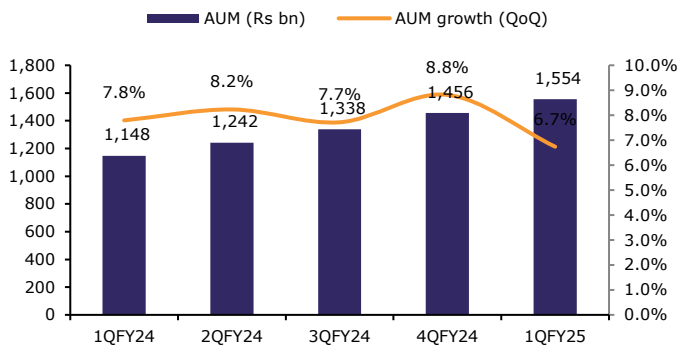
Exhibit 6: Disbursement trend

(Rs bn)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Vehicle Finance	87.9	85.6	85.0	104.5	121.9	113.0	117.3	123.5	129.6	127.7
Home loans (and Business Finance)	5.5	6.1	7.4	10.7	14.1	14.5	15.8	15.9	17.5	17.8
Home Equity (LAP)	18.7	20.4	22.5	22.6	27.6	26.8	31.9	34.1	42.7	38.7
New Segment	15.1	21.2	31.3	37.9	46.6	45.8	50.4	50.3	58.0	59.1
Total	127.2	133.3	146.2	175.6	210.2	200.2	215.4	223.8	247.9	243.3

Source: Company, Emkay Research

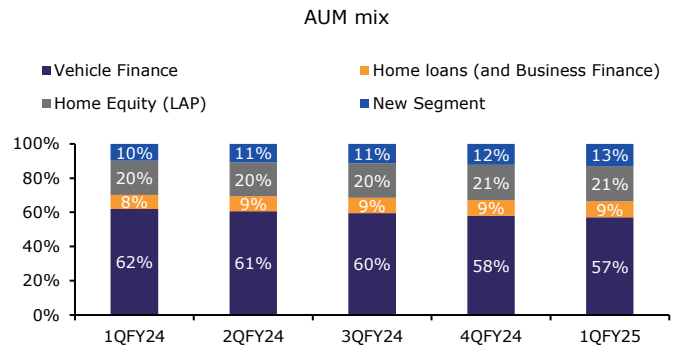
Result in charts

Exhibit 7: AUM continues to grow across the products segment



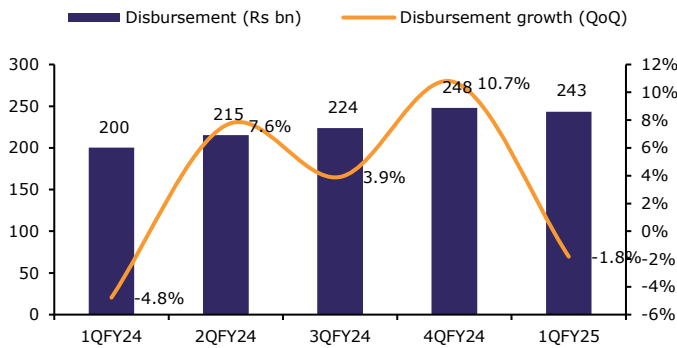
Source: Company, Emkay Research

Exhibit 8: Vehicle finance continues to hold a dominant share in the overall mix



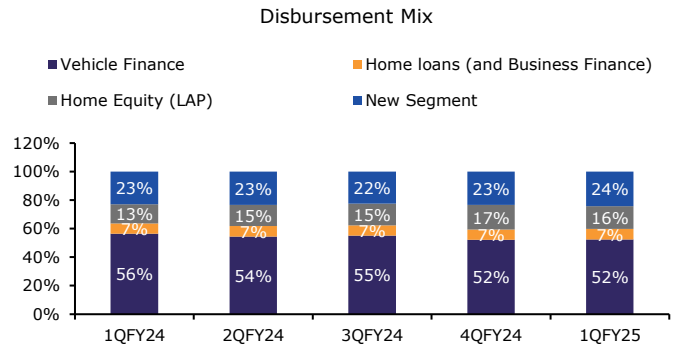
Source: Company, Emkay Research

Exhibit 9: Disbursement was impacted on account of a seasonally weak quarter



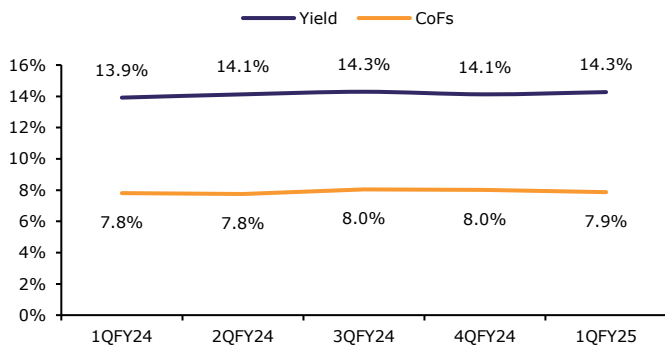
Source: Company, Emkay Research

Exhibit 10: Disbursement mix broadly stable



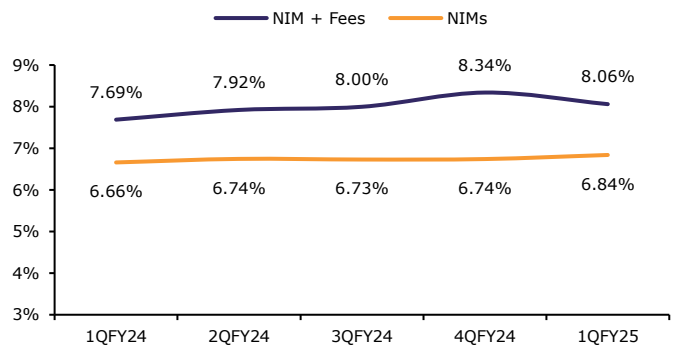
Source: Company, Emkay Research

Exhibit 11: Incremental disbursement are at 40bps higher yield



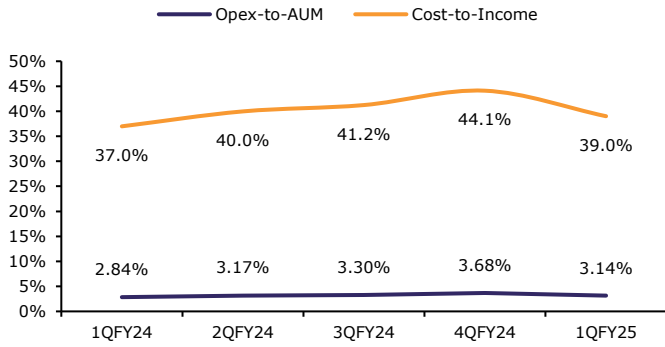
Source: Company, Emkay Research

Exhibit 12: The management expects margin to improve ahead



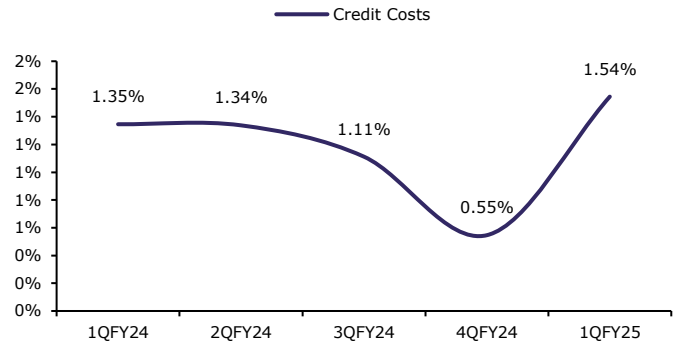
Source: Company, Emkay Research

Exhibit 13: Opex to continue in building new business



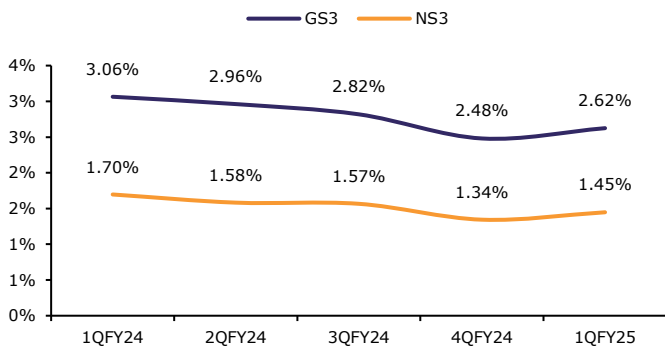
Source: Company, Emkay Research

Exhibit 14: Credit cost hit on account of weak collections in Q1



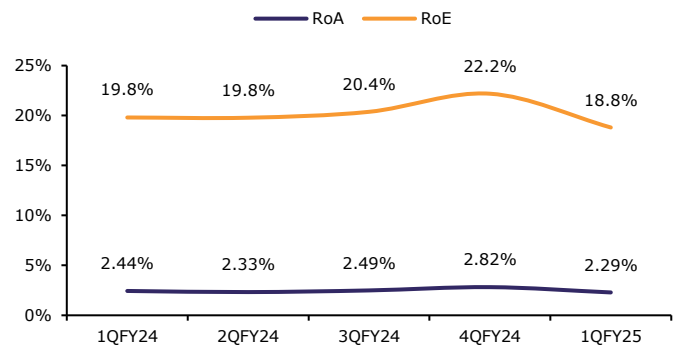
Source: Company, Emkay Research

Exhibit 15: Asset quality impacted on account of seasonality



Source: Company, Emkay Research

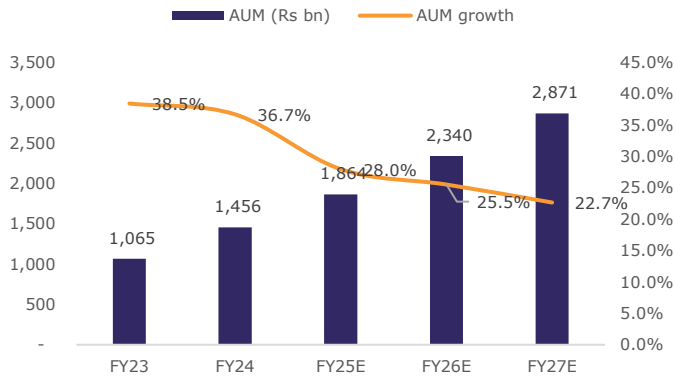
Exhibit 16: Profitability squeeze on elevated credit cost



Source: Company, Emkay Research

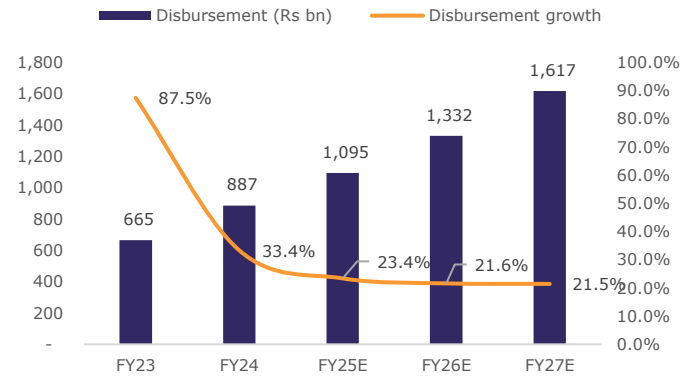
Story in Charts

Exhibit 17: The management expect AUM to grow 25-30%



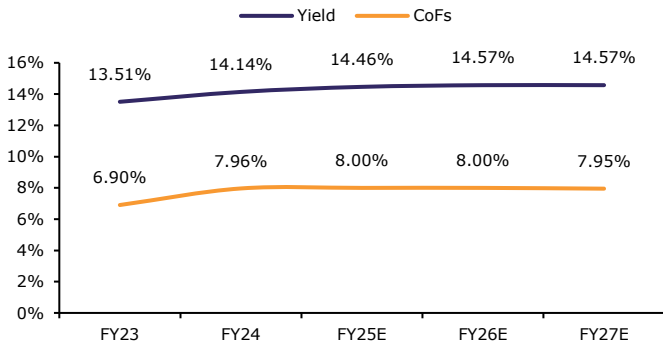
Source: Company, Emkay Research

Exhibit 18: Disbursements are expected to grow to above 20%



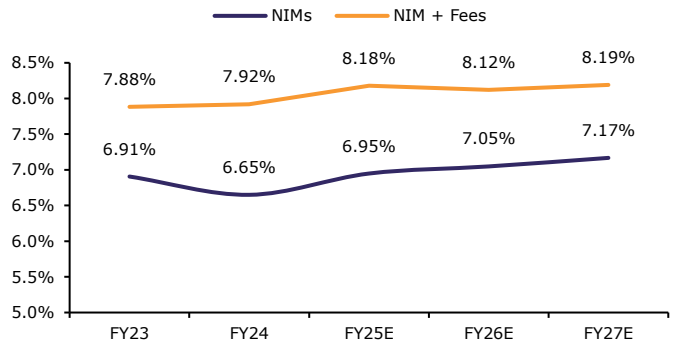
Source: Company, Emkay Research

Exhibit 19: Yield improvement led by changing product mix



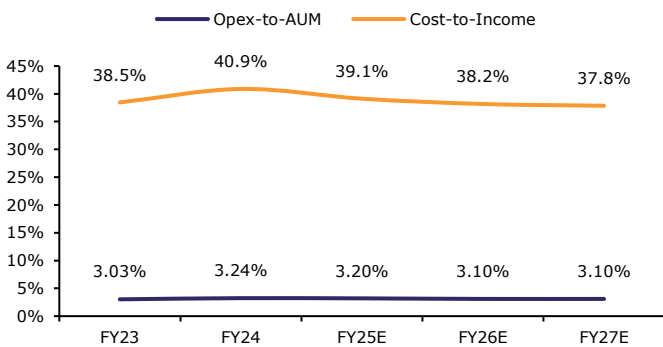
Source: Company, Emkay Research

Exhibit 20: Margins improvement led by yield improvement and moderating CoFs



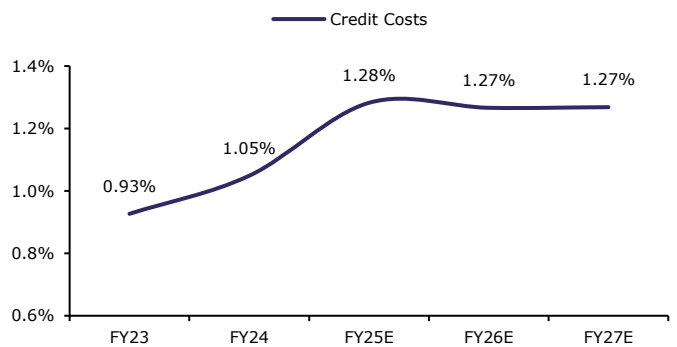
Source: Company, Emkay Research

Exhibit 21: Some moderation in opex on account of improved efficiency



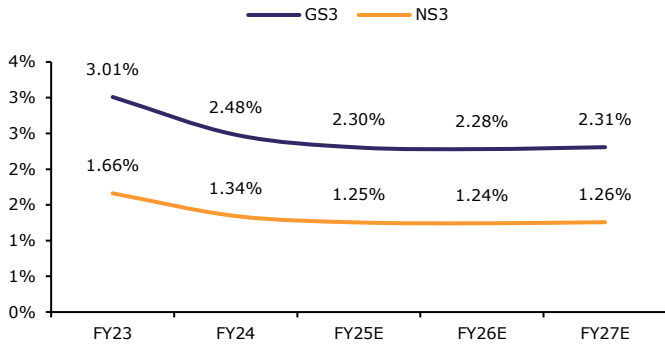
Source: Company, Emkay Research

Exhibit 22: The management guided to credit cost ranging at 1-1.2%



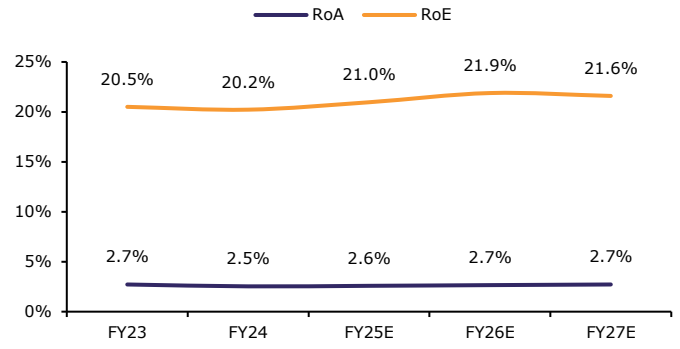
Source: Company, Emkay Research

Exhibit 23: We expect asset quality to remain stable



Source: Company, Emkay Research

Exhibit 24: ROA/ROE expansion on account of improvement in margins and on stable credit cost



Source: Company, Emkay Research

Management Call Highlights

- The management highlighted that Q1 performance has been better than expectations, in terms of growth, disbursement, and overall performance. The disbursement for the quarter was higher on account of a lower than expected impact of the elections.
- Credit cost for the quarter was elevated on account of seasonality and collections being compressed, impacted by the elections. With regard to declining PCR on HL and LAP, the management informed that some of the NPS cases that carrying higher coverage ratio have been resolved. It also highlighted that the actual LGD in this segment is lower than the current LGD considered.
- With regard to yields on vehicle finance, incremental disbursement stood 40bps higher; the impact from this will start reflecting in coming quarters. In terms of increased delinquency in vehicle finance, the management informed that it is a seasonal effect and that asset quality continues to improve from Q2 to Q4. It also noted that the actual delinquency of 5% is rock bottom (on a historical basis).
- In terms of branch and product expansion, the management indicated that it is focusing more on tier 3 cities, which would increase their reach, while in Vehicle finance it highlighted that it will convert the RL branch to a main branch after evolution of the overall portfolio performance and asset quality (549 RL in Q1). The company expected the branch addition trend to be similar to that for the previous financial year, which saw 200 branch additions. Addition of HL branches are expected in H2FY25.
- Disbursement of CSEL in Q1 was ~34.8bn, of which 72% was toward BL, 15% toward professional loan, and balance towards salaried PL.
- CIBIL score of a BL customer: 83% above 725; 13% above 700-725. Overall, 73% of the customers have CIBIL score of above 700.
- Recovery under FLDG in Q1 was ~Rs130mn. Write-offs in the quarter was ~Rs3.22bn.

Guidance:

- AUM to grow 25-20%, with focus on building a more granular book; the HL and LAP segments would see higher growth compared with the vehicle finance book. Asset mix to remain broadly remain stale, with a cap of 8% on the unsecured book.
- Target AUM mix: Vehicle finance (50%); HL & LAP (35%); New Segment (15%)
- Disbursements to remain healthy across the products segment and grow 20-25%.
- Opex to moderate on account of improved efficiency. The management expects it to be stable at 3.1-3.5% on a steady state basis.
- The management aspires to achieve ROA (pre-tax) of 4% in the next 5 years, while guiding to 3.5% ROA in the near term. It expects new segments' (HL and LAP) ROA to see further improvement on account of higher efficiency and opex moderation.
- Credit cost to remain range-bound at 1-1.2%, with stable asset quality.
- The management is not seeing any requirement of growth capital over the next 3 years (CCD conversion expected in Sep-26).
- Margins to improve further, led by CoFs moderation and improved yield on account of change in disbursement mix; also, the impact of higher yield on incremental disbursement would start reflecting in coming quarters.

Cholamandalam Investment: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	120,822	176,137	236,937	301,065	373,183
Interest Expense	57,488	92,306	121,585	152,911	186,415
Net interest income	63,334	83,831	115,352	148,154	186,768
NII growth (%)	20.2	32.4	37.6	28.4	26.1
Non interest income	8,958	16,026	20,441	22,568	26,648
Total income	72,292	99,857	135,793	170,722	213,416
Operating expenses	27,799	40,818	53,125	65,165	80,775
PPOP	44,494	59,039	82,669	105,556	132,641
PPOP growth (%)	18.0	32.7	40.0	27.7	25.7
Provisions & contingencies	8,497	13,218	21,286	26,617	33,047
PBT	35,997	45,821	61,383	78,939	99,594
Extraordinary items	0	0	0	0	0
Tax expense	9,335	11,593	15,775	20,287	25,596
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	26,662	34,228	45,608	58,652	73,999
PAT growth (%)	24.2	28.4	33.2	28.6	26.2
Adjusted PAT	26,662	34,228	45,608	58,652	73,999
Diluted EPS (Rs)	32.4	41.1	54.2	69.7	87.9
Diluted EPS growth (%)	24.0	26.9	31.8	28.6	26.2
DPS (Rs)	2.1	2.0	2.0	2.0	2.0
Dividend payout (%)	6.5	4.9	3.7	2.9	2.3
Effective tax rate (%)	25.9	25.3	25.7	25.7	25.7
Net interest margins (%)	7.9	7.9	8.2	8.1	8.2
Cost-income ratio (%)	38.5	40.9	39.1	38.2	37.8
PAT/PPOP (%)	59.9	58.0	55.2	55.6	55.8
Shares outstanding (mn)	822.4	840.3	840.3	840.3	857.2

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
GNPL - Stage 3	32,220	36,450	42,905	53,369	66,281
NNPL - Stage 3	17,400	19,520	22,977	28,581	35,495
GNPL ratio - Stage 3 (%)	3.0	2.5	2.3	2.3	2.3
NNPL ratio - Stage 3 (%)	1.7	1.3	1.3	1.2	1.3
ECL coverage - Stage 3 (%)	46.0	46.4	46.4	46.4	46.4
ECL coverage - 1 & 2 (%)	0.8	0.6	0.6	0.7	0.7
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 (%)	11.6	17.2	12.0	10.0	10.0
Total credit costs (%)	0.9	1.0	1.3	1.3	1.3
NNPA to networth (%)	12.2	10.0	9.6	9.6	9.1
Capital adequacy					
Total CAR (%)	17.1	18.6	17.5	17.4	18.5
Tier-1 (%)	14.8	15.1	14.1	13.9	15.0
Miscellaneous					
Total income growth (%)	23.8	38.1	36.0	25.7	25.0
Opex growth (%)	34.4	46.8	30.2	22.7	24.0
PPOP margin (%)	4.9	4.7	5.0	5.0	5.1
Credit costs-to-PPOP (%)	19.1	22.4	25.7	25.2	24.9
Loan-to-Assets (%)	92.3	92.3	93.4	93.7	94.6
Yield on loans (%)	13.5	14.1	14.5	14.6	14.6
Cost of funds (%)	6.9	8.0	8.0	8.0	8.0
Spread (%)	6.6	6.2	6.5	6.6	6.6

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	1,645	1,681	1,681	1,681	1,714
Reserves & surplus	141,316	193,885	237,811	294,783	387,067
Net worth	142,961	195,565	239,492	296,463	388,781
Borrowings	973,561	1,344,736	1,694,882	2,127,904	2,561,772
Other liabilities & prov.	18,634	24,207	26,917	29,608	32,569
Total liabilities & equity	1,135,155	1,564,508	1,961,290	2,453,976	2,983,122
Net loans	1,047,483	1,444,243	1,832,305	2,300,437	2,822,267
Investments	36,200	41,002	49,152	61,709	61,483
Cash, other balances	29,614	43,202	36,139	40,644	39,093
Interest earning assets	1,113,298	1,528,447	1,917,595	2,402,790	2,922,843
Fixed assets	4,589	15,340	19,175	23,969	29,961
Other assets	17,268	20,721	24,520	27,217	30,318
Total assets	1,135,155	1,564,508	1,961,290	2,453,976	2,983,122
BVPS (Rs)	173.7	234.9	284.5	352.2	461.9
Adj. BVPS (INR)	173.7	234.9	284.5	352.2	461.9
Gross loans	1,070,780	1,469,450	1,863,154	2,340,089	2,872,698
Total AUM	1,064,980	1,456,290	1,863,992	2,340,221	2,871,075
On balance sheet	1,047,360	1,443,510	1,832,305	2,300,437	2,822,267
Off balance sheet	17,620	12,780	31,688	39,784	48,808
Disbursements	665,330	887,250	1,094,875	1,331,680	1,617,361
Disbursements growth (%)	87.5	33.4	23.4	21.6	21.5
Loan growth (%)	41.3	37.9	26.9	25.5	22.7
AUM growth (%)	38.5	36.7	28.0	25.5	22.7
Borrowings growth (%)	40.7	38.1	26.0	25.5	20.4
Book value growth (%)	21.9	35.2	21.2	23.8	31.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	43.6	34.3	26.0	20.2	16.0
P/B (x)	8.1	6.0	5.0	4.0	3.1
P/ABV (x)	8.1	6.0	5.0	4.0	3.1
P/PPOP (x)	26.1	20.1	14.3	11.2	9.1
Dividend yield (%)	0.1	0.1	0.1	0.1	0.1
Dupont-RoE split (%)					
NII/avg AUM	6.9	6.6	6.9	7.0	7.2
Other income	1.0	1.3	1.2	1.1	1.0
Securitization income	0.0	0.0	0.0	0.0	0.0
Opex	1.7	1.4	1.3	1.2	1.2
Employee expense	1.4	1.8	1.9	1.9	1.9
PPOP	4.9	4.7	5.0	5.0	5.1
Provisions	0.9	1.0	1.3	1.3	1.3
Tax expense	1.0	0.9	1.0	1.0	1.0
RoAUM (%)	2.9	2.7	2.7	2.8	2.8
Leverage ratio (x)	7.1	7.4	7.6	7.8	7.6
RoE (%)	20.5	20.2	21.0	21.9	21.6
Quarterly data					
Rs mn, Y/E Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
NII	18,421	20,153	21,709	23,548	25,738
NIM(%)	7.7	7.9	8.0	8.3	8.1
PPOP	13,399	14,206	15,157	16,278	18,499
PAT	7,260	7,625	8,762	10,581	9,422
EPS (Rs)	8.83	9.27	10.43	12.59	11.21

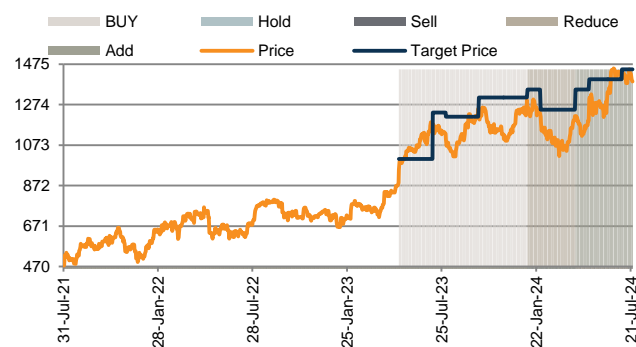
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
04-Jul-24	1,422	1,450	Add	Avinash Singh
05-Jun-24	1,289	1,400	Add	Avinash Singh
02-May-24	1,302	1,400	Add	Avinash Singh
06-Apr-24	1,218	1,350	Add	Avinash Singh
30-Jan-24	1,214	1,250	Reduce	Avinash Singh
05-Jan-24	1,258	1,350	Reduce	Avinash Singh
30-Nov-23	1,117	1,310	Buy	Avinash Singh
03-Nov-23	1,134	1,310	Buy	Avinash Singh
04-Oct-23	1,210	1,310	Buy	Avinash Singh
02-Aug-23	1,099	1,215	Buy	Avinash Singh
08-Jul-23	1,177	1,235	Buy	Avinash Singh
04-May-23	950	1,005	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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SELL	<15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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