

Capitalized and powered for the next leg of growth

BFSI - NBFCs ▶ Result Update ▶ May 5, 2024

TARGET PRICE (Rs): 410

With the recent capital raise of Rs13.3bn (Rs2.75bn of CCD and Rs10.58bn of Warrants) and acquisition of embedded lending Fintech ("MySubhLife"), Ugro Capital is well capitalized and powered for the next leg of growth from Rs90bn to Rs200bn of AUM, with RoA improving to 4.3% from 2.3% over FY24-27E. Strong capital adequacy post the capital raise and visibility on the same in the coming years, as well as seasoning of the loan book, will likely drive better credit rating and lower cost of borrowing. Focus on higher yielding Micro LAP loans along with improved cost of borrowing and continued operating leverage will drive sustained RoA improvement. To reflect the Q4 developments and capital raise, we adjusted our FY25-26 estimates and introduced FY27E. We reiterate BUY with revised Mar-25E TP of Rs410 (implying FY26E P/B of 1.8x).

UGRO Capital: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profits	398	1,193	1,868	3,367	5,274
AUM growths (%)	104.8	48.8	41.7	34.9	31.0
NII growths (%)	40.7	39.7	52.2	48.9	34.4
NIMs (%)	12.5	14.8	15.9	16.9	17.2
PPOP growth (%)	183.6	109.8	38.2	60.7	47.9
Adj. EPS (Rs)	5.7	13.4	20.4	28.9	37.2
Adj. EPS growth (%)	176.2	135.3	52.3	41.6	28.9
Adj. BV (INR)	142.0	157.0	206.1	230.5	267.7
Adj. BVPS growth (%)	3.6	10.6	31.3	11.8	16.2
RoA (%)	1.1	2.3	2.7	3.7	4.3
RoE (%)	4.1	9.9	10.6	14.3	14.9
P/E (x)	49.7	21.1	13.9	9.8	7.6
P/ABV (x)	2.0	1.8	1.4	1.2	1.1

Source: Company, Emkay Research

FY24 marks a year of solid progress

Ugro Capital continues to deliver strong performance with Q4FY24 PAT at Rs327mn, registering 133% YoY growth (flat QoQ), led by a robust income of ~Rs1.2bn in Q4 (vs Rs764mn in Q3) from its off-book AUM. Overall, NIM+Fees (on book AUM) stood at 16.9% – a significant jump of 209bps QoQ/233bps YoY, on account of increasing off-book AUM and some rate reset to end customer, resulting in higher upfront income recognition. Opex-to-AUM increased marginally to 4.84% vs 4.34% in Q3, which could be due to addition of 46 new branches in the quarter and continued investment in digital infrastructure. Credit cost on total AUM came in at 1.89%, increasing by 40bps/64bps QoQ/YoY, largely on account of higher than normal write-off (Rs100mn higher write-off), while asset quality remains stable with GNPA/NNPA at 2%/1.1%, respectively, with a PCR of 48%.(Exhibit-4)

Capital raise and acquisition to power the company for the next leg of growth

The acquisition of 'MySubhLife' (MSL) is expected to boost the customer acquisition process and market penetration of Ugro. The management expects incremental AUM of Rs15bn over the next 3 years. In terms of profitability, we expect UGRO to start delivering ~15% ROE from FY27, on account of improving yields and fee income (also supported by MSL acquisition), Opex moderation, and stable credit cost. The recent fund raise of ~Rs13.2bn is a strategic call, where the upfront capital received would be ~Rs5.4bn and the ~Rs7.9bn balance by Nov-25. With this capital raise, the company is well capitalized to grow its AUM to Rs200bn and its on-book AuM to Rs100bn over the next 2-3 years.

We expect strong growth to continue; reiterate BUY

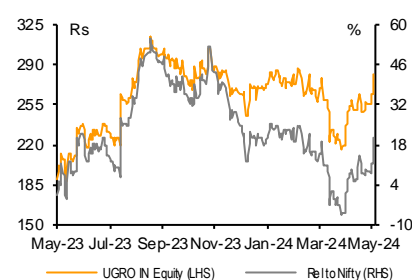
To reflect the Q4 developments, Management's commentary and the capital raise, we have adjusted our FY25-26 estimates, leading to meaningful changes in our headline estimates, and introduce FY27E. We reiterate our BUY rating on the stock with our ERE-based revised Mar-25E TP of Rs410/sh (from Rs430 earlier) as we see Ugro to be better prepared to grow profitably and compete in the MSME lending space. (Exhibit-3)

Target Price – 12M	Mar-25
Change in TP (%)	(3.5)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	45.1
CMP (03-May-24) (Rs)	282.7

Stock Data	Ticker
52-week High (Rs)	320
52-week Low (Rs)	173
Shares outstanding (mn)	92.8
Market-cap (Rs bn)	26
Market-cap (USD mn)	314
Net-debt, FY25E (Rs mn)	974
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	81.2
ADTV-3M (USD mn)	1.0
Free float (%)	-
Nifty-50	22,476
INR/USD	83.4
Shareholding, Mar-24	
Promoters (%)	2.2
FPIs/MFs (%)	19.8/3.8

Price Performance (%)	1M	3M	12M
Absolute	13.9	3.7	47.9
Rel. to Nifty	13.6	0.9	19.0

1-Year share price trend (Rs)



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Exhibit 1: UGRO Acquires MSL (DTPL) through a combination of 64:36 equity cash transaction

Transaction details		What MSL offers	Expected outcome
Ugro Capital Networth (FY24) – Rs14.38bn	MyShubhLife (MSL) Networth (FY24P) – Rs230mn Revenue (SA) in FY23 was ~Rs101mn	MSL is an embedded finance fintech platform, partnered with Pine Labs, Fino, Airtel Payments Bank, MobiKwik, Spice Money etc. MSL has sourced ~15mn customers through anchor partners like Pine Lab, Fino, Airtel Payments Bank, MobiKwik, Spice Money etc.	Large addressable market – embedded finance for small retailers market is valued at Rs1.1trn Increase geographic presence and improved cross-sell and fee income
P/BV – 1.8x Mcap – Rs26.2bn	P/BV – 1.9x Enterprise value of Rs450mn	It uses cutting-edge tech stack and leveraged data to provide tailored offerings like daily and weekly installment options along with overdraft facility	Improved yields, which has been Ugro’s focus area Ugro expects to add an incremental ~200k customers over the next 3 years
UGRO acquires MSL through a combination of 64:36 equity cash transaction in 2 tranches Tranche 1 – Rs280mn for majority shareholding in DTPL Tranche 2 – Rs170mn for balance shareholding in DTPL			Ugro anticipates an incremental AUM of Rs15bn, PAT of Rs1bn with MSL as its subsidiary in the next 3 years

Source: Company, Emkay Research; Note: #Datsigns Technologies Private Limited ("DTPL")

Acquisition to enhance asset and profitability growth

Post completion of acquisition of 'MYSHUBHLIFE' (MSL) – a prominent Embedded Finance Fintech platform – Ugro expects to onboard over 200k retailers (majorly small shopkeepers and distributors), offering them customized product/services according to their needs, like daily and weekly installment options with overdraft facility in the next three years. This strategy is expected to provide a good cross-sell and up-sell opportunity for its existing products, thus increasing its reach and products per customer, resulting in incremental AUM/PAT of Rs15bn/1bn, respectively.

Exhibit 2: Movement in networth due to fund raise

	FY24	FY25E	FY26E
Existing share o/s (mn)	91.6		
Issuance of CDD @264/CCD	-		10.3
Warrants issued @264/CCD (mn)			39.8
Total Share o/s (mn)	91.6	91.6	141.7
Receipt of CCD		2,714	
Receipt of Warrant		2,628	7,884
Networth (Rs mn)	14,384	18,879	32,656

Source: Company, Emkay Research; Note: assuming full conversion of warrant and CCD in 18 months (Nov-25)

Capital raise to provide uninterrupted growth path

Ugro's Board has approved raising Rs13.23bn by the issuance of 10.4mn CCDs (Rs2.75bn) and 40.07bn Warrants (Rs10.58bn) at Rs264 each, both convertible to Ugro equity shares at any time during the 18 months following the issuance date. The proceeds are expected to come in 2 parts for the company – a total sum of Rs5.3bn (which will form part of Tier-1 capital immediately post-issuance) in FY25, and Rs7.9bn as capital over the next 18 months. These funds should support Ugro's sturdy growth plans for the coming 2 years, and make a case for its ratings upgrade. The capital infusion garnered significant support from Samena Capital, an existing private equity investor, pledging Rs5bn via Warrants, along with prominent investors and family offices, thus demonstrating their confidence in the company.

Call KTA:

- Management informed that its focus is more toward improving profitability, while growing its AUM at 30% CAGR in a strategically risk-calibrated manner for the next 2 years.
- ROA to reach at ~4% levels by FY26.
- Cost-to-income should continue to improve on a quarterly basis and sustain at 40-45% over the next 8 quarters. While the overall credit cost is likely to sustain at 2% levels, thus improving profitability.
- Margins likely to improve on account of increasing share of fee income, yield improvement to be led by improving product mix, and cost moderation on account of diverse source of funding and rating improvement.
- The On-Book: Off-Book mix is expected to reach 50:50 mix, with increasing share of high-yield products.
- Currently operating from 150 branches and will add another 100 in FY25; taking the total to 250 branches.
- Acquisition of embedded finance company "MSL" will improve reach and cross-sell opportunity, thus improving margins and fee income.
- Intense competition in some segments led to balance transfer (out), thus impacting AUM growth marginally in Q4.

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	283	45%	26.2	1.37	1.23	1.06	13.87	9.80	7.62	2.3	2.7	3.7	10.6	14.3	14.9	206	230	268	20	29	37
At target price	410		26.2	1.99	1.78	1.53	20.11	14.20	11.04	2.3	2.7	3.7	10.6	14.3	14.9	206	230	268	20	29	37

Source: Company, Emkay Research

Exhibit 4: Q4FY24 result snapshot

UGRO result snapshot (Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	QoQ change	YoY Change
NII	507	688	665	661	636	-4%	25%
NIMs (%)	5.8	7.4	6.6	6.0	5.3	-71bps	-51bps
NII + Fees	1,268	1,257	1,482	1,626	2,022	24%	60%
NIMs + Fees (%)	14.6	13.4	14.8	14.8	16.9	209bps	233bps
Cost of Borrowing (%)	11.98	11.42	11.81	11.71	12.09	38bps	11bps
Opex-to-AUM (%)	5.07	4.30	4.61	4.34	4.84	50bps	-24bps
PPoP	511	566	654	761	970	27%	90%
Credit cost on AUM (%)	1.25	1.30	1.37	1.49	1.89	40bps	64bps
Credit cost on on-book AUM (%)	2.0	2.2	2.4	2.7	3.5	75bps	145bps
PAT	140	252	289	325	327	1%	133%
Networth	9,840	13,373	13,710	14,049	14,384	2%	46%
AUM	60,810	67,770	75,920	83,640	90,470	8%	49%
Disbursement	14,590	12,790	14,770	15,520	15,540	0%	7%
GS3 (%) - Reported	2.46	2.67	2.85	3.15	3.09	-6bps	63bps
NS3 (%) - Reported	1.31	1.45	1.52	1.67	1.64	-3bps	33bps
GNPA % (GS3 on Total AUM)	1.60	1.80	1.92	2.04	2.02	-2bps	42bps
NNPA % (NS3 on Total AUM)	0.90	1.00	1.00	1.06	1.07	1bps	17bps
ROA - Reported	2.20	2.20	2.30	2.40	2.20	-20bps	0bps
ROE - Reported	9.50	8.70	8.50	9.40	9.20	-20bps	-30bps
PCR (%)	48.6	48.0	49.0	49.0	48.0	-100bps	-60bps

Source: Company, Emkay Research

Exhibit 5: AUM trend

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
AUM (Rs bn)	25.89	29.69	36.57	43.75	50.96	60.81	67.77	75.92	83.64	90.47
QoQ growth	34%	15%	23%	20%	16%	19%	11%	12%	10%	8%

Source: Company, Emkay Research

Exhibit 6: AUM mix – On-Balance sheet: Off-Balance sheet

AUM Mix (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
On Book	24,077.7	24,910	28,750	31,030	33,210	36,390	38,480	41,756	46,002	49,690
Off Book	1,812.3	4,780	7,820	12,720	17,750	24,420	29,290	34,164	37,638	40,780
Total AUM	25,890	29,690	36,570	43,750	50,960	60,810	67,770	75,920	83,640	90,470
On Book	93%	84%	79%	71%	65%	60%	57%	55%	55%	55%
Off Book	7%	16%	21%	29%	35%	40%	43%	45%	45%	45%

Source: Company, Emkay Research

Exhibit 7: AUM mix - segmental

Product Mix	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Prime - Secured Loans	31.4%	29.6%	28.7%	28.4%	29.3%	28.5%	26.9%	26.4%
Prime - Unsecured Loans	27.3%	28.8%	30.0%	31.2%	31.1%	31.3%	31.9%	32.5%
Micro Enterprise Loan	4.6%	5.5%	6.6%	7.8%	8.1%	8.4%	8.6%	9.0%
Supply Chain Financing	9.7%	9.1%	9.0%	9.3%	8.6%	8.8%	8.6%	7.0%
Machinery Loan	9.9%	10.6%	11.1%	11.5%	11.8%	11.8%	12.4%	12.9%
Partnerships & Alliances	17.0%	16.4%	14.6%	11.8%	11.1%	11.2%	11.6%	12.3%

Source: Company, Emkay Research

Exhibit 8: Disbursement trend

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Net Disbursement (Rs bn)	8.17	6.12	9.16	11.01	11.64	14.59	12.79	14.77	15.52	15.54
QoQ growth	27%	-25%	50%	20%	6%	25%	-12%	15%	5%	0%

Source: Company, Emkay Research

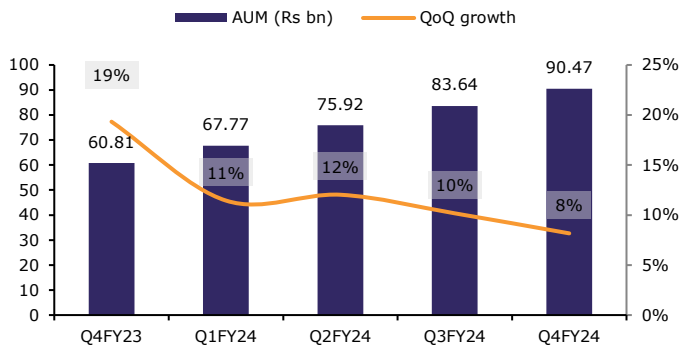
Exhibit 9: Product-wise disbursement mix

Disbursement Mix	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Prime - Secured Loans	21.0%	22.8%	25.3%	24.7%	28.4%	20.6%	15.7%	17.0%
Prime - Unsecured Loans	33.3%	32.1%	33.2%	28.6%	33.5%	35.5%	38.0%	40.3%
Micro Enterprise Loan	9.9%	10.9%	11.7%	14.1%	11.8%	12.7%	11.6%	13.1%
Supply Chain Financing	55.5%	55.4%	66.6%	66.0%	59.3%	75.5%	84.4%	84.3%
Machinery Loan	7.2%	5.3%	5.6%	7.5%	0.9%	5.8%	3.4%	-5.7%
Partnerships & Alliances	13.0%	11.4%	11.5%	11.9%	12.0%	11.3%	14.5%	14.6%

Source: Company, Emkay Research

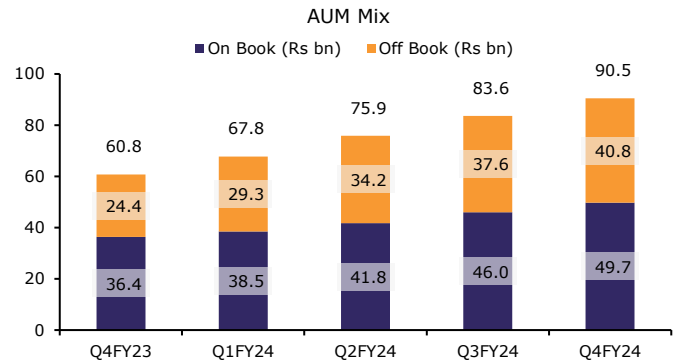
Result in charts

Exhibit 10: Strong growth despite intense competition in some segments



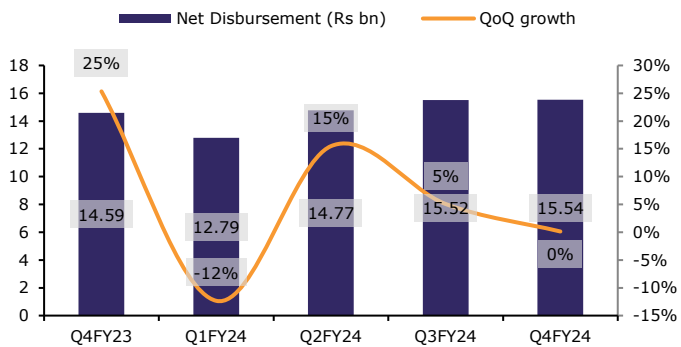
Source: Company, Emkay Research

Exhibit 11: Increasing share of Off-book AUM; target is to reach 50%



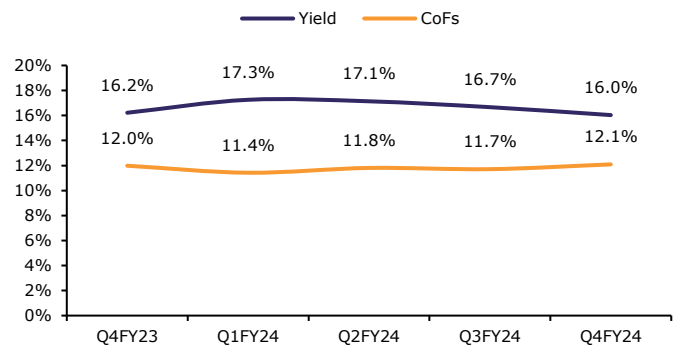
Source: Company, Emkay Research

Exhibit 12: Disbursement growth impacted by weakness in supply chain financing



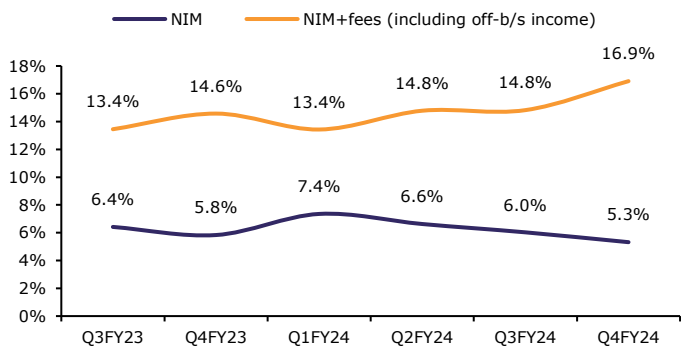
Source: Company, Emkay Research

Exhibit 13: CoFs is expected to moderate over the medium- to longer-term



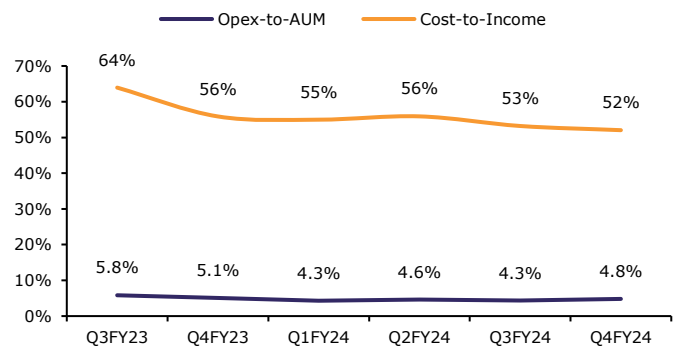
Source: Company, Emkay Research

Exhibit 14: Increasing share of off-book income leading to improved margins



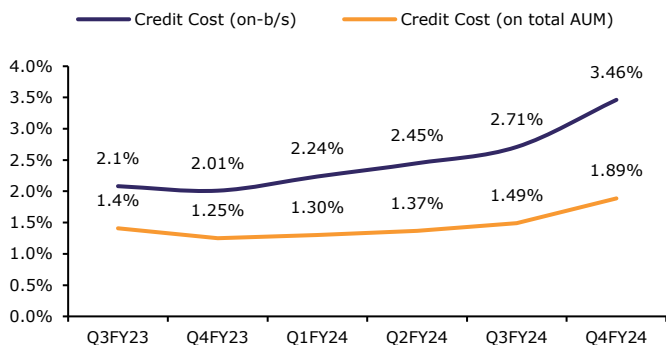
Source: Company, Emkay Research

Exhibit 15: Improving cost-to-income on a quarterly basis



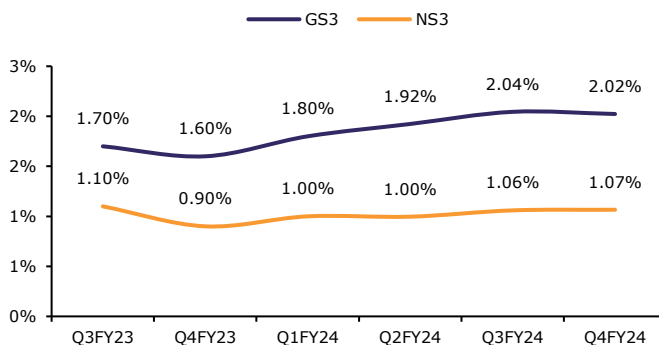
Source: Company, Emkay Research

Exhibit 16: Overall credit cost remained at comfortable levels



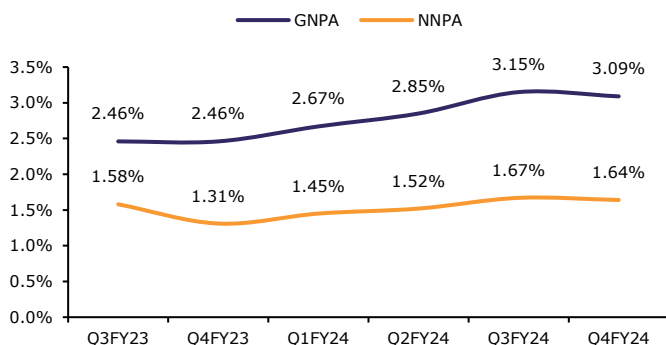
Source: Company, Emkay Research

Exhibit 17: GS3 & NS3 trends



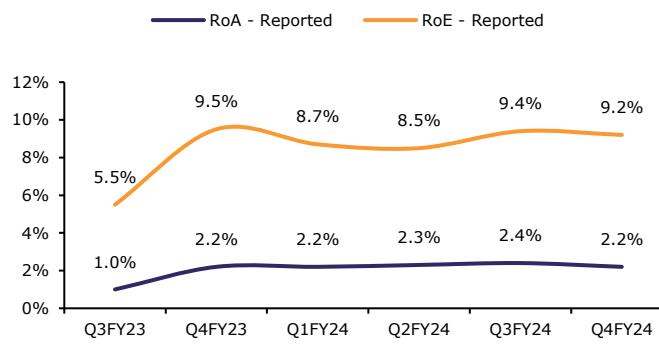
Source: Company, Emkay Research

Exhibit 18: GNPA & NNPA trends



Source: Company, Emkay Research

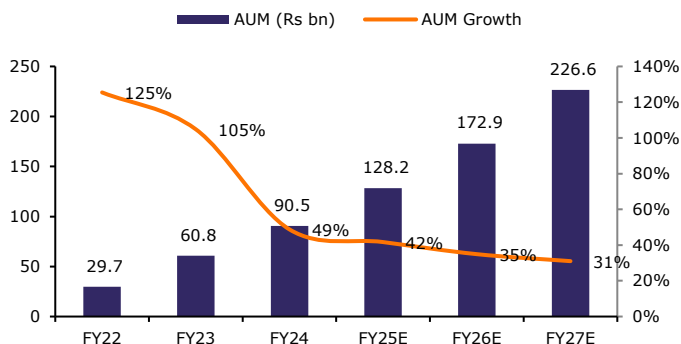
Exhibit 19: ROA & ROE are expected to improve in coming quarters



Source: Company, Emkay Research

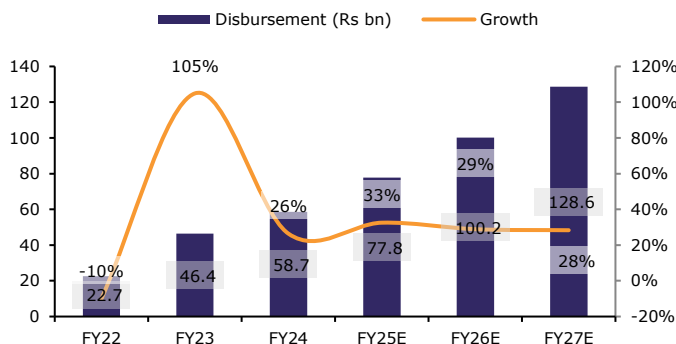
Story in charts

Exhibit 20: We expect AUM to grow at 36% CAGR over FY24-27E



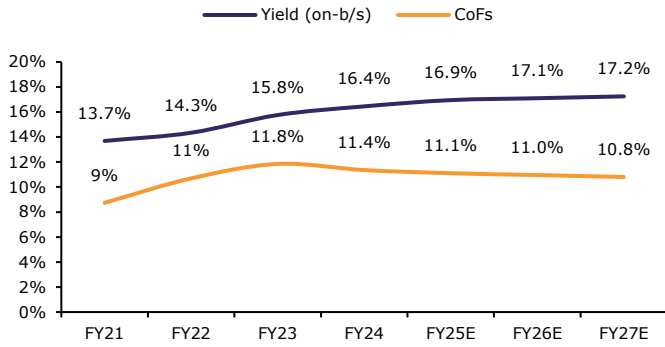
Source: Company, Emkay Research

Exhibit 21: Strong disbursement growth led by increasing branches



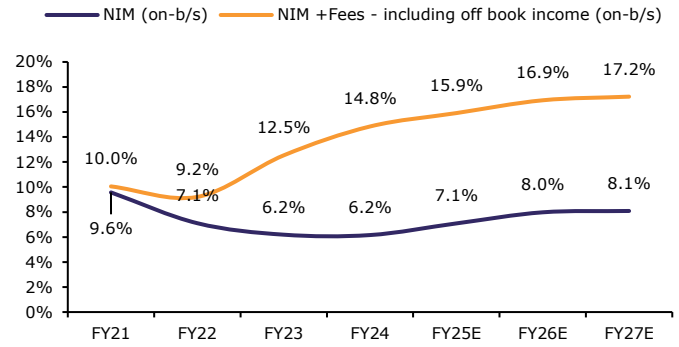
Source: Company, Emkay Research

Exhibit 22: CoFs to moderate due to diverse source of funding and rating improvement



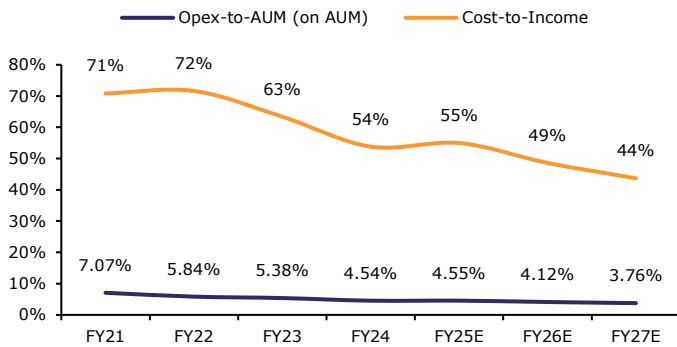
Source: Company, Emkay Research

Exhibit 23: Margin improvement led by improving asset mix



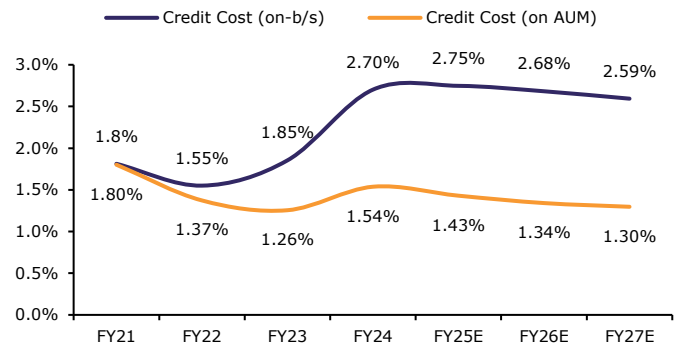
Source: Company, Emkay Research

Exhibit 24: Operating expenses to moderate as business scales



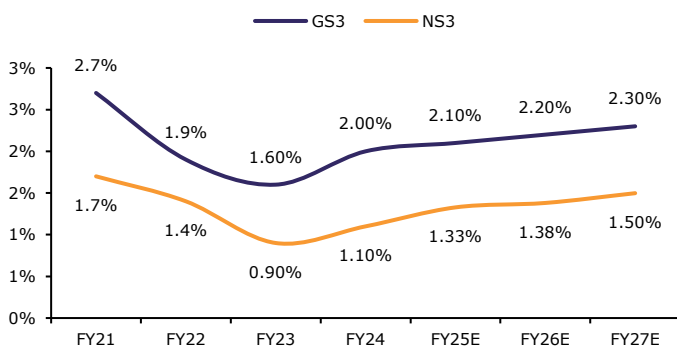
Source: Company, Emkay Research

Exhibit 25: Credit cost on AUM to sustain below the 2% level



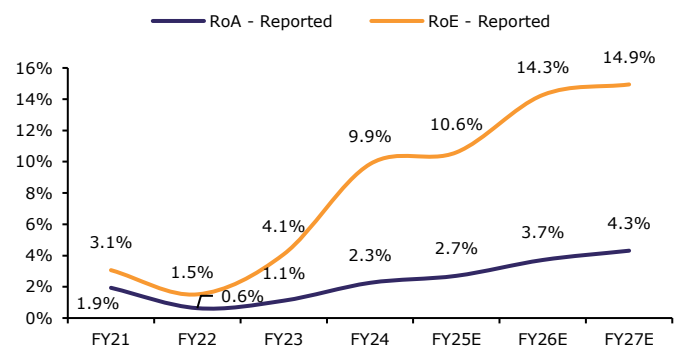
Source: Company, Emkay Research

Exhibit 26: Stable asset quality



Source: Company, Emkay Research

Exhibit 27: Improved profitability; cost moderation and stable asset quality leading to improved ROA & ROE



Source: Company, Emkay Research; Note: #FY25-26E ROE adjusted for fund raise - conversion of warrant and CCD expected in Nov-26

UGRO Capital: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	4,829	7,079	9,642	12,872	17,228
Interest Expense	2,933	4,429	5,608	6,867	9,155
Net interest income	1,896	2,650	4,034	6,005	8,073
NII growth (%)	40.7	39.7	52.2	48.9	34.4
Non interest income	1,944	3,737	5,018	6,744	9,132
Total income	3,841	6,387	9,053	12,749	17,205
Operating expenses	2,435	3,437	4,976	6,198	7,517
PPOP	1,406	2,950	4,076	6,552	9,689
PPOP growth (%)	183.6	109.8	38.2	60.7	47.9
Provisions & contingencies	568	1,163	1,563	2,019	2,590
PBT	838	1,788	2,513	4,532	7,098
Extraordinary items	0	0	0	0	0
Tax expense	441	594	646	1,165	1,824
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	398	1,193	1,868	3,367	5,274
PAT growth (%)	173.4	200.0	56.5	80.3	56.6
Adjusted PAT	398	1,193	1,868	3,367	5,274
Diluted EPS (Rs)	5.7	13.4	20.4	28.9	37.2
Diluted EPS growth (%)	176.2	135.3	52.3	41.6	28.9
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0
Effective tax rate (%)	52.6	33.2	25.7	25.7	25.7
Net interest margins (%)	12.5	14.8	15.9	16.9	17.2
Cost-income ratio (%)	63.4	53.8	55.0	48.6	43.7
PAT/PPOP (%)	28.3	40.5	45.8	51.4	54.4
Shares outstanding (mn)	69.3	91.6	91.6	141.7	141.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
GNPL - Stage 3	957	1,535	1,987	2,767	3,569
NNPL - Stage 3	499	798	974	1,314	1,695
GNPL ratio - Stage 3 (%)	2.5	3.1	3.1	3.2	3.2
NNPL ratio - Stage 3 (%)	1.3	1.7	1.6	1.6	1.5
ECL coverage - Stage 3 (%)	49.0	48.0	51.0	52.5	52.5
ECL coverage - 1 & 2 (%)	1.1	0.9	1.2	1.4	1.7
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 (%)	0.3	2.0	1.8	1.6	1.5
Total credit costs (%)	1.9	2.7	2.7	2.7	2.6
NNPA to networth (%)	5.1	5.6	5.2	4.0	4.5
Capital adequacy					
Total CAR (%)	20.2	20.8	21.1	27.6	24.5
Tier-1 (%)	19.6	20.3	20.8	27.3	24.3
Miscellaneous					
Total income growth (%)	119.9	66.3	41.7	40.8	35.0
Opex growth (%)	94.6	41.2	44.8	24.5	21.3
PPOP margin (%)	4.6	6.9	7.2	8.7	9.7
Credit costs-to-PPOP (%)	40.4	39.4	38.3	30.8	26.7
Loan-to-Assets (%)	88.4	86.5	95.1	91.1	90.6
Yield on loans (%)	15.8	16.4	16.9	17.1	17.2
Cost of funds (%)	11.8	11.4	11.1	11.0	10.8
Spread (%)	3.9	5.1	5.8	6.1	6.4

Source: Company, Emkay Research Note Credit cost; GNPL & NNPL is based on on-b/s loan book

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	693	916	916	1,417	1,417
Reserves & surplus	9,147	13,468	17,963	31,240	36,514
Net worth	9,840	14,384	18,879	32,656	37,931
Borrowings	31,489	46,532	54,479	70,907	98,564
Other liabilities & prov.	1,726	1,884	2,065	2,271	2,499
Total liabilities & equity	43,056	62,800	75,423	105,835	138,994
Net loans	38,064	54,322	71,696	96,456	125,989
Investments	601	592	566	2,117	2,780
Cash, other balances	2,118	4,549	410	4,167	6,739
Interest earning assets	40,783	59,463	71,676	101,626	134,260
Fixed assets	38	45	54	65	78
Other assets	2,235	3,292	2,697	3,031	3,408
Total assets	43,056	62,800	75,423	105,835	138,994
BVPS (Rs)	142.0	157.0	206.1	230.5	267.7
Adj. BVPS (INR)	142.0	157.0	206.1	230.5	267.7
Gross loans	38,677	49,690	64,092	86,473	113,293
Total AUM	60,810	90,470	128,185	172,945	226,585
On balance sheet	36,390	49,690	64,092	86,473	113,293
Off balance sheet	24,420	40,780	64,092	86,473	113,293
Disbursements	46,410	58,670	77,765	100,231	128,609
Disbursements growth (%)	104.9	26.4	32.5	28.9	28.3
Loan growth (%)	55.3	42.7	32.0	34.5	30.6
AUM growth (%)	104.8	48.8	41.7	34.9	31.0
Borrowings growth (%)	74.7	47.8	17.1	30.2	39.0
Book value growth (%)	3.6	10.6	31.3	11.8	16.2

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	49.7	21.1	13.9	9.8	7.6
P/B (x)	2.0	1.8	1.4	1.2	1.1
P/ABV (x)	2.0	1.8	1.4	1.2	1.1
P/PPOP (x)	14.1	8.5	6.4	5.0	4.1
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Dupont-RoE split (%)					
NII/avg AUM	6.2	6.2	7.1	8.0	8.1
Other income	6.3	8.7	8.8	9.0	9.1
Securitization income	0.0	0.0	0.0	0.0	0.0
Opex	3.4	3.7	4.1	3.5	3.3
Employee expense	4.6	4.2	4.6	4.8	4.3
PPOP	4.6	6.9	7.2	8.7	9.7
Provisions	1.9	2.7	2.7	2.7	2.6
Tax expense	1.4	1.4	1.1	1.5	1.8
RoAUM (%)	1.3	2.8	3.3	4.5	5.3
Leverage ratio (x)	3.1	3.6	3.2	3.2	2.8
RoE (%)	4.1	9.9	10.6	14.3	14.9

Quarterly data

Rs mn, Y/E Mar	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
NII	507	688	665	661	636
NIM (%)	14.6	13.4	14.8	14.8	16.9
PPOP	511	566	654	761	970
PAT	140	252	289	325	327
EPS (Rs)	2.03	3.06	3.17	3.56	3.57

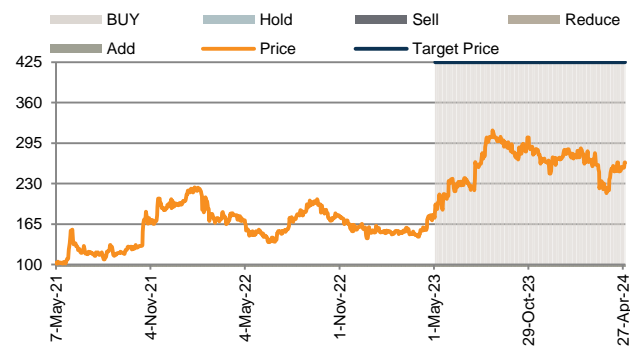
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
30-Nov-23	266	425	Buy	Avinash Singh
28-Oct-23	304	425	Buy	Avinash Singh
23-Oct-23	282	425	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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SELL	<15% downside

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