

AU SFB continues to grow its credit portfolio at a healthy pace, defying industry trend and the declining MFI/Card book. However, higher CoF and interest reversal on MFI/Card NPAs has led to continued margin correction (10bps QoQ). This, along with elevated credit cost, has kept the bank's RoA in check at 1.3% in 4Q and at 1.5% in FY25. Though the bank remains confident of clocking strong growth in FY26, it expects margins to remain soft and credit costs to be elevated in H1FY26. Given the macro uncertainty, and asset quality and cost pressures in the run-up to the transition toward it becoming a universal bank, the management has resisted providing RoA guidance for FY26E. The mgmt expects to secure a universal banking licence in CY25 and would take a call on capital-raising accordingly. We retain REDUCE with unchanged TP of Rs600 (2x FY27E ABV), and wait for better clarity on the asset quality/margin trajectory.

Strong growth, though margins slip yet again

AU SFB posted healthy 20% YoY/6% QoQ (on merged basis) growth, mainly led by strong growth in its secured book, incl wheels and mortgages. The share of unsecured loans, including MFI and card, continues to slip as the bank battles asset quality issues. Overall deposit growth has been strong at 27% YoY/11% QoQ, but CASA ratio continues to slip – now down to 29%. This has led to higher CoF, which coupled with interest reversal on NPAs led to further contraction in NIM by 10bps QoQ to 5.8%. The mgmt exhibits confidence of clocking strong growth in FY26E, but believes that margins will remain under pressure in the near term as the bank would prefer maintaining a higher rate gap with other banks to mobilize deposits in the run up to its transition into a universal bank. AU also guided to cost-to-income ratio remaining elevated in FY26E due to the transition.

Some asset quality pull-back, though credit cost to stay elevated in near term

Fresh slippages moderated QoQ, albeit remaining elevated at Rs9bn/3.7% of loans, mainly owing to the ongoing stress in unsecured loans, including MFI, Cards, and PL. The MFI stress pool (8.1%), including GNPA (4.4%) + SMA (3.7%), moderated QoQ from 8.5% due to better collection efficiency across regions including Karnataka, in March. The bank expects the trend to endure, although it sounded cautious on a potential heat wave impact, if any, during Q1FY26. As per mgmt, ~16% of the portfolio remains affected by MFIN 2.0 guidelines (~13% loans have more than 3 lenders, and remainder have total unsecured exposure of more than Rs0.2mn), and would be closely watched. We believe credit cost would remain elevated in H1FY26 on elevated stress flow and PCR build-up.

We retain REDUCE with unchanged TP of Rs600

We believe the bank's plan to transition toward secured loans and elevated operational cost in the run up to its transition into a universal bank could limit RoA to 1.5-1.6% over FY26-28E. We retain REDUCE and our TP of Rs600 (2x FY27E ABV). Key risks: Faster than expected margin/asset quality turnaround.

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(2.3)

Stock Data	AUBANK IN
52-week High (Rs)	755
52-week Low (Rs)	478
Shares outstanding (mn)	744.5
Market-cap (Rs bn)	457
Market-cap (USD mn)	5,364
Net-debt, FY26E (Rs mn)	NA
ADTV-3M (mn shares)	3
ADTV-3M (Rs mn)	2,016.3
ADTV-3M (USD mn)	23.7
Free float (%)	75.2
Nifty-50	24,167.3
INR/USD	85.2

Shareholding, Mar-25

Promoters (%)	22.9
FPIs/MFs (%)	35.6/27.2

Price Performance

(%)	1M	3M	12M
Absolute	13.1	1.6	1.0
Rel. to Nifty	9.3	(2.7)	(6.6)

1-Year share price trend (Rs)



AU Small Finance Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profit	15,347	21,059	26,723	34,251	42,688
Loan growth (%)	25.2	53.3	24.0	25.0	25.0
NII growth (%)	16.5	55.4	20.0	26.4	25.1
NIM (%)	5.3	5.8	5.6	5.6	5.7
PPOP growth (%)	20.7	87.9	21.4	29.5	24.8
Adj. EPS (Rs)	22.9	28.3	35.9	46.0	57.3
Adj. EPS growth (%)	7.1	23.3	26.9	28.2	24.6
Adj. BV (INR)	183.2	222.6	253.5	294.8	345.5
Adj. BVPS growth (%)	13.5	21.5	13.9	16.3	17.2
RoA (%)	1.5	1.6	1.5	1.6	1.6
RoE (%)	13.0	14.2	14.6	16.2	17.3
P/E (x)	26.8	21.7	17.1	13.3	10.7
P/ABV (x)	3.4	2.8	2.4	2.1	1.8

Source: Company, Emkay Research

Anand Dama

anand.dama@emkayglobal.com
+91-22-66242480

Nikhil Vaishnav

nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Kunaal N

kunaal.n@emkayglobal.com
+91-22-66121275

Key Concall takeaways

Advances

- Credit growth is expected to be 2–2.5% above the nominal GDP growth, with the bank demonstrating that its capacity would grow 25–30% annually.
- Q4 was a strong quarter across all business segments, with a decline in slippage and notable momentum in the Wheels portfolio.
- **Credit Cards and Unsecured Lending**
 - These businesses are expected to deliver 4–5% RoA over time. The credit card business is on track to break even by FY26 and start contributing to profits from FY27.
 - Digital underwriting has been introduced to prevent misuse and to manage risk better; this has led to a temporary decline in spending.
 - A seasoned credit card expert from the industry has been brought in to strengthen the business.
 - The bank is focused on building ETB customer penetration.
- **REG:** No plans to grow REG beyond 3% of the total loan book. This portfolio remains a small-ticket of ~Rs0.4–0.5bn and is a well-performing portfolio for the bank.
- **Wheels:** A strong Q4, led by uptick in tractors and used vehicles. New car sales flat, and the bank maintained a cautious stance on 2-wheelers. Some traction was seen in the latter half of March.
- **MFI:** The bank will continue with provision of 3% on the CGFMU book, which covers 80% of the MFI portfolio. Further, the growth in MFI will be measured and calibrated to ensure quality.

NIM

- The bank has already cut TD/SA rates by 25bps and rationalized the SA bucket, which currently stands at 7% vs the previous 7.25%.
- Any further rate cut below 7% in SA will depend on peer actions. It is challenging to go below this threshold at present, and the bank will adopt a 'wait-and-watch' approach as many peers are offering better SA pricing.
- CoF has been slightly impacted due to the number of days.
- Yields have faced 5–6 bps pressure, primarily driven by a change in asset mix. About 30% of the loan book is on variable rates, and yield pressure is expected to continue.
- Further margin compression is expected next year due to the repo rate cut. The impact on NIM will be gradual: initial signs expected in 6–9 months, with the full impact visible in 12–15 months.
- Disbursement yields are largely a function of product mix. Currently, 70% of the asset book is on fixed rates.

Asset quality

- Collection Efficiency has shown consistent improvement across all portfolios and is expected to continue improving going into FY26, with notable progress anticipated Q2 onward.
- Slippage has declined across all business segments, indicating an overall improvement in asset quality.
- MFI is also expected to see better collection efficiency in Q1, supporting gradual normalization in the segment.

- In the HL portfolio, some NPAs have emerged during the transition phase, but the bank remains focused on staying within the affordable housing space, which aligns with its long-term strategy.

Credit costs

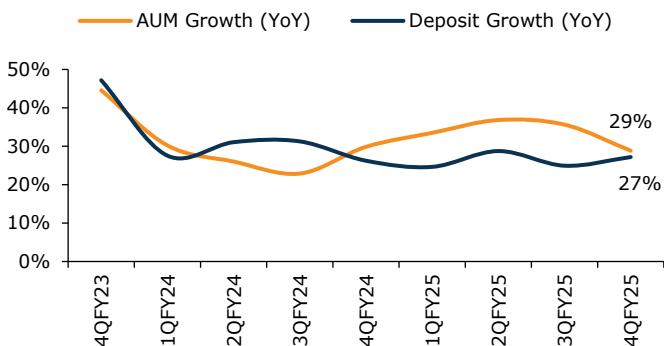
- The bank has made accelerated provisions in Q4, so that the credit cost from FY26 can be on a normalized basis. It does not anticipate any further major credit cost requirement.
- For FY25, credit costs are expected at 1.3%. The bank expects to normalize to around 75-85bps of total average assets next year.
- The MFI segment is expected to take another two quarters to return to full normalcy.
- Operationally, Q1 and Q3 were the most challenging quarters, while Q4 has shown signs of improvement. The key positive delta in Q4 came from Karnataka, which is progressing steadily toward normalization.
- In the credit card segment, costs would be in the 6-7% range in H1, and are expected at 5-6% in H2. However, no specific provisions are currently required for this business.

Other highlights

- **Universal Banking License:** The decision on transitioning into a universal bank is expected within this calendar year.
- **Capital-raise:** Any potential capital raise will be linked to the outcome of the universal license decision.
- **LCR:** Under the revised LCR guidelines, the bank's LCR would be 120%. This is being evaluated, but the overall impact is expected to be neutral-to-positive.
- **C/I ratio:** The bank has not paused any key investments except three: a) marketing spends have been deliberately held back, considering the universal license decision, b) expansion-related investments are continuing, aimed at business growth, and c) investments in technology have seen a temporary pause, but no structural cuts. Other than these areas, no cost-control actions have been undertaken. The C/I ratio is expected to stay below 60%.
- **PSL:** The bank remains PSL-compliant for FY25. Notably, 50% of the SMF book is serviced through the MFI business.
- 75-85% of the bank deposits are contributed by 400 urban branches. The bank is planning to add 70-80 branches in FY26, mainly to increase deposit.
- The bank targets a sustainable RoA of 1.8% over the medium-to-long term.

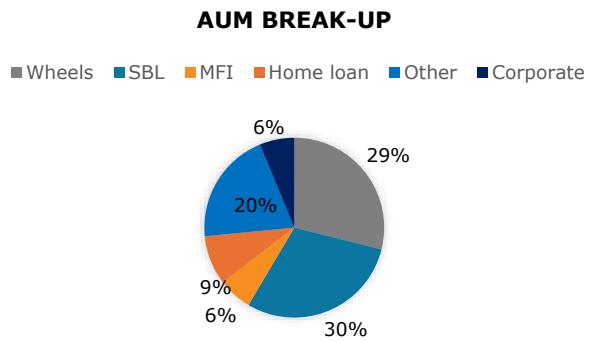
Story in charts

Exhibit 1: AUM growth remains healthy, led by secured assets; deposit growth too improves which was led by better TD growth



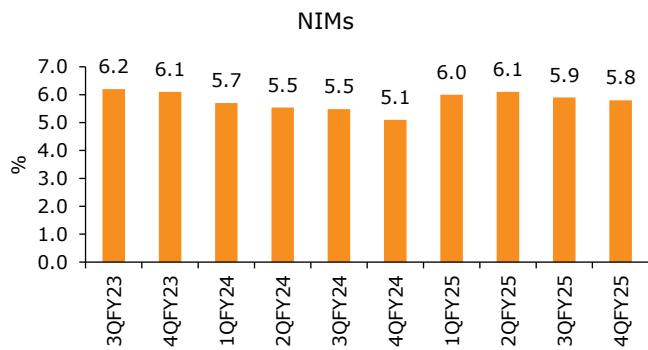
Source: Company, Emkay Research; Note: The figures are adjusted for the Fincare merger impact

Exhibit 2: AUM mix remains dominated by Wheels and SBL; MFI share now stands down, to ~6%



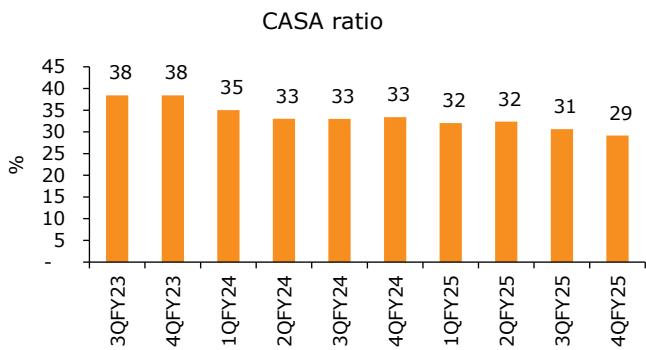
Source: Company, Emkay Research

Exhibit 3: NIM dipped to 5.8% due to lower share of unsecured loans, higher CoF, and interest reversal on NPAs



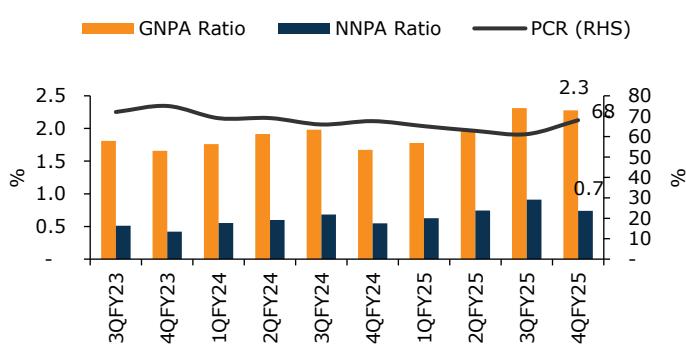
Source: Company, Emkay Research; Note: The numbers in the chart reflect the Fincare merger impact from Q1FY25

Exhibit 4: CASA ratio slips further



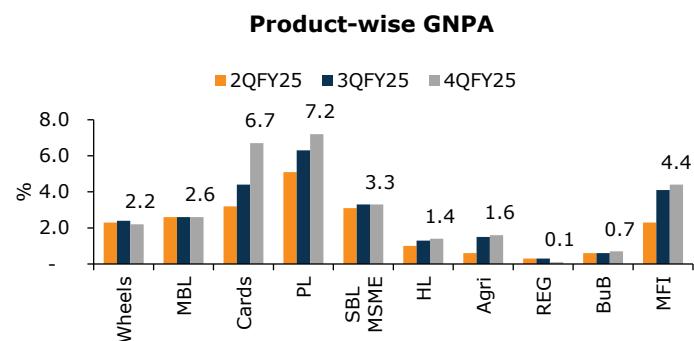
Source: Company, Emkay Research; Note: The numbers in the chart reflect the Fincare merger impact Q1FY25 onward

Exhibit 5: NPAs remain stable owing to lower slippages QoQ



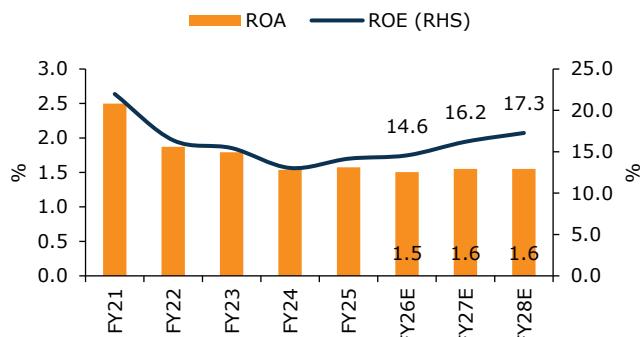
Source: Company, Emkay Research

Exhibit 6: Higher stress in unsecured products, while other segments report a stable GNPA



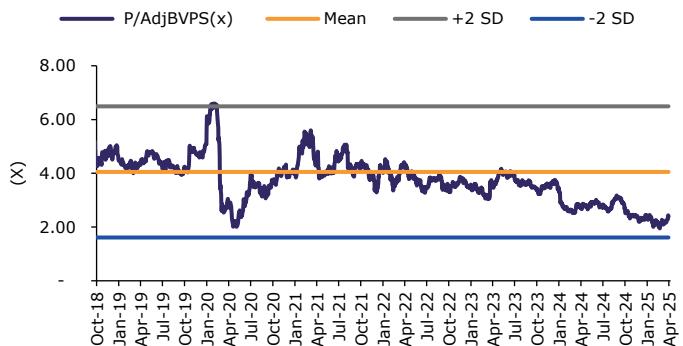
Source: Company, Emkay Research

Exhibit 7: We expect RoA to settle at around 1.6% over FY26-28E



Source: Company, Emkay Research

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



Source: Company, Emkay Research

Exhibit 9: Actuals vs Estimates (Q4FY25)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	28,546	27,721	27,294	3%	5%	Higher other income led to a beat
PPOP	12,923	12,776	11,732	1%	10%	Higher net income and elevated opex led to in-line PPOP
PAT	5,037	4,931	4,937	2%	2%	In-line PPOP and contained LLP led to a slight PAT beat

Source: Emkay Research

Exhibit 10: Quarterly Summary

(Rs mn)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Interest Earned	35,797	37,690	39,106	41,135	42,706	19	4	105,547	160,637	52
Interest Expenses	17,818	18,485	19,363	20,908	21,767	22	4	53,976	80,521	49
Net Interest Income	17,979	19,206	19,743	20,227	20,939	16	4	51,571	80,116	55
Global NIMs (reported)	5.1	6.0	6.1	5.9	5.8	70bps	-10bps	5.32	5.77	45bps
Non-interest Income	6,567	5,093	6,380	6,184	7,607	16	23	17,458	25,263	45
Operating Expenses	16,240	14,781	14,806	14,362	15,623	-4	9	44,647	59,572	33
Pre-Provisioning Profit	8,306	9,517	11,317	12,049	12,923	56	7	24,382	45,806	88
Provision & Contingencies	1,651	2,828	3,730	5,017	6,351	285	27	4,388	17,926	309
PBT	6,655	6,689	7,588	7,032	6,571	-1	-7	19,994	27,880	39
Income Tax Expense (Gain)	1,307	1,663	1,876	1,748	1,535	17	-12	4,647	6,821	47
Net Profit/(Loss)	5,347	5,026	5,712	5,284	5,037	-6	-5	15,347	21,059	37
Gross NPA (%)	1.67	1.78	1.98	2.31	2.28	60bps	-4bps	1.67	2.28	61bps
Net NPA (%)	0.55	0.63	0.75	0.91	0.74	19bps	-17bps	0.55	0.74	19bps
Deposits (Rs bn)	977	973	1,097	1,123	1,243	27	11	977	1,243	27
Net Advances (Rs bn)	855	897	948	996	1,071	25	8	855	1,071	25

Source: Company, Emkay Research; Note:- Q4FY24 onwards denotes merged number

Exhibit 11: Revision in estimates

Y/E Mar (Rs mn)	FY26E			FY27E			FY28E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	130,330	125,382	-3.8%	159,028	156,465	-1.6%	NA	191,630	NA
PPOP	55,614	55,591	0.0%	71,344	71,994	0.9%	NA	89,882	NA
PAT	27,008	26,723	-1.1%	33,741	34,251	1.5%	NA	42,688	NA
EPS (Rs)	36.3	35.9	-1.1%	45.3	46.0	1.5%	NA	57.3	NA
BV (Rs)	259.3	262.3	1.2%	302.1	305.3	1.1%	NA	358.6	NA

Source: Emkay Research

Exhibit 12: Key Assumptions

(%)	FY25	FY26E	FY27E	FY28E
AUM Growth	53.3	24.0	25.0	25.0
Deposit Growth	40.4	28.3	27.6	27.9
NIM	5.8	5.6	5.6	5.7
GNPA	2.3	2.2	2.0	2.0
Credit Cost	2.1	1.7	1.7	1.7

Source: Emkay Research

Exhibit 13: Key Ratios and Trends

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Loans (Rs mn)	671,240	726,601	746,380	780,387	855,207	896,520	948,382	995,590	1,070,925
Growth YoY (%)	40.3	30.6	26.3	23.0	27.4	23.4	27.1	27.6	25.2
Growth QoQ (%)	5.8	8.2	2.7	4.6	9.6	4.8	5.8	5.0	7.6
Composition (%)									
Corporate	21	21	22	24	24	19	20	21	21
Retail and Treasury	79	79	78	76	76	81	80	79	79
Liability Profile									
Deposits (Rs mn)	773,981	780,582	851,961	898,540	977,031	972,900	1,096,931	1,122,600	1,242,685
Growth YoY (%)	47.2	27.6	31.1	31.3	26.2	24.6	28.8	24.9	27.2
Growth QoQ (%)	13.1	0.9	9.1	5.5	8.7	(0.4)	12.7	2.3	10.7
CASA (%)	34.4	31.1	29.4	29.4	29.8	32.0	32.4	30.6	29.2
CA (%)	4.8	4.2	4.8	4.5	4.1	4.2	5.5	4.9	5.6
SA (%)	29.7	27.0	24.6	25.0	25.7	27.9	26.9	25.7	23.5
No. of Branches	1,027	1,038	1,042	1,049	1,133	2,414	2,408	2,400	2,456
NIM (%)	6.1	5.7	5.5	5.5	5.1	6.0	6.1	5.9	5.8
Asset Quality									
GNPA (%)	1.7	1.8	1.9	2.0	1.7	1.8	2.0	2.3	2.3
NNPA (%)	0.4	0.6	0.6	0.7	0.5	0.6	0.7	0.9	0.7
PCR (%)	75.0	69.0	69.1	66.0	67.6	65.1	62.8	61.2	68.1
Slippages (Rs mn)	1,910	3,170	3,490	4,030	2,960	5,430	7,360	9,560	8,940
Slippages – Annualized (%)	1.6	2.3	2.4	2.5	1.8	3.0	3.9	4.9	4.2
CAR (%)	23.6	21.5	22.4	20.8	20.1	20.1	18.5	18.0	20.1
Tier I (%)	21.8	20.7	21.0	19.1	18.8	18.9	17.4	16.9	18.1
ROE Tree									
NII (%)	5.7	5.5	5.3	5.4	5.1	6.5	6.0	5.7	5.6
Other Income (Ex. Treasury; %)	1.6	1.3	1.8	1.8	2.1	1.8	1.7	1.6	1.8
Opex (%)	4.6	4.5	4.4	4.5	4.7	5.0	4.5	4.1	4.2
PPOP (%)	2.7	2.4	2.8	2.7	2.5	3.4	3.4	3.4	3.4
Provisioning Cost (%)	0.2	0.1	0.5	0.6	0.5	1.1	1.1	1.4	1.7
PBT (%)	2.5	2.3	2.3	2.0	2.0	2.3	2.3	2.0	1.7
Tax (%)	0.5	0.6	0.6	0.5	0.3	0.6	0.6	0.5	0.4
ROA (%)	2.0	1.7	1.7	1.5	1.4	1.7	1.7	1.5	1.3
ROE (%)	15.8	13.8	13.9	12.5	12.0	14.3	14.5	13.0	11.9

Source: Company, Emkay Research; Note: Advances and Deposit figures for the past years are adjusted for the merger impact

AU Small Finance Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	105,547	160,637	195,524	237,519	288,349
Interest Expense	53,976	80,521	99,416	116,001	136,367
Net interest income	51,571	80,116	96,109	121,517	151,982
NII growth (%)	16.5	55.4	20.0	26.4	25.1
Other income	17,458	25,263	29,273	34,948	39,648
Total Income	69,029	105,379	125,382	156,465	191,630
Operating expenses	44,647	59,572	69,791	84,471	101,749
PPOP	24,382	45,806	55,591	71,994	89,882
PPOP growth (%)	20.7	87.9	21.4	29.5	24.8
Core PPOP	23,864	43,456	53,192	68,996	89,882
Provisions & contingencies	4,388	17,926	19,865	26,203	32,812
PBT	19,994	27,880	35,726	45,791	57,069
Extraordinary items	0	0	0	0	0
Tax expense	4,647	6,821	9,003	11,539	14,381
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	15,347	21,059	26,723	34,251	42,688
PAT growth (%)	7.5	37.2	26.9	28.2	24.6
Adjusted PAT	15,347	21,059	26,723	34,251	42,688
Diluted EPS (Rs)	22.9	28.3	35.9	46.0	57.3
Diluted EPS growth (%)	7.1	23.3	26.9	28.2	24.6
DPS (Rs)	1.0	2.0	2.5	3.0	4.0
Dividend payout (%)	4.4	7.1	7.0	6.5	7.0
Effective tax rate (%)	23.2	24.5	25.2	25.2	25.2
Net interest margins (%)	5.3	5.8	5.6	5.6	5.7
Cost-income ratio (%)	64.7	56.5	55.7	54.0	53.1
Shares outstanding (mn)	669.2	744.5	744.5	744.5	744.5

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	6,692	7,445	7,445	7,445	7,445
Reserves & surplus	118,903	164,218	187,837	219,855	259,565
Net worth	125,595	171,663	195,280	227,295	267,002
Deposits	871,821	1,242,685	1,594,389	2,034,535	2,602,497
Borrowings	54,794	116,599	129,334	126,705	124,894
Interest bearing liab.	926,615	1,359,284	1,723,723	2,161,240	2,727,392
Other liabilities & prov.	42,046	47,509	52,923	57,860	59,244
Total liabilities & equity	1,094,256	1,578,457	1,971,929	2,446,400	3,053,646
Net advances	731,627	1,070,925	1,341,472	1,676,840	2,096,050
Investments	271,334	378,475	473,098	581,356	721,038
Cash, other balances	63,763	94,664	116,351	140,481	177,280
Interest earning assets	1,066,723	1,544,064	1,930,922	2,398,677	2,994,369
Fixed assets	8,516	9,125	12,921	16,657	21,388
Other assets	19,017	25,268	28,086	31,066	37,889
Total assets	1,094,256	1,578,457	1,971,929	2,446,400	3,053,646
BVPS (Rs)	187.7	230.6	262.3	305.3	358.6
Adj. BVPS (INR)	183.2	222.6	253.5	294.8	345.5
Gross advances	665,575	913,882	1,224,878	1,531,542	1,913,774
Credit to deposit (%)	83.9	86.2	84.1	82.4	80.5
CASA ratio (%)	34.4	29.2	29.3	29.7	30.7
Cost of deposits (%)	6.3	6.6	6.1	5.7	5.4
Loans-to-Assets (%)	66.9	67.8	68.0	68.5	68.6
Net advances growth (%)	25.2	53.3	24.0	25.0	25.0
Deposit growth (%)	25.7	42.5	28.3	27.6	27.9
Book value growth (%)	14.0	22.8	13.8	16.4	17.5

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
Gross NPLs	12,363	24,770	29,290	34,670	43,413
Net NPLs	4,006	7,913	8,787	10,401	13,024
GNPA ratio (%)	1.7	2.3	2.2	2.0	2.0
NNPA ratio (%)	0.5	0.7	0.7	0.6	0.6
Provision coverage (%)	67.6	68.1	70.0	70.0	70.0
Gross slippages	13,650	31,290	30,129	35,868	43,714
Gross slippage ratio (%)	1.8	2.7	2.1	2.0	2.0
LLP ratio (%)	0.8	2.1	1.7	1.7	1.7
NNPA to networth (%)	3.1	4.5	4.4	4.4	4.7
Capital adequacy					
Total CAR (%)	20.4	20.1	19.1	18.0	17.0
Tier-1 (%)	19.1	18.1	17.7	16.6	15.7
CET-1 (%)	19.1	18.1	17.7	16.6	15.7
RWA-to-Total Assets (%)	58.5	55.0	55.0	55.0	55.0
Miscellaneous					
Total income growth (%)	33.1	51.1	20.9	21.2	20.4
Opex growth (%)	29.8	33.4	17.2	21.0	20.5
Core PPOP growth (%)	15.6	82.1	22.4	29.7	30.3
PPOP margin (%)	19.8	24.6	24.7	26.4	27.4
PAT/PPOP (%)	62.9	46.0	48.1	47.6	47.5
LLP-to-Core PPOP (%)	18.4	41.3	37.3	38.0	36.5
Yield on advances (%)	13.0	14.4	12.9	12.6	12.3
Cost of funds (%)	6.4	7.0	6.4	6.0	5.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	26.8	21.7	17.1	13.3	10.7
P/B (x)	3.3	2.7	2.3	2.0	1.7
P/ABV (x)	3.4	2.8	2.4	2.1	1.8
P/PPOP (x)	16.8	10.0	8.2	6.3	5.1
Dividend yield (%)	0.2	0.3	0.4	0.5	0.7
DuPont-RoE split (%)					
NII/avg assets	5.2	6.0	5.4	5.5	5.5
Other income	1.7	1.9	1.6	1.6	1.4
Fee income	1.7	1.7	1.5	1.4	1.4
Opex	4.5	4.5	3.9	3.8	3.7
PPOP	2.4	3.4	3.1	3.3	3.3
Core PPOP	2.4	3.3	3.0	3.1	3.3
Provisions	0.4	1.3	1.1	1.2	1.2
Tax expense	0.5	0.5	0.5	0.5	0.5
RoA (%)	1.5	1.6	1.5	1.6	1.6
Leverage ratio (x)	8.5	9.0	9.7	10.5	11.1
RoE (%)	13.0	14.2	14.6	16.2	17.3
Quarterly data					
Rs mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
NII	17,979	19,206	19,743	20,227	20,939
NIM (%)	5.1	6.0	6.1	5.9	5.8
PPOP	8,306	9,515	11,317	12,049	12,923
PAT	5,347	5,026	5,712	5,284	5,037
EPS (Rs)	8.0	6.7	7.7	7.1	6.8

Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
09-Apr-25	554	600	Reduce	Anand Dama
25-Jan-25	595	625	Reduce	Anand Dama
23-Oct-24	652	625	Reduce	Anand Dama
26-Jul-24	650	625	Reduce	Anand Dama
26-Apr-24	600	600	Reduce	Anand Dama
19-Mar-24	560	600	Reduce	Anand Dama
28-Jan-24	708	625	Reduce	Anand Dama
30-Nov-23	741	650	Reduce	Anand Dama
06-Nov-23	674	650	Hold	Anand Dama
30-Oct-23	666	650	Hold	Anand Dama
23-Jul-23	767	730	Hold	Anand Dama
26-Apr-23	643	700	Hold	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of April 23, 2025
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of April 23, 2025
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the April 23, 2025
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
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

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

Seshadri Kumar Sen

 Digitally signed
 by Seshadri
 Kumar Sen
 Date: 2025.04.23
 00:50:26 +05'30'

This report is intended for team.emkay@whitearcingsolutions.com use and downloaded at 04

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.