

Cholamandalam Inv & Fin

BSE SENSEX 78,111 S&P CNX 24,231

CMP: INR1,550 TP: INR1,870 (+21%)

Buy



Stock Info

Bloomberg	CIFC IN
Equity Shares (m)	844
M.Cap.(INRb)/(USD\$b)	1321.2 / 14.1
52-Week Range (INR)	1832 / 1299
1, 6, 12 Rel. Per (%)	-2/-4/-4
12M Avg Val (INR M)	2960
Free float (%)	50.3

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Total Income	170.1	203.7	245.5
PPP	104.2	125.1	152.4
PAT	51.0	62.8	80.6
EPS (INR)	60.0	73.4	94.2
EPS Gr. (%)	18	22	28
BV (INR)	352	428	520

Ratios

NIM (%)	7.0	7.0	7.0
C/I ratio (%)	38.7	38.6	37.9
RoAA (%)	2.3	2.4	2.6
RoE (%)	19.1	18.9	19.9
Payout (%)	3.3	3.4	2.7

Valuations

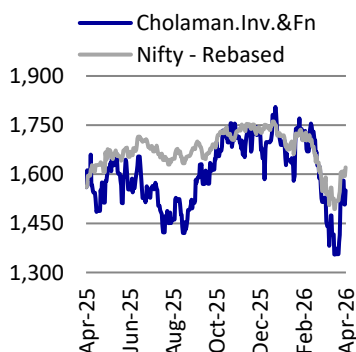
P/E (x)	25.9	21.1	16.5
P/BV (x)	4.4	3.6	3.0
Div. Yield (%)	0.1	0.2	0.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	49.7	49.9	49.9
DII	17.6	17.3	16.1
FII	26.6	26.9	27.4
Others	6.2	6.0	6.5

FII includes depository receipts

Stock Performance (1-year)



The Chola playbook: From cyclical stress to structural strength

Stabilizing risks, accelerating growth, and scaling new engines for sustained profitability

- Cholamandalam Investment and Finance (CIFC) appears to be emerging from a cyclical slowdown, with a recovery in growth momentum and early signs of asset quality improvement. The company is expected to report strong, broad-based disbursement growth across its key product segments, supported by robust demand across CVs, PVs, and two-wheelers in both new and used categories. The GST rate reduction aided affordability by lowering vehicle prices, thereby strengthening demand conditions and improving conversion rates across segments.
- Over the past 12-18 months, CIFC faced sustained asset quality pressures, with GNPA deteriorating sequentially, driven by elevated delinquencies in the vehicle finance portfolio and higher slippages in the CSEL segment; however, early signs of improvement are now visible, aided by improving collection efficiencies in VF and moderation in credit costs, led by the exit from the partnership-sourced CSEL business.
- We expect asset quality to improve further in 4Q and in FY27, supported partly by favorable seasonality and strengthening borrower cash flows, aided by a healthy monsoon, a robust kharif harvest, and improving vehicle capacity utilization. This should translate into a gradual moderation in credit costs over the coming quarters. We model credit costs (as a % of avg. AUM) of 1.65%/1.5% in FY27/FY28E (vs. ~1.75% in FY26E).
- CIFC's NIM has begun to expand over the past couple of quarters, with the company guiding a further 5-10bp dip in cost of funds, which is likely to flow through to the NIM, implying ~10bp of incremental margin expansion in 4Q. We expect margins to improve in 4QFY26, driven by lower funding costs, and thereafter remain broadly stable over the medium term. Its NIM is estimated at ~7% for both FY27/FY28E.
- The company's newer business verticals, including CD and gold loans, are scaling up well, with the gold loans network expanding to 118 branches and AUM reaching ~INR10b as of Dec'25. Additionally, the CSEL segment is witnessing a gradual recovery following a phase of stress and portfolio recalibration, with monthly disbursements reaching ~INR10b in Dec'25.
- While a temporary ceasefire between the US/Israel and Iran has been announced, the situation remains fluid and fragile, with risks of re-escalation persisting. Accordingly, we expect continued volatility in stock performance, with news flow around the evolving geopolitical situation likely to act as a key near-term trigger. This will impact both growth outlook and asset quality trajectory for the company.
- CIFC continues to demonstrate resilience through its diversified business model, prudent risk management, and focus on sustainable growth, even as it navigates a dynamic operating environment. We expect ~21% AUM CAGR and ~26% PAT CAGR over FY26-28, alongside a projected RoA/RoE of 2.7%/20.0% in FY28. We reiterate our BUY rating on the stock with a TP of INR1,870 (based on 3.6x Mar'28E BVPS).

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com) | Nitin Aggarwal (Nitin.Agg arwal@MotilalOswal.com)

Research Analyst: Raghav Khemani (Raghav.Khemani@MotilalOswal.com) | Pranav Nawale (Pranav.Nawale@MotilalOswal.com)

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AUM growth accelerates; strong momentum in VF disbursements

- Over the past 3-4 quarters, the company's disbursement trajectory remained largely flat, impacted by subdued demand in vehicle finance and asset quality-related headwinds across select segments. However, disbursement momentum has picked up from 3QFY26 onwards, supported by GST rate cuts. We expect this improvement to be sustained in 4QFY26 and FY27.
- CIFIC is increasingly focusing on scaling its consumer durable (CD), gold loan, and in-house digital lending businesses, with management guiding for a visible improvement in AUM and disbursement growth from these segments by 4QFY26. We believe the ramp-up of these businesses will support overall growth momentum while also aiding margin expansion, given their relatively higher-yield profile.
- Additionally, the retail mortgage portfolio, including LAP, home loans, and SBPL, has also delivered strong disbursement growth, supported by sustained housing demand and healthy SME credit traction. Hence, we expect an AUM growth of ~21% in the coming quarter and model an AUM CAGR of ~21% over FY26-28.

NIM tailwinds largely behind; marginal ~5-10bp upside in 4Q

- NIMs have begun to expand over the past 2-3 quarters with ~45bp of improvement already realized. The company is guiding for a further 5-10bp decline in cost of funds, which is expected to largely transmit to NIMs, implying an incremental ~10bp of margin expansion in 4QFY26.
- While benefits from lower EBLR-linked borrowings will continue to support a decline in cost of funds, the extent of further reduction is likely to be limited due to recent hardening in bond yields (up ~35bp for AA+ NBFCs) and limited incremental pass-through by banks on MCLR-linked borrowings, leading to higher incremental funding costs.
- We expect margins to improve in 4Q, driven by lower funding costs, and thereafter remain broadly stable over the medium term, with NIM estimated at ~7% for both FY27/FY28.

Tight cost control and operational efficiency driving stable opex

- CIFIC has maintained strict control over its operating expenses, demonstrating a strong focus on efficiency and cost management. It continues to leverage digital initiatives and process optimizations to enhance operational efficiency, helping offset inflationary pressures and support sustainable profitability.
- Despite continued investments in branch expansions of its gold loan business and scaling up the consumer durable business (both opex-intensive), cost ratios are expected to remain broadly stable, supported by improving productivity and operating efficiencies, driving operating leverage. We expect the opex-to-average asset ratio to be sustained at ~3.1%/3.0% over FY27/FY28.

Early signs of asset quality normalization; expect moderation in credit costs

- Asset quality trends in the vehicle finance segment are exhibiting early signs of recovery, with Stage 2 assets declining from ~3.9% to ~3.6% (~30bp improvement). Further, early delinquencies and non-starters have moderated, indicating improved collection efficiency and a positive shift in portfolio behavior.
- The stress witnessed over the past two years was largely driven by external factors such as weak monsoons and subdued capacity utilization, particularly in the SCV, LCV, and tractor segments. However, we believe that, with a recovery in demand following GST rate cuts and improving utilization levels,

disbursement momentum has strengthened, which is expected to support a gradual improvement in credit performance.

- In the CSEL segment, asset quality is gradually improving following a series of corrective actions. NCL trends have begun to moderate, declining from 7% in 2Q to ~6.4% in 3Q, with management guiding for a reduction to below 5% over the next financial year.
- We expect these improving trends across vehicle finance and CSEL to drive a gradual normalization in asset quality, leading to moderation in credit costs from 4QFY26 onwards and into FY27. Accordingly, we model credit costs (as a % of avg. AUM) of 1.65%/1.5% in FY27/FY28E (vs. ~1.75% in FY26E).

Valuation and view

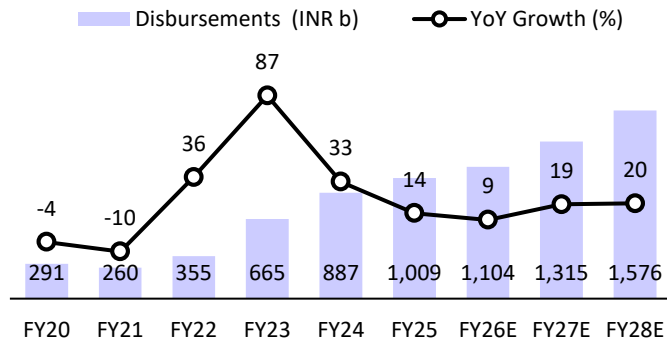
- CIFC is gradually evolving into a more robust and resilient NBFC—one that is less cyclical, more diversified, and increasingly anchored in stable, secured retail and SME income streams. The company’s measured approach of curbing exposure to riskier product lines, while simultaneously expanding newer businesses such as CD and gold loans, underscores its commitment to preserving earnings quality and retaining balance sheet strength amid a weak macro environment.
- The company is navigating a complex operating environment by reinforcing its core businesses and implementing corrective measures in the underperforming segments. We expect near-term stock performance to remain volatile, driven by elevated geopolitical uncertainty. Any persistence or escalation of tensions between the US/Israel and Iran could act as a key downside risk, potentially impacting the macro environment and weighing on growth as well as asset quality trends.
- CIFC trades at **3.6x FY27E P/BV**, a premium that we believe is well-deserved and likely to sustain. This reflects the company’s consistent focus on navigating vehicle demand cyclicalities while sustaining healthy AUM growth and stable asset quality through a well-diversified product mix. **We expect CIFC to deliver a PAT CAGR of ~26% over FY26-28, with an RoA/RoE of 2.6%/20% by FY28. We reiterate our BUY rating with a TP of INR1,870 (based on 3.6x Mar’28E BVPS).**

Exhibit 1: Valuation matrix of vehicle financiers in our coverage

Val summary	Rating	CMP (INR)	TP (INR)	MCap (INRb)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
					FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Cholamandalam	Buy	1,550	1,870	1,268	60.0	73.4	352	428	2.3	2.4	19.1	18.9	25.8	21.1	4.4	3.6
MMFS	Buy	300	350	412	19.8	23.3	178	194	1.9	2.1	12.3	12.5	15.1	12.9	1.7	1.5
Shriram Finance	Buy	1,021	1,110	1,888	51.9	53.7	343	485	3.2	3.6	16.2	14.1	19.7	19.0	3.0	2.1

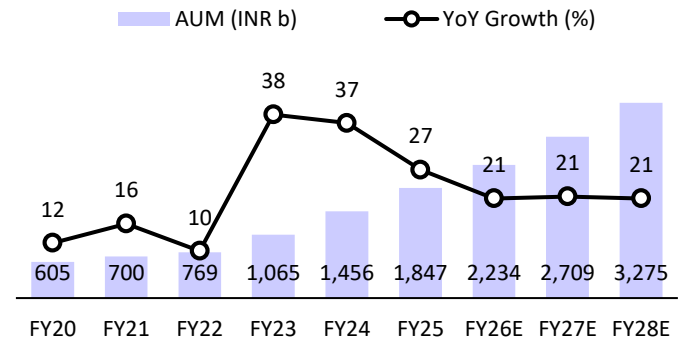
Story in charts

Exhibit 2: Disbursement CAGR of ~19% over FY26-28E



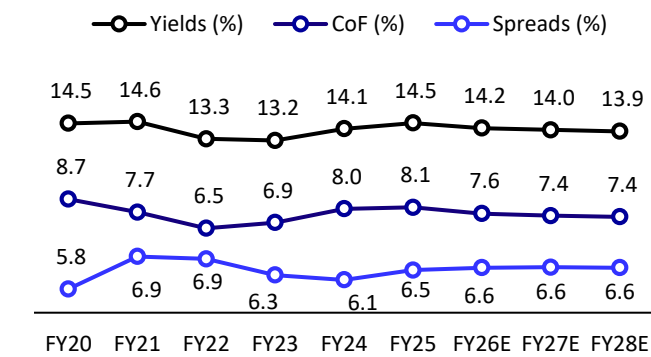
Source: MOFSL, Company

Exhibit 3: AUM CAGR of ~21% over FY26-28E



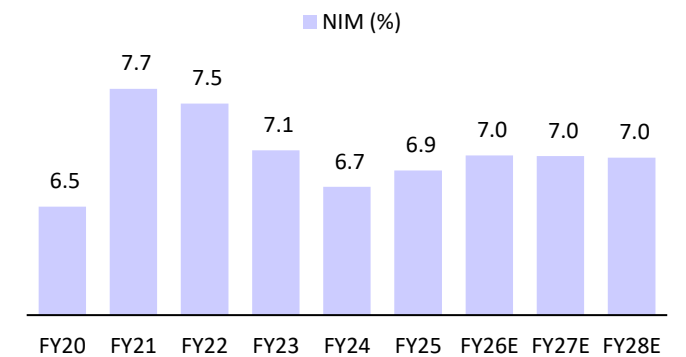
Source: MOFSL, Company

Exhibit 4: Spreads to remain stable in FY27/FY28E



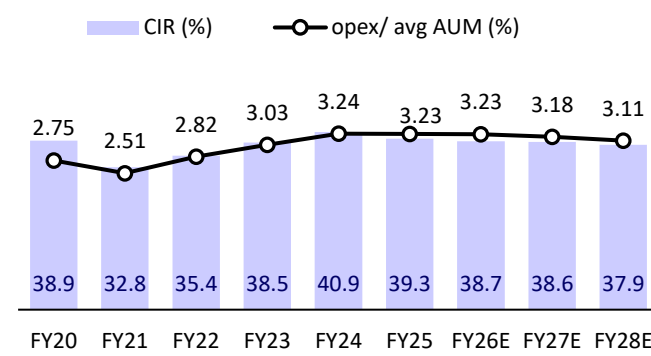
Source: MOFSL, Company

Exhibit 5: NIM to remain broadly stable



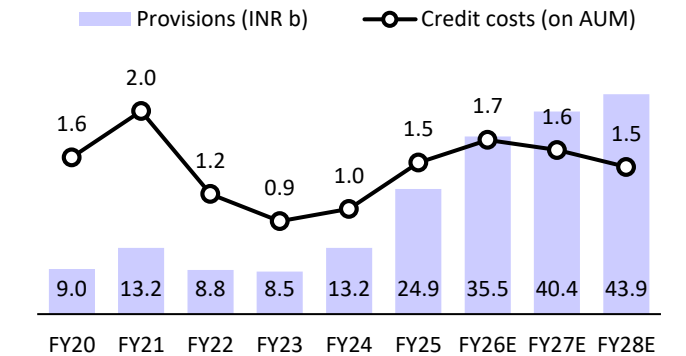
Source: MOFSL, Company

Exhibit 6: Expect cost ratios to remain broadly stable in FY27



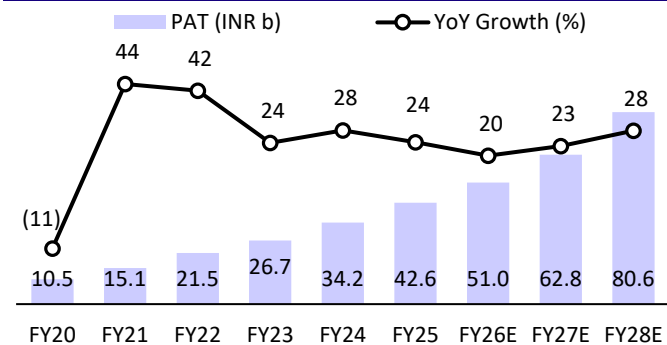
Source: MOFSL, Company

Exhibit 7: Credit costs to improve gradually



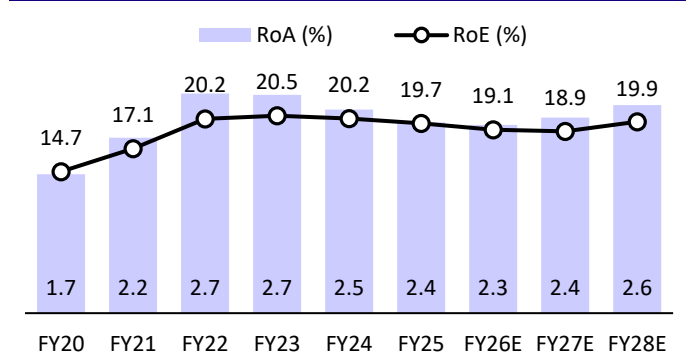
Source: MOFSL, Company

Exhibit 8: PAT CAGR of ~26% over FY26-28E



Source: MOFSL, Company

Exhibit 9: RoA/RoE of 2.6%/20% by FY28E

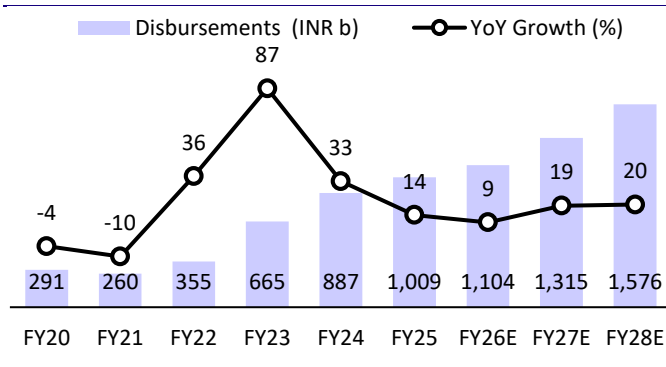


Source: MOFSL, Company

Vehicle Finance: Demand momentum continues across all categories

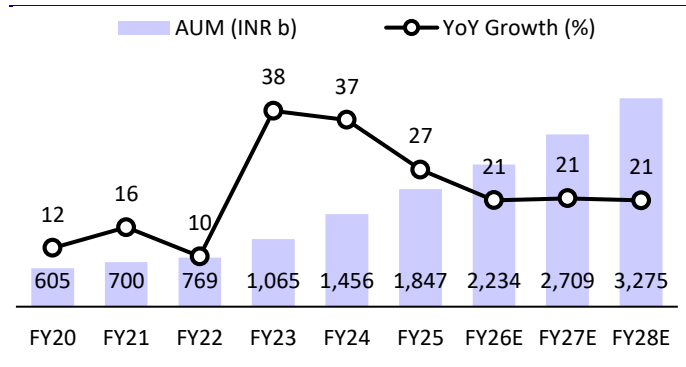
- Vehicle finance remained the key growth engine, with disbursements growing ~17% YoY, driven by broad-based industry momentum across CVs, PVs, and 2-wheelers in both new and used segments. The GST rate reduction led to lower vehicle prices, which improved affordability and boosted customer sentiment, aiding demand recovery. Growth was further supported by improving capacity utilization among transport operators, especially SRTOs, who had stayed away earlier due to weak utilization but are now re-entering the market.
- The company outperformed industry growth significantly in several segments, driven by both market share gains and cyclical recovery. In HCVs, growth was particularly strong (materially ahead of industry growth) due to a lower base over the past few years and improved ability to acquire customers as funding conditions eased. In LCVs, growth was broadly in line with industry trends, given the already high base, while SCVs continued to outperform the market, driven by higher-yield segments and strong rural/semi-urban demand.
- Across OEMs, the company reported consistent market share gains, with strong traction in Tata, Ashok Leyland, Eicher, Volvo, and Maruti, along with key 2W manufacturers such as Hero, Honda, and Royal Enfield. Importantly, growth is now being driven not just by volume expansion but also by improved sourcing quality, which is likely to support better portfolio performance going forward.
- In used vehicles, growth is also benefiting from a pickup in replacement demand, as improved new vehicle sales are leading to higher availability of good-quality used vehicles in the market. This supports both disbursement growth and asset quality.

Exhibit 10: Disbursement CAGR of ~19% over FY26-28E



Source: MOFSL, Company

Exhibit 11: AUM CAGR of ~21% over FY26-28E



Source: MOFSL, Company

Focused expansion across newer business segments; CSEL regaining momentum

- The newer product segments are gradually scaling up, with a clear focus on improving portfolio quality alongside growth.
- CSEL has undergone a phase of recalibration, with disbursements stabilizing at ~INR10b/month (vs. peak ~INR12b). The company has consciously reduced exposure to lower-quality segments, including scaling down partnership-led lending and tightening underwriting standards in the DSA/DST channels. Disbursements in the DSA/DST business are currently ~INR7b/month, while CD and digital lending contribute ~INR3b/month. Within this, CD accounts for ~INR2b and digital ~INR1b.

- A key structural change has been the segregation of the CSEL portfolio into four categories (diamond, gold, silver, and bronze), with the company now focusing only on sourcing “diamond” quality customers, which have significantly lower loss rates. While this strategy led to near-term moderation in disbursements, it sets up the portfolio for stronger and more sustainable growth, with disbursements expected to grow at ~25%+ as the base normalizes.
- Consumer durables (CD) financing continues to gain traction, supported by strong partnerships such as Samsung Finance Plus and ~9 OEM tie-ups, covering ~75% of the mobile market. Distribution capabilities are now largely in place, which should enable faster scaling going forward, with CD expected to remain a key growth driver within the segment.
- The gold loan business is also scaling up well, with disbursements of ~INR7.7b in 3QFY26 and operations across 118 branches, primarily in South and East India. This segment offers a secured, high-yield opportunity and is expected to contribute meaningfully to incremental growth.
- Overall, while growth in newer segments has been calibrated in the near term, the combination of improved underwriting, reduced partnership exposure, and stronger distribution positions these businesses for sustainable expansion.

Exhibit 12: Disbursements in newer business segments picking up from 3QFY26 onwards

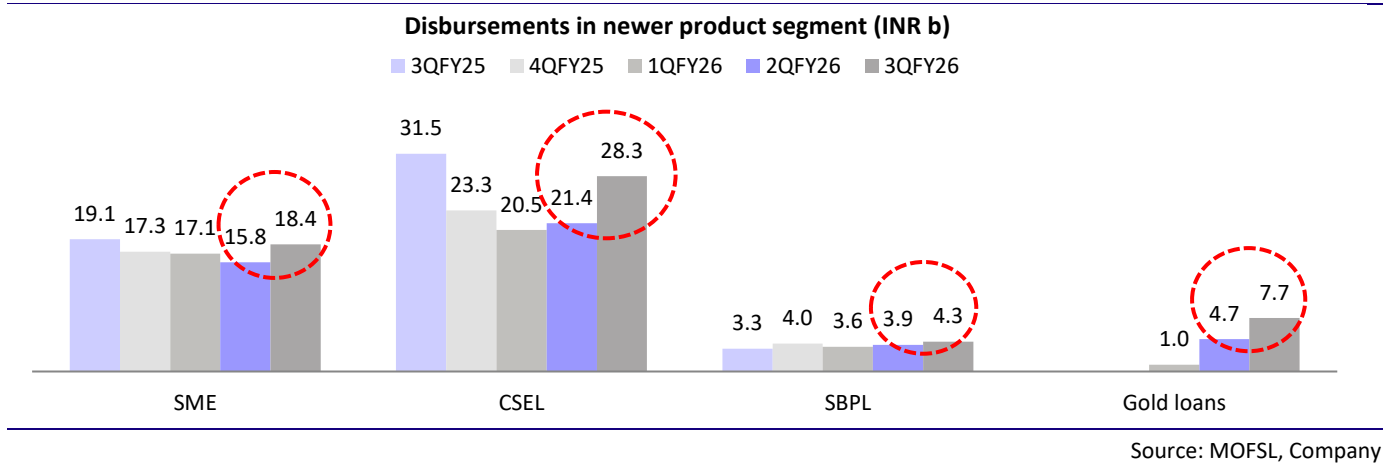
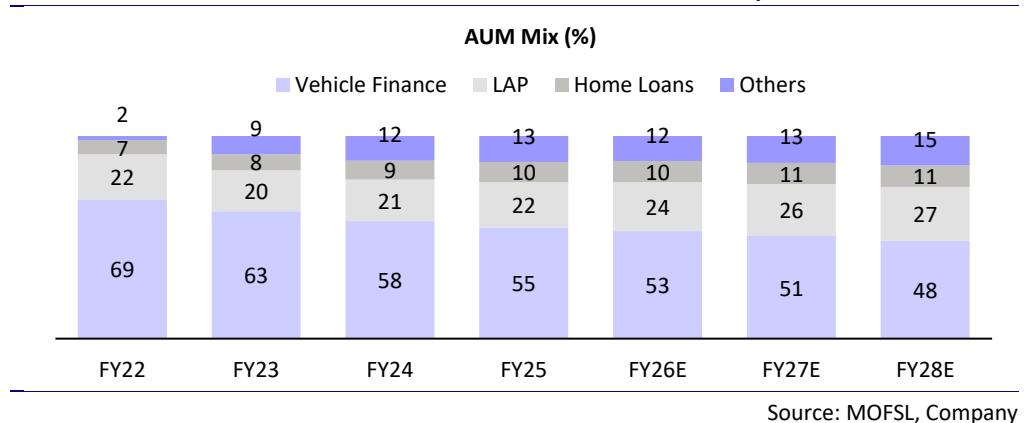


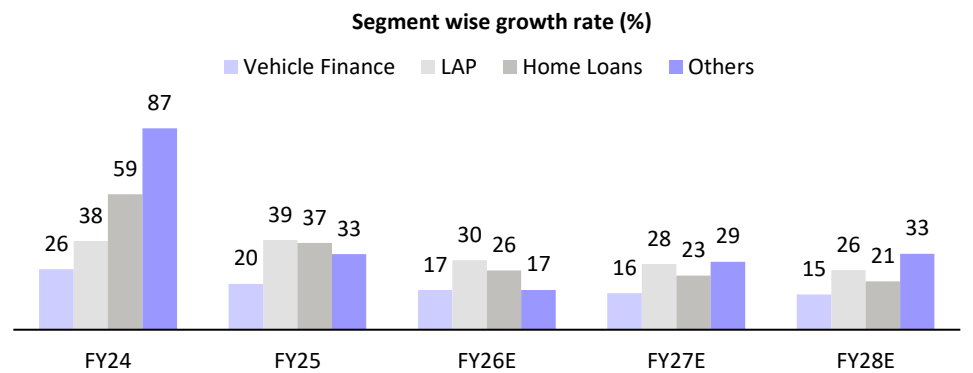
Exhibit 13: Share of Vehicle Finance in the AUM mix continues to dip



Mortgage momentum strong; SME growth normalizing post-recalibration

- The mortgage business, including LAP and home loans, delivered strong disbursement growth during 3QFY26, supported by sustained housing demand across key markets and healthy traction in SME-backed mortgage lending. Demand remained robust across both self-occupied residential properties and business-linked credit, with improved customer inquiries and higher conversion rates driving portfolio expansion. The segment continues to benefit from stable asset quality and strong underlying demand fundamentals.
- SME disbursement growth remained subdued on a YoY basis due to a conscious slowdown in supply chain finance; however, sequential growth was strong at ~16%, driven by term loans and equipment finance. AUM growth remains robust at ~33%, indicating improved traction in core SME lending segments. The business continues to deliver strong profitability, with scope for further normalization in growth as recalibration phases out.

Exhibit 14: VF growth continues to moderate, while LAP continues to remain strong

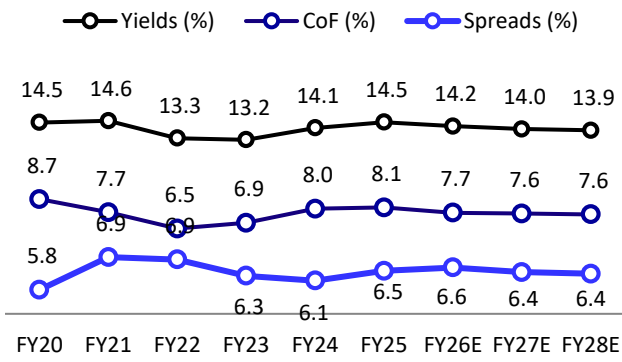


Source: MOFSL, Company

NIM tailwinds largely behind; marginal ~5-10bp upside in 4QFY26

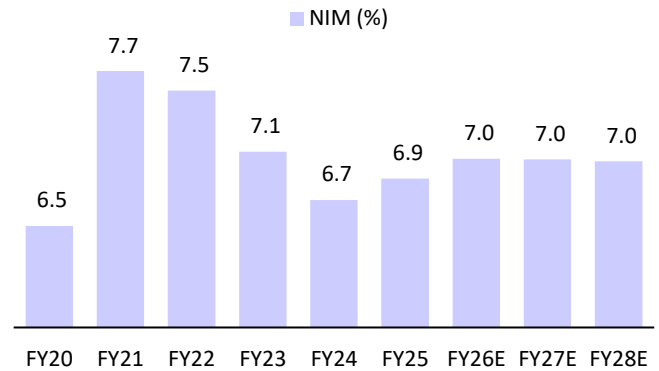
- NIMs have begun to expand over the past couple of quarters, with the company guiding for a further 5-10bp decline in the cost of funds. This reduction is expected to largely flow through to NIMs, implying ~10bp of incremental margin expansion in 4QFY26.
- Around 25% of the total borrowings are linked to external benchmarks, such as the repo rate and T-bill yields, enabling immediate transmission of rate reductions. In contrast, the benefits of market borrowings, which constitute ~50% of the borrowing mix, will accrue only upon refinancing as these instruments mature.
- We expect margins to improve in 4Q, driven by lower funding costs, and thereafter remain broadly stable over the medium term, with NIMs estimated at ~7% for both FY27/FY28E.

Exhibit 15: Estimate spreads to improve in FY26



Source: MOFSL, Company

Exhibit 16: NIM expansion to continue in FY26/FY27E



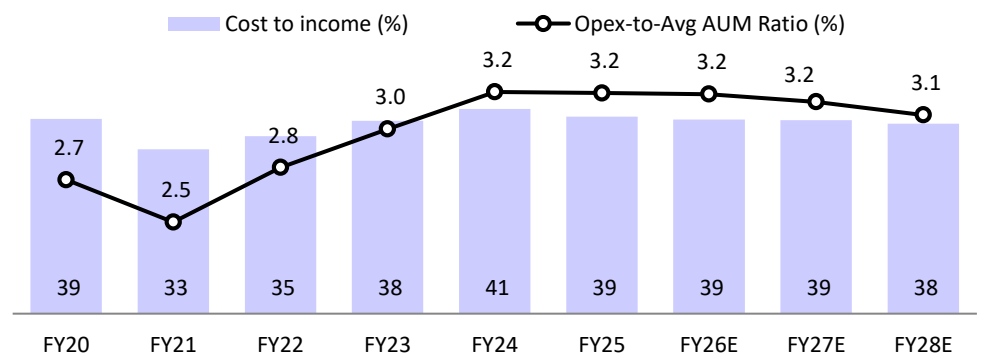
Source: MOFSL, Company

- While the benefit of lower rates on EBLR-linked borrowings is expected to flow through, supporting a decline in cost of funds, any further reduction is likely to be limited, given the recent hardening in bond market yields, which has increased the cost of incremental borrowings.
- For AA+ rated NBFCs, bond yields have risen by ~35 bps over the past two months, leading to a marginal uptick in incremental funding costs. Additionally, banks have largely refrained from passing on any further benefits on MCLR-linked borrowings, thereby capping the extent of decline in the overall cost of funds.

Tight cost control and operational efficiency driving stable opex

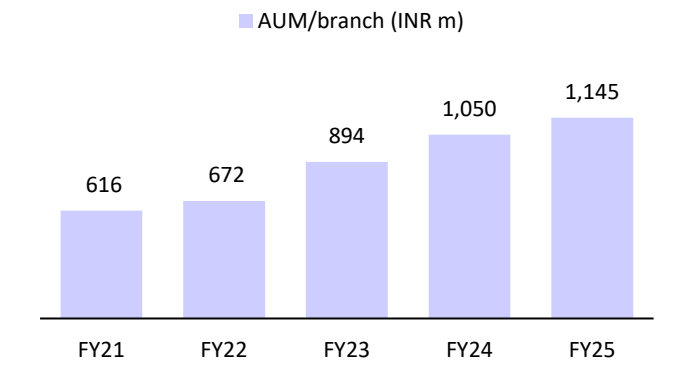
- CIFC has maintained strict control over its operating expenses, demonstrating a strong focus on efficiency and cost management. The company continues to leverage digital initiatives and process optimizations to enhance operational efficiency, helping offset inflationary pressures and support sustainable profitability.
- Despite continued investments in branch expansions of its gold loan business and scaling up the consumer durable business (both opex-intensive), cost ratios are expected to remain broadly stable, supported by improving productivity and operating efficiencies, driving operating leverage. We expect the opex-to-average asset ratio to sustain at ~3.1%/3.0% over FY27/FY28E.

Exhibit 17: Improvement in cost ratios to further support profitability



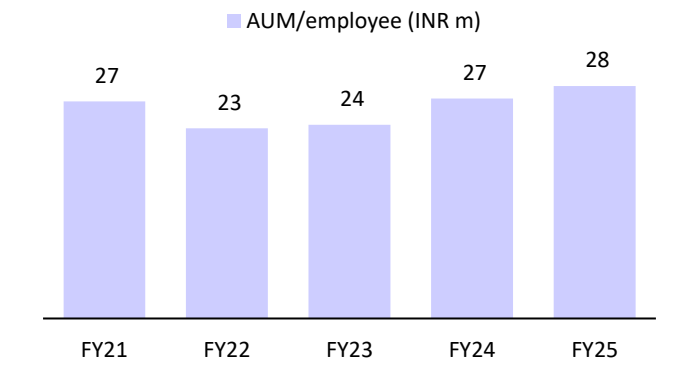
Source: MOFSL, Company

Exhibit 18: AUM/branch continues to improve



Source: MOFSL, Company

Exhibit 19: AUM/employee also inches up

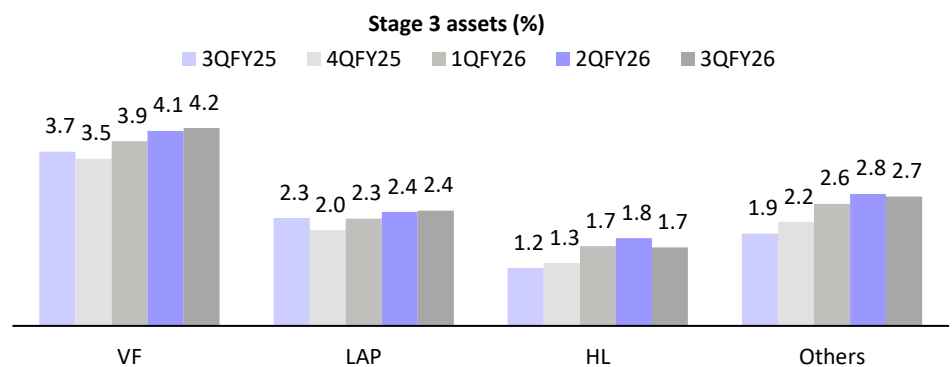


Source: MOFSL, Company

Early signs of asset quality normalization; expect moderation in credit costs

- Credit costs saw a marginal improvement, supported by the continued run-down of the fintech portfolio, while the vehicle finance (VF) segment has largely stabilized with a visible moderation expected in 4Q. Of the overall portfolio, elevated NCLs are concentrated in two segments—vehicle finance and CSEL where stress in VF is largely macro-driven, whereas CSEL pressures stem from the partnership book and earlier industry-wide underwriting issues such as multiple lending and high borrower leverage.
- In CSEL, asset quality is improving, with the partnership book significantly reduced from ~INR30b to ~INR6b. This should largely eliminate related losses from FY27. Additionally, the traditional unsecured CSEL portfolio is witnessing a decline in NCLs, with the segment expected to trend towards ~5% over time, driven by tighter underwriting and the normalization of industry practices.

Exhibit 20: Stage 3 trends across product segments over the past five quarters

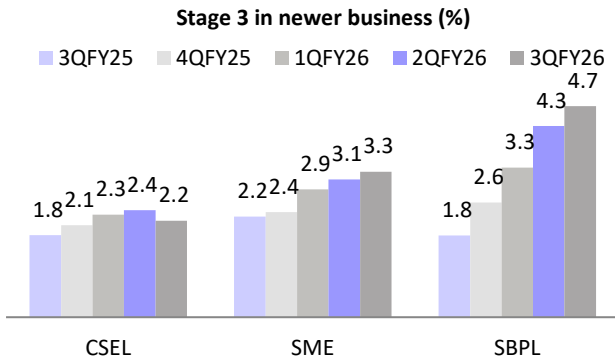


Source: MOFSL, Company

- Within vehicle finance, early stress indicators are showing improvement, with Stage 2 assets declining (~30bps sequentially) and early delinquencies moderating, indicating improving collection efficiency. While Stage 3 remains stable, it is expected to improve with a lag.
- The earlier stress in small CV, LCV, and tractor segments impacted by weak monsoons and lower utilization over the past two years is now reversing, aided by improving demand, higher disbursements, and better capacity utilization post GST cuts.

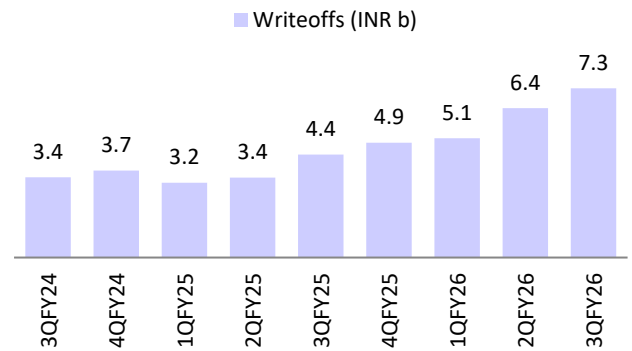
- Overall, the credit cost trajectory across key segments appears to be improving, with both VF and CSEL expected to see gradual normalization, supported by better collections, improving borrower cash flows, and portfolio recalibration.
- We expect these improving trends across vehicle finance and CSEL to drive a gradual normalization in asset quality, leading to moderation in credit costs from 4QFY26 onwards and into FY27. Accordingly, we model credit costs (as a % of avg. AUM) of 1.65%/1.5% in FY27/FY28E (vs. ~1.75% in FY26E).

Exhibit 21: Rise in Stage 3 in newer businesses



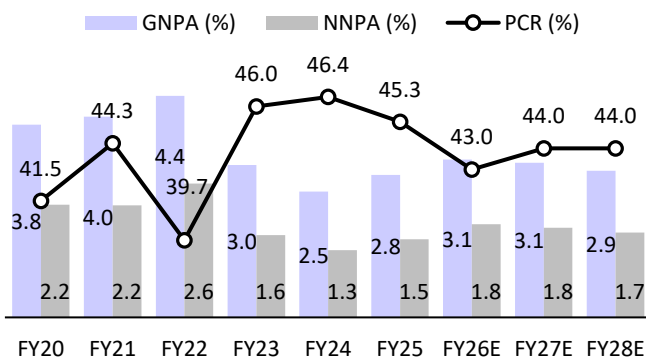
Source: MOFSL, Company

Exhibit 22: Write-offs have increased in the past three quarters



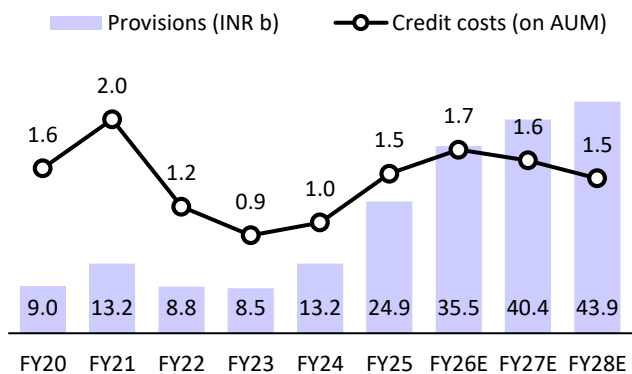
Source: MOFSL, Company

Exhibit 23: Expect asset quality to remain broadly stable



Source: MOFSL, Company

Exhibit 24: Expect credit costs of 1.6%/1.5% in FY26/FY27

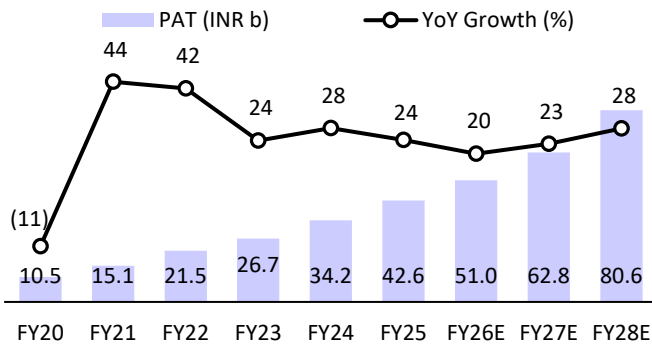


Source: MOFSL, Company

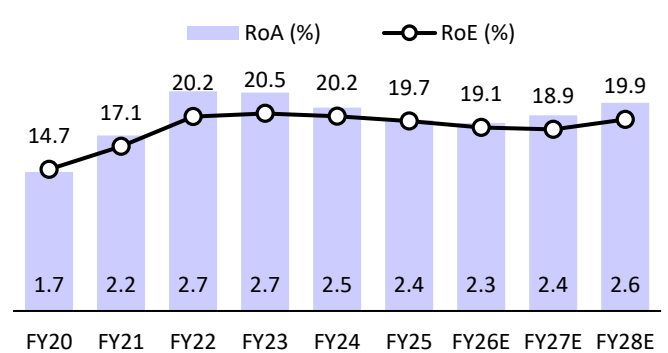
Valuation and view

- CIFC is gradually evolving into a more robust and resilient NBFC—one that is less cyclical, more diversified, and increasingly anchored in stable, secured retail and SME income streams. The company’s measured approach of curbing exposure to riskier product lines, while simultaneously expanding newer businesses such as CD and gold loans, underscores its commitment to preserving earnings quality and retaining balance sheet strength amid a weak macro environment.
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- CIFIC trades at 3.6x FY27E P/BV, a premium that we believe is well-deserved and likely to sustain. This reflects the company's consistent focus on navigating vehicle demand cyclicity while sustaining healthy AUM growth and stable asset quality through a well-diversified product mix. We expect CIFIC to deliver a PAT CAGR of ~26% over FY26-28, with an RoA/RoE of 2.6%/20% by FY28. We reiterate our BUY rating with a TP of INR1,870 (based on 3.6x Mar'28E BVPS).

Exhibit 25: PAT CAGR of ~26% over FY26-28E


Source: MOFSL, Company

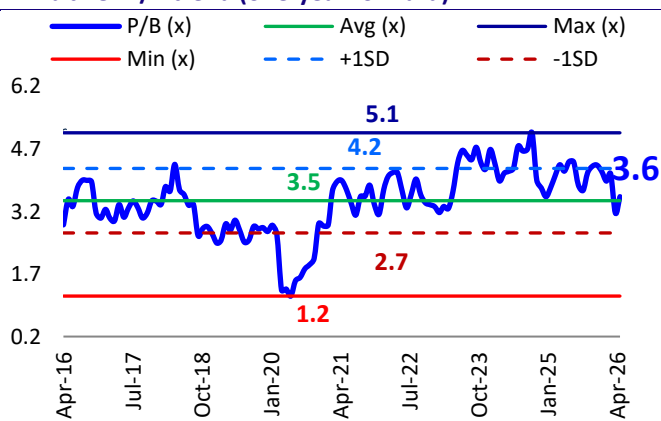
Exhibit 26: RoA/RoE of 2.6%/20% by FY28E


Source: MOFSL, Company

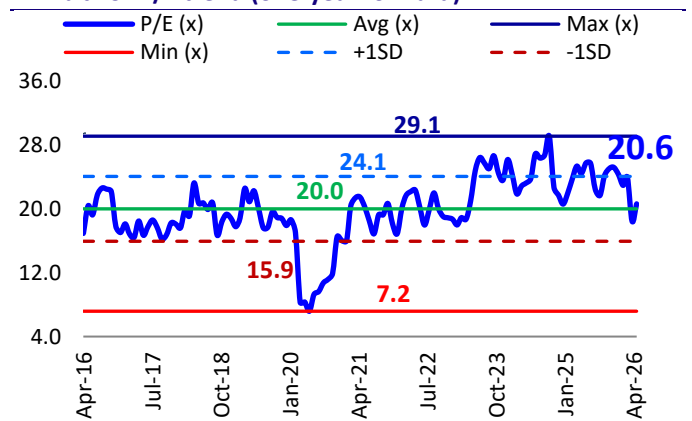
Exhibit 27: DuPont analysis

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	12.9	12.8	11.9	12.1	13.0	13.2	13.0	13.0	13.0
Interest Expended	7.6	6.6	5.5	5.9	6.8	7.0	6.6	6.5	6.5
Net Interest Income	5.4	6.2	6.4	6.2	6.2	6.3	6.4	6.5	6.6
Other Operating Income	1.3	1.0	1.0	1.2	1.2	1.3	1.4	1.4	1.4
Other Income	0.0	0.1	0.1	0.2	0.3	0.2	0.2	0.2	0.2
Net Income	6.7	7.2	7.4	7.4	7.4	7.6	7.8	7.9	7.9
Operating Expenses	2.6	2.4	2.6	2.8	3.0	3.0	3.0	3.1	3.0
Operating Income	4.1	4.9	4.8	4.5	4.4	4.6	4.8	4.9	4.9
Provisions/write offs	1.5	1.9	1.1	0.9	1.0	1.4	1.6	1.6	1.4
PBT	2.6	2.9	3.7	3.7	3.4	3.2	3.2	3.3	3.5
Tax	0.9	0.8	0.9	1.0	0.9	0.8	0.8	0.8	0.9
Reported PAT	1.7	2.2	2.7	2.7	2.5	2.4	2.3	2.4	2.6
Leverage	8.5	7.8	7.4	7.5	8.0	8.3	8.1	7.7	7.7
RoE	14.7	17.1	20.2	20.5	20.2	19.7	19.1	18.9	19.9

Source: MOFSL, Company

Exhibit 28: P/B trend (one-year forward)


Source: MOFSL, Company

Exhibit 29: P/E trend (one-year forward)


Source: MOFSL, Company

Financials and valuation

Income Statement										(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
Interest Income	78,417	88,772	93,251	1,18,084	1,75,637	2,37,200	2,83,791	3,36,072	4,03,976	
Interest Expenses	45,922	45,759	42,988	57,488	92,306	1,24,849	1,43,695	1,67,705	2,00,545	
Net Interest Income	32,495	43,013	50,263	60,596	83,331	1,12,351	1,40,096	1,68,367	2,03,431	
Change (%)	11.8	32.4	16.9	20.6	37.5	34.8	24.7	20.2	20.8	
Income from assignments	2,473	0	0	0	0	1,590	4,533	4,079	3,875	
Other Operating Income	5,637	6,388	7,232	9,487	12,815	18,666	21,097	26,528	33,049	
Other Income	3	596	905	2,209	3,711	3,092	4,329	4,762	5,142	
Total Income	40,607	49,997	58,400	72,292	99,857	1,35,699	1,70,055	2,03,736	2,45,498	
Change (%)	19.3	23.1	16.8	23.8	38.1	35.9	25.3	19.8	20.5	
Total Operating Expenses	15,776	16,394	20,687	27,799	40,818	53,388	65,843	78,682	93,066	
Change (%)	24.3	3.9	26.2	34.4	46.8	30.8	23.3	19.5	18.3	
Employee Expenses	6,550	7,494	8,945	12,657	23,306	32,805	42,319	51,629	61,954	
Business Origination Expenses	2,398	2,242	2,259	2,744	0	0	0	0	0	
Other Operating Expenses	6,828	6,659	9,483	12,398	17,512	20,583	23,525	27,054	31,112	
Operating Profit	24,831	33,603	37,712	44,494	59,039	82,311	1,04,212	1,25,053	1,52,432	
Change (%)	16.3	35.3	12.2	18.0	32.7	39.4	26.6	20.0	21.9	
Total Provisions	8,973	13,218	8,803	8,497	13,218	24,943	35,467	40,447	43,891	
% of Operating Profit	36.1	39.3	23.3	19.1	22.4	30.3	34.0	32.3	28.8	
PBT	15,857	20,384	28,909	35,997	45,821	57,369	68,745	84,607	1,08,541	
Tax Provisions	5,334	5,235	7,442	9,335	11,593	14,783	17,715	21,802	27,970	
Tax Rate (%)	33.6	25.7	25.7	25.9	25.3	25.8	25.8	25.8	25.8	
Extraordinary Items	0	0	0	0	0	0	0	0	0	
PAT	10,524	15,149	21,467	26,662	34,228	42,585	51,030	62,804	80,571	
Change (%)	-11.3	44.0	41.7	24.2	28.4	24.4	19.8	23.1	28.3	
Proposed Dividend	1,662	1,640	1,641	1,645	1,681	1,683	1,702	2,139	2,139	

Balance Sheet										(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
Share Capital	1,640	1,640	1,643	1,645	1,681	1,683	1,702	1,711	1,711	
Equity Share Capital	1,640	1,640	1,643	1,645	1,681	1,683	1,702	1,711	1,711	
Preference Share Capital	0	0	0	0	0	0	0	0	0	
Reserves & Surplus	80,079	93,962	1,15,434	1,41,316	1,93,885	2,34,592	2,97,599	3,64,555	4,42,986	
Net Worth for Equity Shareholders	81,718	95,602	1,17,077	1,42,961	1,95,565	2,36,274	2,99,302	3,66,267	4,44,698	
Borrowings	5,50,054	6,37,300	6,91,735	9,73,561	13,44,736	17,49,461	20,02,369	24,10,934	29,01,523	
Change (%)	8.8	15.9	8.5	40.7	38.1	30.1	14.5	20.4	20.3	
Total Liabilities	6,39,930	7,45,484	8,23,634	11,35,155	15,64,508	20,16,476	23,37,022	28,17,855	33,92,974	
Investments	729	16,188	20,762	36,280	41,002	63,904	60,071	69,917	81,243	
Change (%)	0.0	2,120.0	28.3	74.7	13.0	55.9	-6.0	16.4	16.2	
Loans	5,54,027	6,58,393	7,41,492	10,47,483	14,44,243	18,19,299	21,66,534	26,27,647	31,76,611	
Change (%)	5.3	18.8	12.6	41.3	37.9	26.0	19.1	21.3	20.9	
Net Fixed Assets	2,839	2,294	2,685	4,233	16,067	17,827	21,393	25,671	29,522	
Total Assets	6,39,930	7,45,484	8,23,634	11,35,155	15,64,508	20,16,476	23,37,022	28,17,855	33,92,974	

E: MOFSL Estimates

Financials and valuation

Ratios	(%)								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Avg. Yield on Loans	14.5	14.6	13.3	13.2	14.1	14.5	14.2	14.0	13.9
Avg Cost of Funds	8.7	7.7	6.5	6.9	8.0	8.1	7.7	7.6	7.6
Spread of loans	5.8	6.9	6.9	6.3	6.1	6.5	6.6	6.4	6.4
NIM (on loans)	6.5	7.7	7.5	7.1	6.7	6.89	7.03	7.02	7.0
Profitability Ratios (%)									
RoE	14.7	17.1	20.2	20.5	20.2	19.7	19.1	18.9	19.9
RoA	1.7	2.2	2.7	2.7	2.5	2.4	2.3	2.4	2.6
Int. Expended / Int. Earned	58.6	51.5	46.1	48.7	52.6	52.6	50.6	49.9	49.6
Other Inc. / Net Income	13.9	14.0	13.9	16.2	16.5	16.0	15.0	15.4	15.6
Efficiency Ratios (%)									
Op. Exp. / Net Income	38.9	32.8	35.4	38.5	40.9	39.3	38.7	38.6	37.9
Empl. Cost/Op. Exps.	41.5	45.7	43.2	45.5	57.1	61.4	64.3	65.6	66.6
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	101	103	107	108	107	104	108	109	109
Net NPAs to Net Adv.	2.2	2.2	2.6	1.6	1.3	1.5	1.8	1.8	1.7
Assets/Equity	7.8	7.8	7.0	7.9	8.0	8.5	7.8	7.7	7.6
Average leverage	8.5	7.8	7.4	7.5	8.0	8.3	8.1	7.7	7.7
Valuations									
Book Value (INR)	100	117	143	174	233	281	352	428	520
BV Growth (%)	26.9	17.0	22.2	22.0	33.9	20.7	25.2	21.7	21.4
Price-BV (x)	15.6	13.3	10.9	8.9	6.7	5.5	4.4	3.6	3.0
EPS (INR)	13	18	26	32	41	51	60	73	94
EPS Growth (%)	-15.4	44.0	41.4	24.0	25.6	24.3	18.4	22.4	28.3
Price-Earnings (x)	120.8	83.9	59.3	47.8	38.1	30.6	25.9	21.1	16.5
Dividend per share	1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2

E: MOFSL Estimates

AUM Mix (%)									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	6,05,490	6,99,960	7,69,070	10,64,980	14,55,720	18,47,460	22,33,540	27,08,915	32,74,857
Change (%)	11.6	15.6	9.9	38.5	36.7	26.9	20.9	21.3	20.9
On Books AUM	5,51,350	6,58,380	7,41,420	10,47,360	14,43,510	18,19,290	21,66,534	26,27,647	31,76,611
Change (%)	4.8	19.4	12.6	41.3	37.8	26.0	19.1	21.3	20.9
% of AUM	91.1	94.1	96.4	98.3	99.2	98.5	97.0	97.0	97.0
Off Books AUM	54,140	41,580	27,650	17,620	12,210	28,170	67,006	81,267	98,246
Change (%)	223.8	-23.2	-33.5	-36.3	-30.7	130.7	137.9	21.3	20.9
% of AUM	8.9	5.9	3.6	1.7	0.8	1.5	3.0	3.0	3.0

E: MOFSL Estimates

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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