

Cholamandalam Inv & Fin

BSE SENSEX
82,030

S&P CNX
25,146



Stock Info

Bloomberg	CIFC IN
Equity Shares (m)	841
M.Cap.(INRb)/(USD\$)	1384.7 / 15.6
52-Week Range (INR)	1684 / 1168
1, 6, 12 Rel. Per (%)	9/1/9
12M Avg Val (INR M)	2710
Free float (%)	50.1

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	135.7	170.4	205.1
PPP	82.3	104.4	127.1
PAT	42.6	52.6	67.8
EPS (INR)	50.6	61.3	79.0
EPS Gr. (%)	24	21	29
BV (INR)	281	358	434

Ratios

NIM (%)	6.9	7.0	7.1
C/I ratio (%)	39.3	38.7	38.0
RoAA (%)	2.4	2.4	2.6
RoE (%)	19.7	19.4	19.9
Payout (%)	4.0	3.3	3.2

Valuations

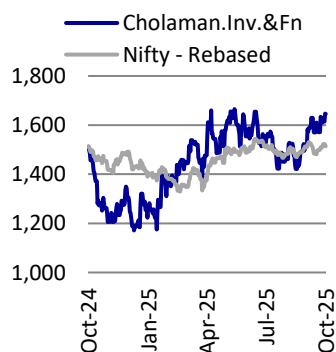
P/E (x)	32.5	26.8	20.8
P/BV (x)	5.9	4.6	3.8
Div. Yield (%)	0.1	0.1	0.2

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	49.9	49.9	50.3
DII	16.1	15.5	16.9
FII	28.0	28.2	26.6
Others	6.1	6.4	6.2

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR1,646

TP: INR1,920 (+17%)

Buy

Cyclical soft patch; long-term engines intact

Recalibrating to enhance quality and build a more resilient franchise with structural strength

- Cholamandalam Investment and Finance (CIFC) is currently navigating a cyclical soft patch, reflected in moderation in business volumes and AUM growth. This phase has also coincided with the strategic winding down of the CSEL business, which was developed through digital partnerships. To offset this, the company is actively building new growth engines, such as consumer durables and gold loans—both segments with significant potential to scale over the medium term.
- In terms of asset quality, the company has witnessed some seasonal weakness, further accentuated by early and prolonged monsoons. In FY26-YTD, credit costs have remained elevated for the company, driven by multiple factors, including: 1) higher delinquencies in newer business segments, 2) the early onset of monsoon that disrupted fleet utilization, particularly in mining and rural transport markets, and 3) widespread floods in certain parts of the country, which affected operations and collections. We believe that credit costs are likely to remain elevated in 2Q as well, driven by extended (and early) monsoons and localized flood-related disruptions.
- We expect asset quality pressures in the vehicle finance segment to persist in the near term, with the second half of this fiscal year likely to see a recovery as seasonal trends turn favorable, fleet utilization improves, festive demand picks up, and the agricultural cycle strengthens.
- Amid a challenging macroeconomic environment and initial issues in segments such as consumer durables and gold loans, the company remains strategically focused on safeguarding asset quality and redirecting growth toward segments that offer superior risk-adjusted returns—a philosophy set to drive CIFC's next phase of expansion. NIM tailwinds are expected to continue and further expand in 2HFY26, supported by a decline in the CoF driven by the transmission of MCLR rate cuts from banks.
- CIFC's entry into gold loans marks a diversification into a high-yield, high-frequency retail lending business. The company opened ~73 dedicated gold loan branches in 1QFY26 and plans to expand to over 100 in the near future. Given the secured and short-tenor nature of this product, the company plans to scale this business in a calibrated manner through FY26, initially strengthening its presence in urban markets before expanding deeper into rural and semi-urban markets.
- 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. The company is actively working to improve asset quality amid a weak macro environment. Although currently experiencing a soft cyclical patch, CIFC remains a robust franchise, with an expected CAGR of ~20% in AUM and ~25% in PAT over FY25-28, alongside projected RoA/RoE of 2.7%/20% in FY28. **Reiterate our BUY rating with a TP of INR1,920 (4x Sep'27E BVPS).**

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Moderation in AUM growth; vehicle volumes will be a key monitorable

- CIFIC's AUM growth stood at 23% as of 1QFY26 and is expected to moderate to ~21% by 1HFY26, reflecting deferred vehicle sales (driven by the announcement of GST rate cut in mid-Aug'25) and relatively lower disbursements in certain new business verticals. Disbursement momentum is anticipated to revive in 2H, supported by festive-season demand, improving rural cash flows, some spillover in vehicle sales from 2Q to 3Q/4Q, and a pick-up in its newer gold loan business.
- Going forward, CIFIC will focus on expanding its consumer durable (CD), gold loan, and in-house digital lending businesses, with the company expecting a noticeable improvement in AUM and disbursement growth from these segments by 4QFY26.
- For VFs, the cut in vehicle prices has led to loan amounts being ~5-6% lower (assuming LTVs remain constant). Consequently, auto sales volumes need to increase by ~10-11% to achieve any noticeable improvement in disbursement growth. Vehicle volumes did pick up after 22nd Sep'25, driven by pent-up demand and the GST rate cut coinciding with Navratri. However, the key monitorable remains whether this momentum in vehicle sales will sustain over the medium term or taper off within the next 3-4 months. We model AUM growth of 21%/20% in FY26/FY27E.

NIM tailwinds to continue; expect expansion of ~10-15bp in FY26

- CIFIC will continue to benefit from a declining interest rate environment, with the company guiding for an NIM expansion of 12-15bp in FY26. This improvement is expected to be primarily driven by a reduction in its CoB and the ability to maintain decent yields even in its floating-rate product segments.
- The company's CoB is projected to decline by ~25-30bp in FY26, with the impact largely expected to be back-ended. Nearly half of CIFIC's bank borrowings are linked to Repo and T-Bill rates, which reprice quickly, while most MCLR-linked borrowings are also expected to show a decline as banks more effectively transmit lower interest rates through their MCLR rates in 2HFY26.
- NIM expansion in FY26 is also expected to be back-ended, with stronger improvement anticipated in 2HFY26. Supported by a gradually improving funding environment and a balanced liability profile, CIFIC is well-positioned to deliver margin expansion in the near-to-medium term. We model an NIM expansion of ~10-15bp each in FY26/FY27.

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. The company continues to leverage digital initiatives and process optimizations to enhance operational efficiency, helping offset inflationary pressures and support sustainable profitability.
- While the cost ratios are expected to remain slightly elevated in the coming quarters, CIFIC's continued emphasis on cost discipline and productivity is likely to keep overall operating ratios well-contained in FY26. CIFIC will be adding dedicated gold loan branches this year, while branch additions in other product segments are expected to remain limited.
- CIFIC is prioritizing productivity improvements within its existing branch network to drive greater operating leverage. We expect opex/avg. assets to remain stable at ~3% in FY26/FY27.

Near-term pressure on credit costs; gradual relief expected in 2H

- In FY26YTD, the company's credit cost remained elevated, driven by a combination of cyclical and operational headwinds as highlighted above. These factors, coupled with higher delinquencies in new business segments, early and extended monsoons, and a broader slowdown in industrial activity, have exerted pressure on asset quality.
- Management shared that stress in unsecured MSME lending will be relatively contained for the company, given its limited exposure to this segment. The company has also discontinued newer originations in its fintech-originated CSEL business and tightened underwriting norms in unsecured products to course correct and mitigate incremental slippages. Additionally, it has reduced exposure to supply chain financing, given the lower risk-adjusted returns in this segment. This calibration may moderate near-term growth but is expected to strengthen the company's risk profile and provide more stability to NIM.
- Given the macro environment (and vehicle financing in particular) in 1HFY26, we expect credit costs in FY26 to remain ~10bp higher YoY at ~1.6%. However, if rural income and industrial activity strengthen through 2HFY26, it could help mitigate further risks to rising credit costs for the fiscal year.
- We believe that near-term asset quality pressures are likely to persist in 2QFY26, driven by prolonged (and early) monsoons and stress in newer businesses. However, a gradual improvement is anticipated from 3QFY26 as fleet utilization improves, infrastructure and construction activities pick up, and agricultural cash flows gain traction.

Valuation and view

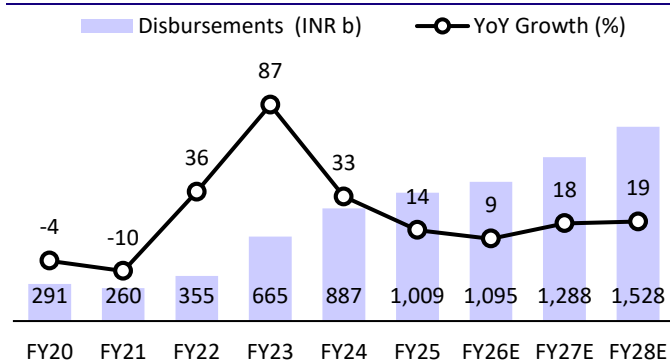
- CIFIC is gradually evolving into a more robust and resilient NBFC—one that is less cyclical, more diversified, and increasingly anchored in stable, secured retail and SME income streams. The company's measured approach of curbing exposure to riskier product lines, while simultaneously expanding newer businesses, such as CD and gold loans, underscores its commitment to preserving earnings quality and maintaining balance sheet strength amid a weak macro environment.
- The company is navigating a complex operating environment by reinforcing its core businesses while taking corrective measures in underperforming segments. A key management priority is improving operational efficiency, with efforts directed toward enhancing productivity and optimizing costs, particularly in its vehicle and home loan businesses.
- CIFIC trades at **3.8x 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 ~25% over FY25-28, with RoA/RoE of 2.7%/20% by FY28. We reiterate BUY with a TP of INR 1,920 (based on 4x Sep'27E BVPS).

Exhibit 1: Valuation matrix of vehicle financiers in our coverage

Val summary	Rating	CMP (INR)	TP (INR)	Mkt. Cap (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	1,646	1,920	1,384	61.3	79.0	358	434	2.4	2.6	19.4	19.9	26.8	20.9	4.6	3.8
MMFS	Buy	288	315	395	18.4	23.3	177	194	1.8	2.0	11.5	12.6	15.6	12.3	1.6	1.5
Shriram Finance	Buy	674	770	1,264	49.4	59.9	341	389	3.0	3.2	15.4	16.4	13.6	11.2	2.0	1.7

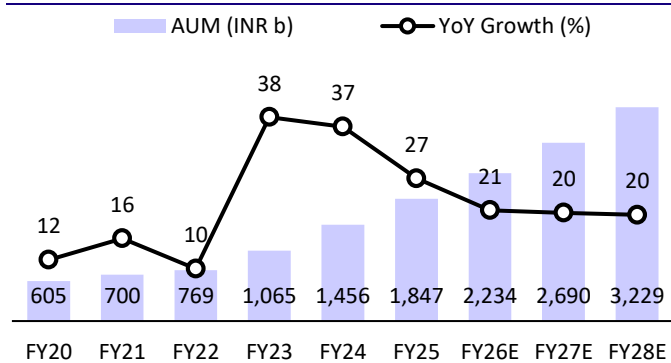
Story in charts

Exhibit 2: Disbursements CAGR of ~15% over FY25-28E



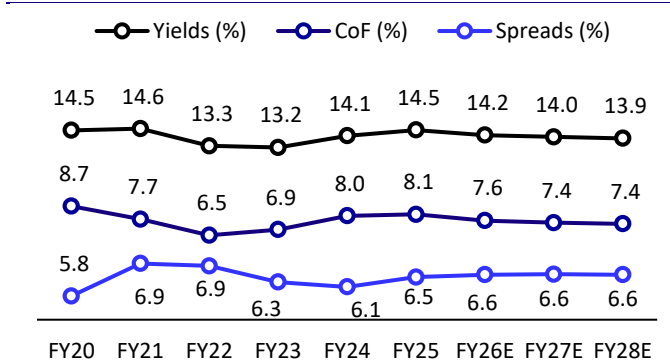
Source: MOFSL, Company

Exhibit 3: AUM CAGR of ~20% over FY25-28E



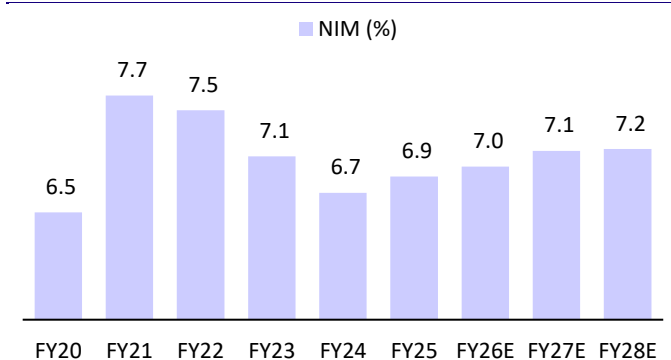
Source: MOFSL, Company

Exhibit 4: Estimate spreads to improve slightly in FY26E



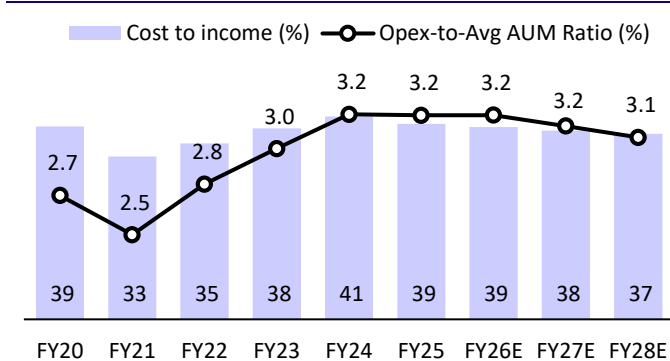
Source: MOFSL, Company

Exhibit 5: NIMs will continue to expand in FY26/FY27E



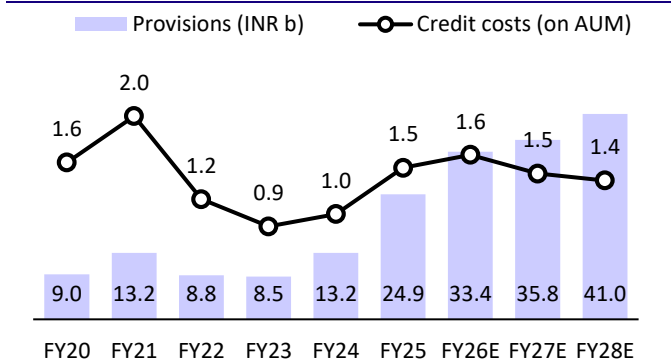
Source: MOFSL, Company

Exhibit 6: Expect cost ratios to remain broadly stable in FY26



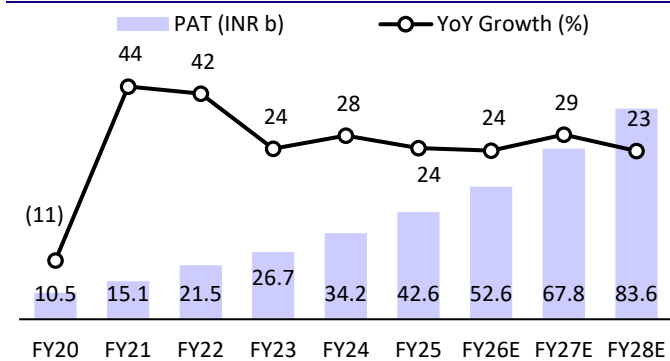
Source: MOFSL, Company

Exhibit 7: Estimate credit costs to inch up slightly in FY26E



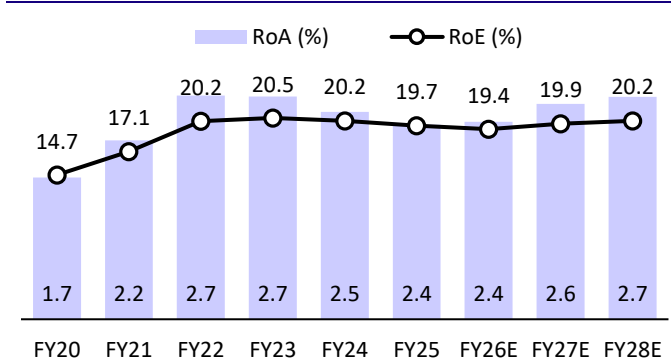
Source: MOFSL, Company

Exhibit 8: PAT CAGR of ~25% over FY25-28E



Source: MOFSL, Company

Exhibit 9: RoA/RoE of 2.7%/20% by FY28E



Source: MOFSL, Company

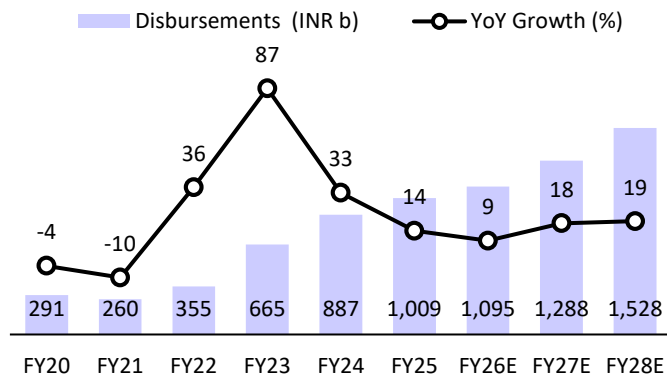
Vehicle Finance: Early signs of revival but sustained growth a key monitorable

- After a muted FY25 and a soft start to FY26, vehicle sales are expected to exhibit encouraging signs of recovery in 2HFY26. The 2W and commercial vehicle (CV) segments have witnessed a rebound in volumes, while demand in the PV segment remains relatively subdued. The tractor segment, meanwhile, continues to outperform, sustaining strong growth and emerging as the best-performing category within the auto sector.
- The GST Council has provided a much-needed booster shot to the auto sector by reducing the tax rates on the majority of auto segments. These timely rate cuts, coupled with other sectoral tailwinds like (now) receding monsoons, improving rural sentiment, a ~1pp reduction in repo rates in CY25, and income tax benefits, are expected to revive demand for the auto sector from this festive season onwards.
- The festive season has started off on a strong note across segments, with most OEMs reporting a strong revival in demand on the back of GST rate cuts, some pent-up demand, and positive rural sentiment. Notably, entry-level vehicle demand has recovered from the lows, albeit with high discounts. With the marriage season starting in Nov'25, demand is likely to remain strong after the festive season as well. Once demand is restored, we expect discounts on vehicles to gradually trend lower.

Moderation in AUM growth; rural recovery should sustain

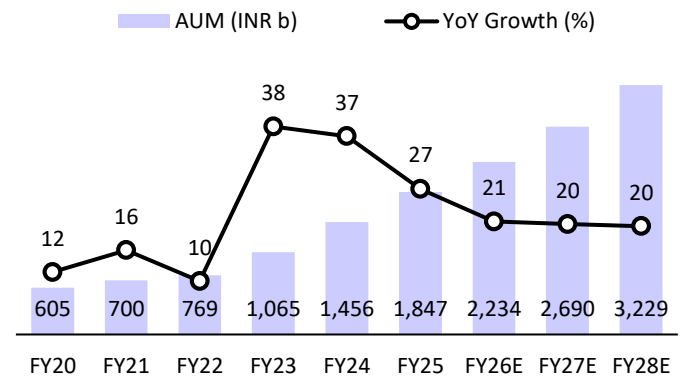
- CIFC has a well-diversified loan portfolio across various business segments, with VF making up ~54% of its total AUM as of Jun'25. The company has strategically broadened its footprint in the LAP and home loan segments, which represent ~23% and ~10% of the loan mix, respectively. Notably, the newer business segments, including SME, CSEL, SBPL, and gold loans, contribute ~13% to the overall AUM mix.
- CIFC's AUM growth stood at 23% as of 1QFY26 and is expected to moderate to ~21% as in 1HFY26, reflecting deferred vehicle sales (driven by the announcement of the GST rate cut in mid-Aug'25) and relatively lower disbursements in certain newer business verticals.
- Management indicated that growth momentum will hinge on the revival of rural sentiment, a pickup in industrial activity, festive season demand, and normalization in fleet utilization within the vehicle finance segment.
- Vehicle volumes did pick up after 22nd Sep'25, driven by pent-up demand and the GST rate cut coinciding with Navratri. However, the key monitorable is whether this momentum in vehicle sales will sustain over the medium term or taper off within the next 3-4 months. If vehicle sales momentum continues into 2H, vehicle finance disbursements could accelerate, potentially driving stronger-than-expected AUM growth. We model AUM growth of 21%/20% in FY26/FY27E.

Exhibit 10: Disbursements CAGR of ~15% over FY25-28E



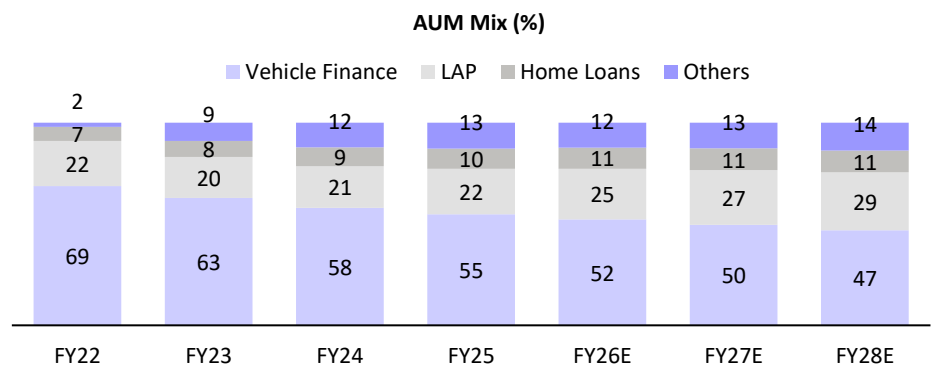
Source: MOFSL, Company

Exhibit 11: AUM CAGR of ~20% over the same period



Source: MOFSL, Company

Exhibit 12: Share of Vehicle Finance in the AUM mix continues to decline

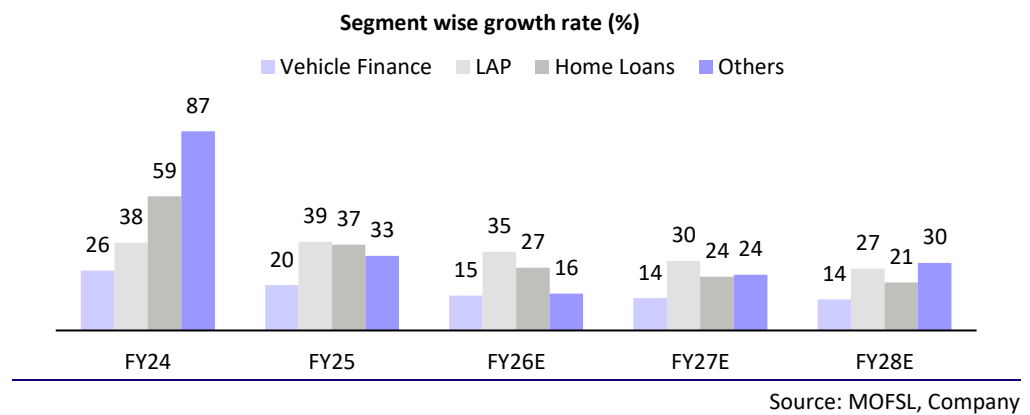


Source: MOFSL, Company

Focused expansion across key verticals; strong momentum in LAP and encouraging traction in gold loans

- CIFC remains focused on accelerating growth across its core lending businesses through deeper market penetration and calibrated product diversification. While branch expansion in the Home Loans segment will remain measured, the company expects ~30% YoY AUM growth in this business, supported by ~10% YoY growth in disbursements and steady improvement in productivity. We expect Home Loan growth of ~27% in FY26.
- The LAP segment continues to gain prominence within the overall AUM mix, rising from 20% in FY23 to 22% in FY25, and is expected to expand further to ~27% by FY27E. LAP is likely to remain the fastest-growing segment for CIFC in FY26, driven by strong demand from self-employed borrowers, deeper market penetration, and the company's strengthened distribution capabilities.
- The gold loan business, which is still being scaled up, is seeing encouraging traction with focused branch rollouts and competitive pricing. Consumer and personal loans are being expanded selectively to enhance yields while maintaining asset quality discipline. CIFC's strategy remains measured, underscoring the management's focus on quality growth and prudent risk-return optimization.

Exhibit 13: VF growth continues to moderate, while LAP continues to remain strong



NIM tailwinds to continue; expect expansion of ~10-15bp in FY26

- CIFC will continue to benefit from a declining interest rate environment, with the company guiding for an NIM expansion of 12-15bp in FY26. This improvement is expected to be primarily driven by a reduction in its CoB and the ability to maintain decent yields even in its floating-rate product segments.
- The company's CoB is projected to decline by ~25-30bp in FY26, with the impact largely expected to be back-ended. Nearly half of CIFC's bank borrowings are linked to Repo and T-Bill rates, which reprice quickly, while most MCLR-linked borrowings are also expected to decline as banks more effectively transmit lower interest rates through their MCLR rates in 2HFY26.
- NIM expansion in FY26 is also expected to be back-ended, with stronger improvement anticipated in 2HFY26. Supported by a gradually improving funding environment and a balanced liability profile, CIFC is well-positioned to deliver margin expansion in the near-to-medium term. We model an NIM expansion of ~10-15bp each in FY26/FY27.

Exhibit 14: Estimate spreads to improve in FY26

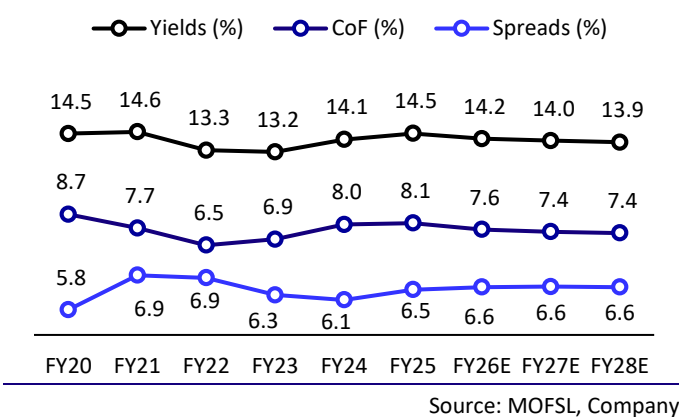
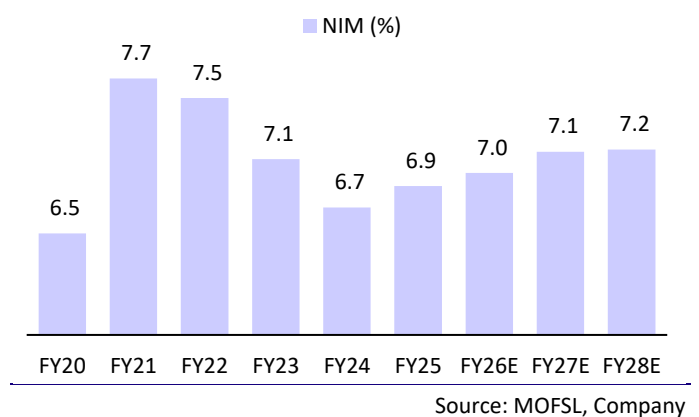


Exhibit 15: NIM expansion to continue in FY26/FY27E



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. The company continues to leverage digital initiatives and process optimizations to enhance operational efficiency, helping offset inflationary pressures and support sustainable profitability.
- While the cost ratios are expected to remain slightly elevated in the coming quarters, CIFIC's continued emphasis on cost discipline and productivity is likely to keep overall operating ratios well-contained in FY26. CIFIC will be adding dedicated gold loan branches this year, while branch additions in other product segments are expected to remain limited.
- CIFIC is prioritizing productivity improvements within its existing branch network to drive greater operating leverage. We expect opex/avg. assets to remain stable at ~3% in FY26/FY27.

Exhibit 16: Improvement in cost ratios to further support profitability

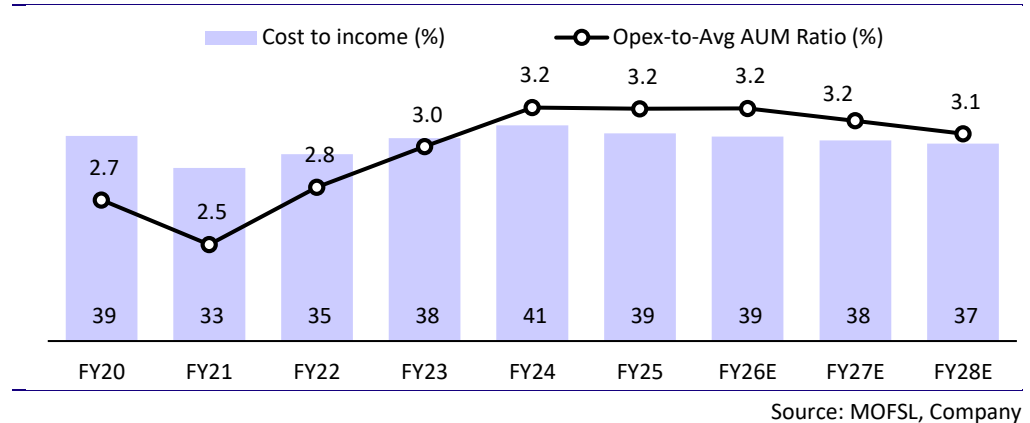


Exhibit 17: AUM/branch continues to improve

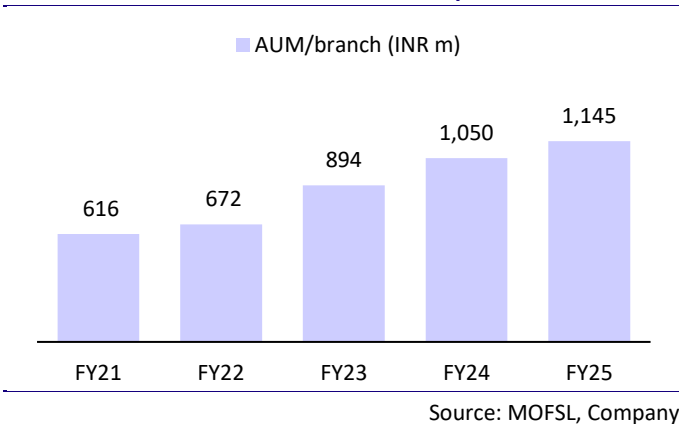
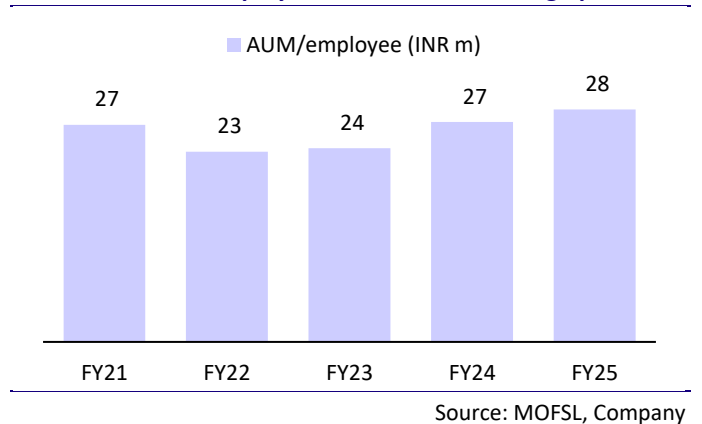


Exhibit 18: AUM/employee has also been inching up



Near-term pressure on credit costs; gradual relief expected in 2H

- In FY26YTD, the company's credit cost remained elevated, driven by a combination of cyclical and operational headwinds as highlighted above. These factors, coupled with higher delinquencies in certain new business segments, early and extended monsoons, and a broader slowdown in industrial activity, have exerted pressure on asset quality.
- There has been some migration of customers from early delinquency buckets (0-30 dpd) to higher dpd buckets, especially in SCVs and tractors, where asset stress remained relatively elevated in 1H. Despite this, proactive and timely collection interventions have helped contain any sharp deterioration in portfolio performance.
- Within the MSME segment, CIFC highlighted that the secured portfolio comprising SBPL, SME, and LAP continues to demonstrate healthy performance, supported by strong collateral coverage and effective recoveries under the SARFAESI framework. While there has been a marginal uptick in delinquencies within the secured SME book, it remains confident that these accounts will be resolved through SARFAESI or arbitration mechanisms, with overall credit losses remaining well-contained.
- Management shared that stress in unsecured MSME lending will be relatively contained for the company, given its limited exposure to this segment. The company has also discontinued newer originations in its Fintech-originated CSEL business and tightened underwriting norms in unsecured products to course correct and mitigate incremental slippages. It has also reduced exposure to supply chain financing, given the lower risk-adjusted returns in this segment. This calibration may moderate near-term growth but is expected to strengthen the company's risk profile and provide more stability to NIM.

Exhibit 19: Stage 3 trends across product segments over the past five quarters

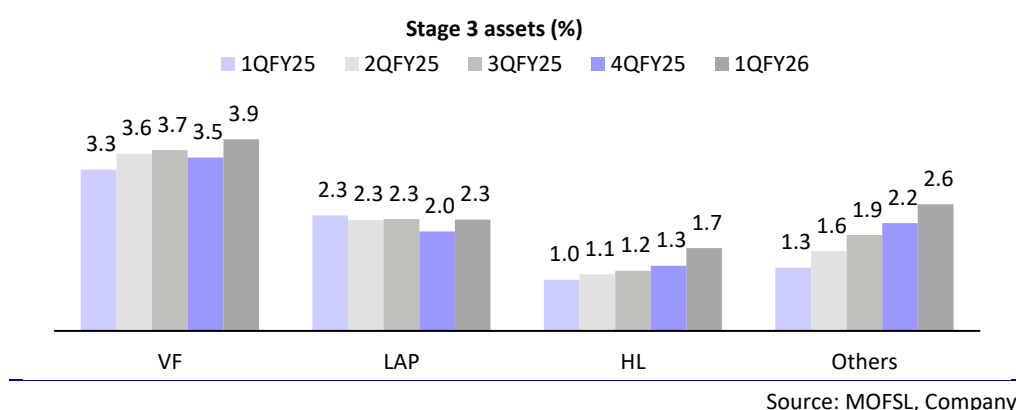


Exhibit 20: Rise in Stage 3 in newer businesses

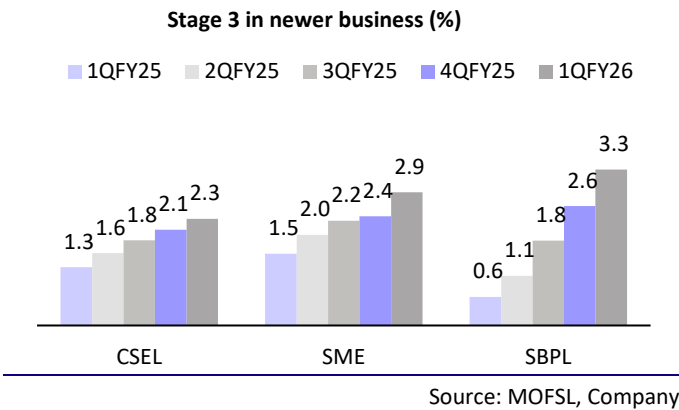
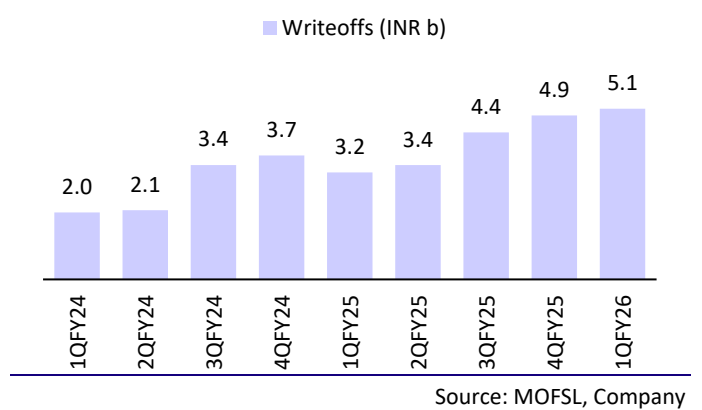


Exhibit 21: Write-offs elevated over the past three quarters



- Given the macro environment (and vehicle financing in particular) in 1HFY26, we expect the credit costs in FY26 to remain ~10bp higher YoY at ~1.6%. If rural income and industrial activity strengthen through 2HFY26, it could help mitigate further risks of rising credit costs for the fiscal year.
- We believe that near-term asset quality pressures are likely to persist in 2QFY26, driven by prolonged (and early) monsoons and stress in newer businesses. However, gradual improvement is anticipated from 3QFY26 as fleet utilization improves, infrastructure and construction activities pick up, and agricultural cash flows gain traction.

Exhibit 22: Expect asset quality to remain broadly stable

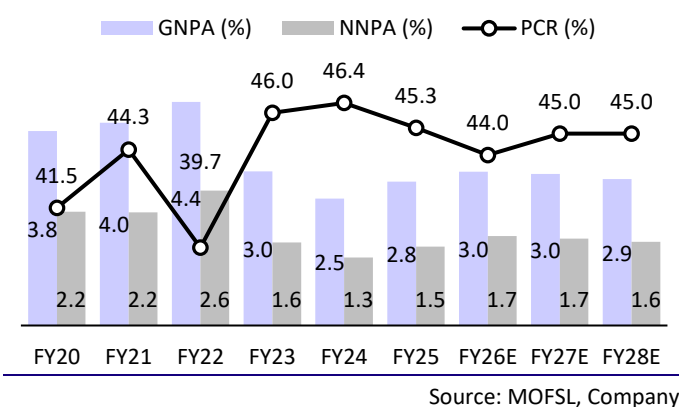
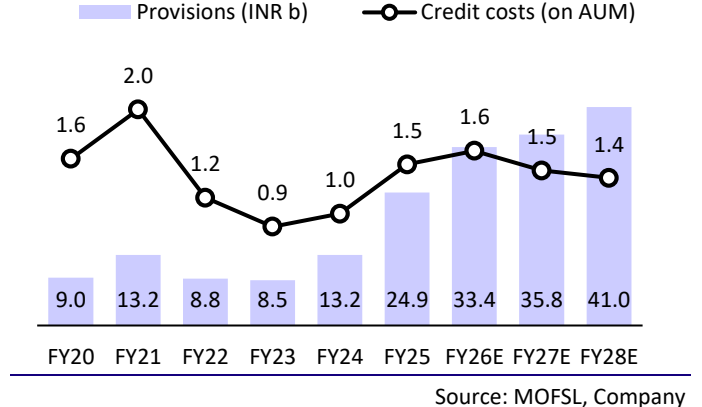


Exhibit 23: Expect credit costs of 1.6%/1.5% in FY26/FY27

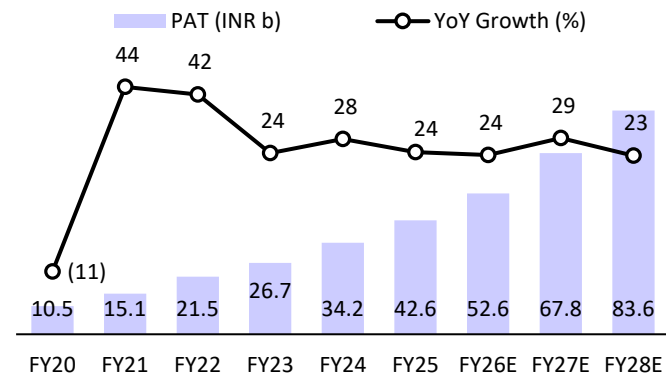


Valuation and view

- CIFIC 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 maintaining balance sheet strength amid a weak macro environment.
- The company is navigating a complex operating environment by reinforcing its core businesses while taking corrective measures in underperforming segments. A key management priority is improving operational efficiency, with efforts directed toward enhancing productivity and optimizing costs, particularly in its vehicle and home loan businesses.

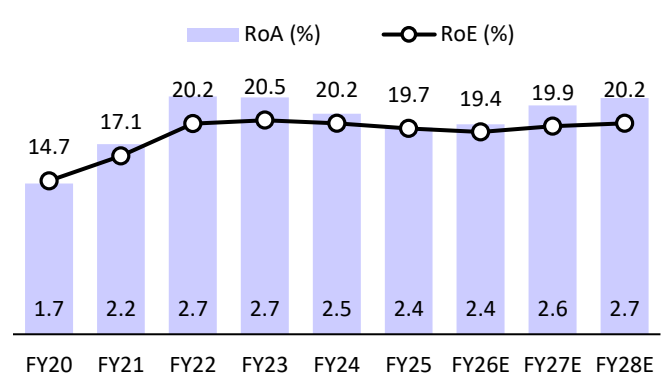
- CIFIC trades at **3.8x FY27E P/BV**, a premium that we believe is well-deserved and likely to sustain. This reflects the company's consistent focus on navigating vehicle demand cyclicity while sustaining healthy AUM growth and stable asset quality through a well-diversified product mix. We expect CIFIC to deliver a PAT CAGR of ~25% over FY25-28, alongside projected RoA/RoE of 2.7%/20% by FY28. We reiterate a BUY rating with a TP of INR 1,920 (based on 4x Sep'27E BVPS).

Exhibit 24: PAT CAGR of ~25% over FY25-28E



Source: MOFSL, Company

Exhibit 25: RoA/RoE of 2.7%/20% in FY28E



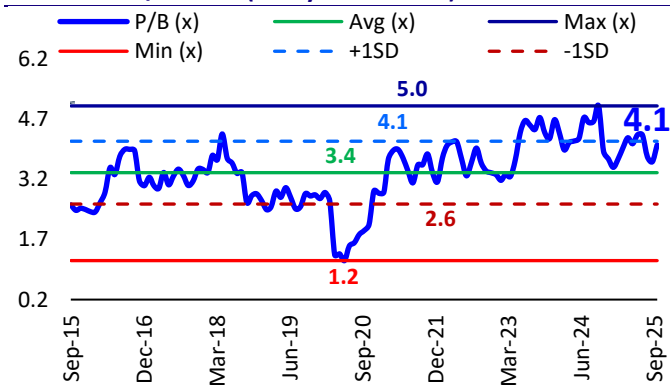
Source: MOFSL, Company

Exhibit 26: 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	12.9	12.9	12.9
Interest Expended	7.6	6.6	5.5	5.9	6.8	7.0	6.5	6.3	6.3
Net Interest Income	5.4	6.2	6.4	6.2	6.2	6.3	6.4	6.6	6.6
Other Operating Income	1.3	1.0	1.0	1.2	1.2	1.3	1.4	1.4	1.3
Other Income	0.0	0.1	0.1	0.2	0.3	0.2	0.2	0.1	0.1
Net Income	6.7	7.2	7.4	7.4	7.4	7.6	7.8	8.0	8.0
Operating Expenses	2.6	2.4	2.6	2.8	3.0	3.0	3.0	3.0	3.0
Operating Income	4.1	4.9	4.8	4.5	4.4	4.6	4.8	4.9	5.0
Provisions/write offs	1.5	1.9	1.1	0.9	1.0	1.4	1.5	1.4	1.3
PBT	2.6	2.9	3.7	3.7	3.4	3.2	3.3	3.5	3.7
Tax	0.9	0.8	0.9	1.0	0.9	0.8	0.8	0.9	0.9
Reported PAT	1.7	2.2	2.7	2.7	2.5	2.4	2.4	2.6	2.7
Leverage	8.5	7.8	7.4	7.5	8.0	8.3	8.0	7.6	7.4
RoE	14.7	17.1	20.2	20.5	20.2	19.7	19.4	19.9	20.2

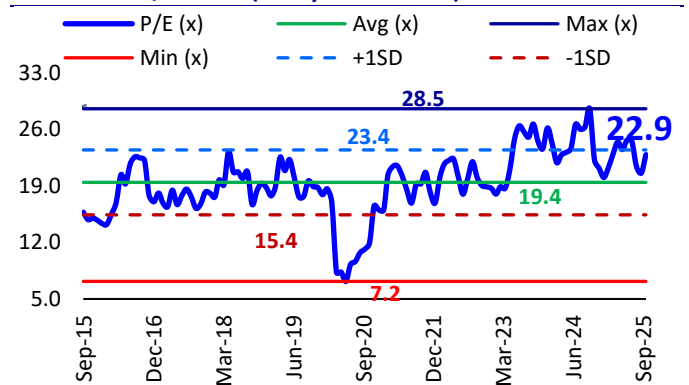
Source: MOFSL, Company

Exhibit 27: P/B trend (one-year forward)



Source: MOFSL, Company

Exhibit 28: 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	2,81,541	3,32,801	3,96,639
Interest Expenses	45,922	45,759	42,988	57,488	92,306	1,24,849	1,42,663	1,63,352	1,92,607
Net Interest Income	32,495	43,013	50,263	60,596	83,331	1,12,351	1,38,878	1,69,449	2,04,032
Change (%)	11.8	32.4	16.9	20.6	37.5	34.8	23.6	22.0	20.4
Income from assignments	2,473	0	0	0	0	1,590	7,157	6,441	6,119
Other Operating Income	5,637	6,388	7,232	9,487	12,815	18,666	20,830	25,333	30,992
Other Income	3	596	905	2,209	3,711	3,092	3,494	3,843	4,228
Total Income	40,607	49,997	58,400	72,292	99,857	1,35,699	1,70,359	2,05,066	2,45,371
Change (%)	19.3	23.1	16.8	23.8	38.1	35.9	25.5	20.4	19.7
Total Operating Expenses	15,776	16,394	20,687	27,799	40,818	53,388	65,989	78,003	91,735
Change (%)	24.3	3.9	26.2	34.4	46.8	30.8	23.6	18.2	17.6
Employee Expenses	6,550	7,494	8,945	12,657	23,306	32,805	42,319	50,782	60,431
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	23,670	27,221	31,304
Operating Profit	24,831	33,603	37,712	44,494	59,039	82,311	1,04,370	1,27,063	1,53,636
Change (%)	16.3	35.3	12.2	18.0	32.7	39.4	26.8	21.7	20.9
Total Provisions	8,973	13,218	8,803	8,497	13,218	24,943	33,443	35,783	40,959
% of Operating Profit	36.1	39.3	23.3	19.1	22.4	30.3	32.0	28.2	26.7
PBT	15,857	20,384	28,909	35,997	45,821	57,369	70,927	91,280	1,12,677
Tax Provisions	5,334	5,235	7,442	9,335	11,593	14,783	18,277	23,522	29,036
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	52,650	67,758	83,641
Change (%)	-11.3	44.0	41.7	24.2	28.4	24.4	23.6	28.7	23.4
Proposed Dividend	1,662	1,640	1,641	1,645	1,681	1,683	1,716	2,145	2,145

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	1,716	1,716	1,716
Equity Share Capital	1,640	1,640	1,643	1,645	1,681	1,683	1,716	1,716	1,716
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	3,05,491	3,71,103	4,52,599
Net Worth for Equity Shareholders	81,718	95,602	1,17,077	1,42,961	1,95,565	2,36,274	3,07,207	3,72,819	4,54,315
Borrowings	5,50,054	6,37,300	6,91,735	9,73,561	13,44,736	17,49,461	20,04,828	23,86,358	28,54,636
Change (%)	8.8	15.9	8.5	40.7	38.1	30.1	14.6	19.0	19.6
Total Liabilities	6,39,930	7,45,484	8,23,634	11,35,155	15,64,508	20,16,476	23,47,387	27,99,832	33,55,704
Investments	729	16,188	20,762	36,280	41,002	63,904	60,145	69,204	79,930
Change (%)	0.0	2,120.0	28.3	74.7	13.0	55.9	-5.9	15.1	15.5
Loans	5,54,027	6,58,393	7,41,492	10,47,483	14,44,243	18,19,299	21,60,076	25,90,826	31,16,203
Change (%)	5.3	18.8	12.6	41.3	37.9	26.0	18.7	19.9	20.3
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	23,47,387	27,99,832	33,55,704

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	7.6	7.4	7.4
Spread of loans	5.8	6.9	6.9	6.3	6.1	6.5	6.6	6.6	6.6
NIM (on loans)	6.5	7.7	7.5	7.1	6.7	6.89	6.98	7.13	7.2
Profitability Ratios (%)									
RoE	14.7	17.1	20.2	20.5	20.2	19.7	19.4	19.9	20.2
RoA	1.7	2.2	2.7	2.7	2.5	2.4	2.4	2.6	2.7
Int. Expended / Int.Earned	58.6	51.5	46.1	48.7	52.6	52.6	50.7	49.1	48.6
Other Inc. / Net Income	13.9	14.0	13.9	16.2	16.5	16.0	14.3	14.2	14.4
Efficiency Ratios (%)									
Op. Exps. / Net Income	38.9	32.8	35.4	38.5	40.9	39.3	38.7	38.0	37.4
Empl. Cost/Op. Exps.	41.5	45.7	43.2	45.5	57.1	61.4	64.1	65.1	65.9
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	1.7	1.7	1.6
Assets/Equity	7.8	7.8	7.0	7.9	8.0	8.5	7.6	7.5	7.4
Average leverage	8.5	7.8	7.4	7.5	8.0	8.3	8.0	7.6	7.4
Valuations									
Book Value (INR)	100	117	143	174	233	281	358	434	529
BV Growth (%)	26.9	17.0	22.2	22.0	33.9	20.7	27.5	21.4	21.9
Price-BV (x)	16.5	14.1	11.5	9.5	7.1	5.9	4.6	3.8	3.1
EPS (INR)	13	18	26	32	41	51	61	79	97
EPS Growth (%)	-15.4	44.0	41.4	24.0	25.6	24.3	21.2	28.7	23.4
Price-Earnings (x)	128.2	89.1	63.0	50.8	40.4	32.5	26.8	20.8	16.9
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	22,33,792	26,90,370	32,29,226
Change (%)	11.6	15.6	9.9	38.5	36.7	26.9	20.9	20.4	20.0
On Books AUM	5,51,350	6,58,380	7,41,420	10,47,360	14,43,510	18,19,290	21,60,076	25,90,826	31,16,203
Change (%)	4.8	19.4	12.6	41.3	37.8	26.0	18.7	19.9	20.3
% of AUM	91.1	94.1	96.4	98.3	99.2	98.5	96.7	96.3	96.5
Off Books AUM	54,140	41,580	27,650	17,620	12,210	28,170	73,715	99,544	1,13,023
Change (%)	223.8	-23.2	-33.5	-36.3	-30.7	130.7	161.7	35.0	13.5
% of AUM	8.9	5.9	3.6	1.7	0.8	1.5	3.3	3.7	3.5

E: MOFSL Estimates

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Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@motilaloswal.com.