

## Steady performance; reiterate REDUCE on rich valuations

BFSI - NBFCs ▶ Result Update ▶ January 30, 2024

TARGET PRICE (Rs): 1,250

CIFC reported a steady performance in Q3FY24, with higher non-interest income (cross-selling fee income, FLDG income, etc) and lower credit cost helping the company deliver ~2.5% RoA. Despite some planned pull-back in partnership-led unsecured lending, growth in the overall non-vehicle segments led by LAP and home loans (HLs) stayed robust. Going forward, the management remains confident about resilient AUM growth led by non-vehicle finance benefiting from an increase in geographical footprint and product offerings. Considering the Q3FY24 developments, we adjust our FY24-26 estimates which leads to a ~5% EPS cut owing to minor compression in NIM and slight increase in OpEx. We reiterate REDUCE on the stock, with Dec-24E TP of Rs1,250/sh (implying FY25E P/B of 4.5x; reduced from Rs1,350 earlier), as at the current rich valuations, the stock seems to be priced to perfection.

## Cholamandalam Investment: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Net profits	21,467	26,662	32,812	40,947	49,642
AUM growths (%)	9.9	38.5	32.8	24.3	21.8
NII growths (%)	13.3	20.2	37.8	28.4	21.2
NIMs (%)	8.0	7.9	8.0	7.9	7.8
PPOP growth (%)	10.4	18.0	34.5	26.4	21.3
Adj. EPS (Rs)	26.1	32.4	39.8	49.7	60.3
Adj. EPS growth (%)	41.5	24.0	23.0	24.8	21.2
Adj. BV (INR)	142.4	173.7	233.7	278.4	332.7
Adj. BVPS growth (%)	22.3	21.9	34.6	19.1	19.5
RoA (%)	2.7	2.7	2.5	2.5	2.4
RoE (%)	20.2	20.5	19.6	19.4	19.7
P/E (x)	47.1	38.0	30.9	24.8	20.4
P/ABV (x)	8.6	7.1	5.3	4.4	3.7

Source: Company, Emkay Research

## Another quarter of steady performance

CIFC reported steady performance in Q3FY24—with AUM at Rs1.34trn (up 8% QoQ; 40% YoY), PAT at Rs8.76bn (up 28% YoY; 15% QoQ), and asset quality (GS3/GNPA) at ~2.8%/3.92% vs ~2.96%/~4.1% in Q2FY24—at a 6%/9% beat on consensus/our estimate, primarily due to lower-than-expected provisioning led by the write-off of fully-provided assets. On the profitability front, NIM remains stable sequentially at ~6.7% (NIMs+Fee: ~8% in Q3FY24), with marginal increase in CoFs negated by impact of the rate hike passed-on to the fixed portfolio (mainly the vehicle segment); Opex-to-AUM rose to 3.3% (vs 3.17% in Q2FY24) owing to continued spending towards Tech and Infra developments resulting in PPOP growth of ~7% QoQ. Credit cost stood at ~1.1% in Q3 (vs 1.34% in Q2FY24)—this improvement was primarily led by write-offs of fully provided assets and lower provisions on the Stage-3 asset.

## Sustained robust growth in non-vehicle segment to drive overall AUM growth

Given the increase in product diversification, the management is confident about clocking a similar AUM growth trend, with higher growth coming from its non-vehicle as well as used-vehicle segments, despite expectation of single-digit growth in CV sales at the industry level. On profitability, CIFC remains confident about improving asset yields, as benefits of the higher-yield fixed-rate CV disbursement is likely to kick in in the next few quarters which would drive NIM expansion ahead, while Opex is expected to moderate to ~3% levels, leading to overall margin expansion. As regards credit cost, we expect it to remain at ~1.3% levels, given Company's FLDG agreement and write-off strategy.

## Minor changes in estimates; reiterate REDUCE

To reflect the Q3 developments, we adjust our FY24-26 estimates which results in a few key changes: i) AUM and disbursement growing 0-5%; ii) NIM+fee compression by 8-25bps; iii) Oex increasing by ~5%; and iv) EPS/PAT declining by ~5%. The stock currently trades at FY25E P/BV of 4.4x for a ~19.4% RoE. We reiterate REDUCE on the stock, with slight cut in Dec-24E TP to Rs1,250 (from Rs1,350 earlier; implying FY25E P/B of 4.5x).

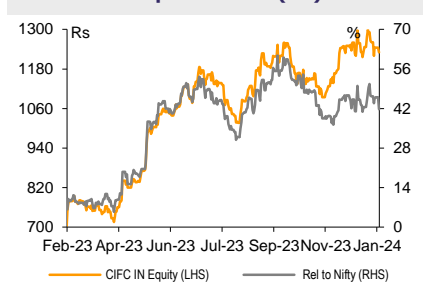
Target Price – 12M	Dec-24
Change in TP (%)	(7.4)
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	1.6
CMP (29-Jan-24) (Rs)	1,230.8

Stock Data	Ticker
52-week High (Rs)	1,310
52-week Low (Rs)	697
Shares outstanding (mn)	839.7
Market-cap (Rs bn)	1,033
Market-cap (USD mn)	12,430
Net-debt, FY24E (Rs mn)	21,444
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	2,105.8
ADTV-3M (USD mn)	25.3
Free float (%)	-
Nifty-50	21,738
INR/USD	83.1
<b>Shareholding, Dec-23</b>	
Promoters (%)	50.4
FPIs/MFs (%)	24.7/18.4

## Price Performance

(%)	1M	3M	12M
Absolute	(2.3)	5.4	73.4
Rel. to Nifty	(3.6)	(8.6)	42.7

## 1-Year share price trend (Rs)



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## Exhibit 1: CIFIC – Actual vs Estimates

Q3FY24				Change		3QFY24	
(Rs mn)	3QFY23	2QFY24	3QFY24	QoQ	YoY	Estimates	Variation
AUM	954,670	1,242,450	1,337,930	8%	40%	1,303,375	3%
Disbursement	175,600	215,420	223,830	3.9%	27%	233,731	-4%
PPoP	10,797	14,206	15,153	7%	40%	16,167	-6%
Provision	1,589	3,998	3,588	-10%	126%	5,308	-32%
PBT	9,208	10,208	11,565	13%	26%	10,859	6%
PAT	6,843	7,625	8,762	15%	28%	8,068	9%
Credit Cost	0.7%	1.3%	1.11%	-23bps	42bps	1.67%	-56bps
GS3	3.5%	2.96%	2.82%	-14bps	-69bps	2.95%	-13bps
NS3	2.1%	1.6%	1.6%	-1bps	-52bps	1.5%	7bps

Source: Company, Emkay Research

## Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY24E			FY25E			FY26E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Disbursement	824,297	866,238	5.1%	1,017,560	1,061,445	4.3%	1,266,545	1,265,563	-0.1%
AUM	1,372,861	1,414,802	3.1%	1,706,677	1,758,295	3.0%	2,131,599	2,141,800	0.5%
Net interest income	87,690	87,272	-0.5%	110,906	112,068	1.0%	140,329	135,823	-3.2%
Total Income	98,185	98,901	0.7%	123,147	125,598	2.0%	154,538	152,217	-1.5%
Opex	37,334	39,057	4.6%	47,522	49,976	5.2%	60,125	60,451	0.5%
PPOP	60,852	59,844	-1.7%	75,625	75,622	0.0%	94,413	91,766	-2.8%
PAT	34,418	32,812	-4.7%	42,018	40,947	-2.5%	52,471	49,642	-5.4%
EPS (Rs)	41.8	39.8	-4.7%	51.0	49.7	-2.5%	63.7	60.3	-5.4%
BV (Rs)	235	234	-0.7%	281	278	-1.0%	339	333	-1.8%
Networth	193,942	192,497	-0.7%	231,765	229,356	-1.0%	278,998	274,042	-1.8%
NIM+Fees	8.06%	7.98%	-8bps	8.00%	7.92%	-8bps	8.05%	7.81%	-25bps
Cost-to-income	38.0%	39.5%	147bps	38.6%	39.8%	120bps	38.9%	39.7%	81bps
Opex-to-AUM	3.1%	3.2%	9bps	3.1%	3.2%	6bps	3.1%	3.1%	-3bps
Disbursement growth	23.9%	30.2%	630bps	23.4%	22.5%	-91bps	24.5%	19.2%	-524bps
AUM growth	28.9%	32.8%	394bps	24.3%	24.3%	-4bps	24.9%	21.8%	-309bps
Credit cost	1.2%	1.3%	7bps	1.2%	1.3%	5bps	1.2%	1.3%	4bps
ROA	2.7%	2.5%	-17bps	2.6%	2.5%	-15bps	2.6%	2.4%	-19bps
ROE	20.4%	19.6%	-87bps	19.7%	19.4%	-33bps	20.5%	19.7%	-82bps

Source: Company, Emkay Research

## Exhibit 3: Valuation

	CMP/TP (Rs/sh)	Upside	Mkt Cap (Rs bn)	P/BV			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			EPS (Rs)		
				FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
At current market price	1,231	2%	1,033.5	5.3x	4.4x	3.7x	30.9	24.8	20.4	2.5	2.5	2.4	19.6	19.4	19.7	233.7	278.4	332.7	39.8	49.7	60.3
AT target price	1,250		1,033.5	5.3x	4.5x	3.8x	31.4	25.1	20.7	2.5	2.5	2.4	19.6	19.4	19.7	233.7	278.4	332.7	39.8	49.7	60.3

Source: Company, Emkay Research

**Exhibit 4: CIFIC – Q3FY24 Result Snapshot**

(Rs mn)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	YoY chg	QoQ chg
Net Interest Income	15,983	17,649	18,421	20,153	21,709	35.8%	7.7%
Other Income	2,334	2,952	2,845	3,514	4,088	75.1%	16.3%
Total Income	18,317	20,601	21,265	23,667	25,797	40.8%	9.0%
Operating Expenses	7,520	7,870	7,867	9,461	10,640	41.5%	12.5%
Operating Profit	10,797	12,731	13,399	14,206	15,157	40.4%	6.7%
Provisions	1,589	1,140	3,723	3,998	3,588	125.8%	-10.3%
Credit costs	0.7%	0.5%	1.3%	1.3%	1.1%	42bps	-23bps
PBT	9,208	11,591	9,675	10,208	11,569	25.6%	13.3%
Tax	2,365	3,063	2,415	2,583	2,807	18.7%	8.7%
Tax rate	25.7%	26.4%	25.0%	25.3%	24.3%	-142bps	-103bps
PAT	6,843	8,528	7,260	7,625	8,762	28.0%	14.9%
Disbursements	175,600	210,200	200,160	215,420	223,840	27.5%	3.9%
Total AUM	954,670	1,064,980	1,147,960	1,242,450	1,337,930	40.1%	7.7%
Net Worth	135,301	142,961	150,270	158,073	185,977	37.5%	17.7%
ROA	2.8%	3.1%	2.4%	2.3%	2.5%	-27bps	17bps
ROE	20.8%	24.5%	19.8%	19.8%	20.4%	-38bps	59bps
GS3	3.51%	3.01%	3.06%	2.96%	2.82%	-69bps	-14bps
NS3	2.07%	1.62%	1.70%	1.56%	1.55%	-52bps	-1bps
PCR	40.96%	46.00%	45.40%	47.32%	45.13%	417bps	-219bps

Source: Company, Emkay Research

**Exhibit 5: AUM trend**

(Rs bn)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Vehicle Finance	529	554	576	613	669	711	754	796
Home Loans (and Business Finance)	56	59	65	73	85	95	108	120
Home Equity (LAP)	168	177	188	200	216	229	247	269
Others	16	29	48	69	95	113	133	152
<b>Total</b>	<b>769</b>	<b>819</b>	<b>877</b>	<b>955</b>	<b>1065</b>	<b>1148</b>	<b>1242</b>	<b>1338</b>

Source: Company, Emkay Research

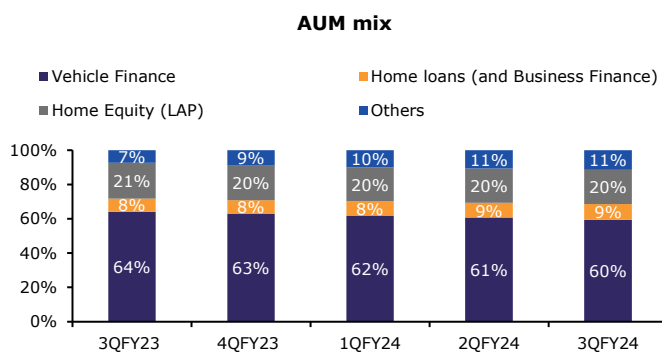
**Exhibit 6: Disbursement trend**

(Rs bn)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Vehicle Finance	88	86	85	104	122	113	117	124
Home Loans (and Business Finance)	5	6	7	11	14	15	16	16
Home Equity (LAP)	19	20	22	23	28	27	32	34
Others	15	21	31	38	47	46	50	50
<b>Total</b>	<b>127</b>	<b>133</b>	<b>146</b>	<b>176</b>	<b>210</b>	<b>200</b>	<b>215</b>	<b>224</b>

Source: Company, Emkay Research

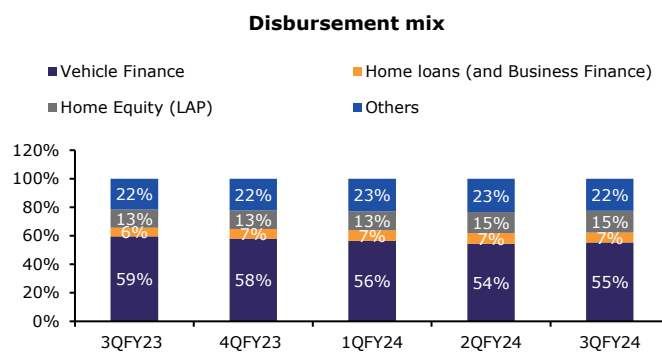
## Results in Charts

Exhibit 7: Diverse product mix



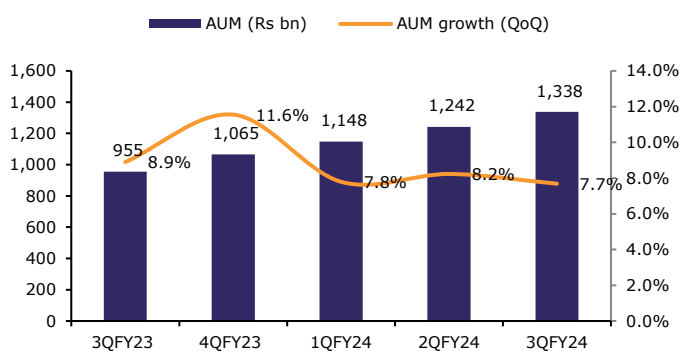
Source: Company, Emkay Research

Exhibit 8: Stronger YoY growth in the non-vehicle segment



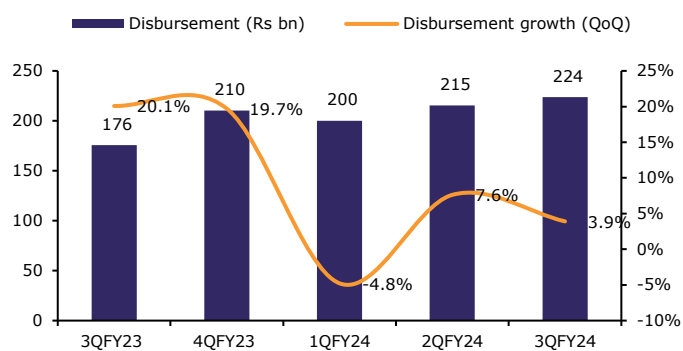
Source: Company, Emkay Research

Exhibit 9: Recorded AUM growth of ~40% YoY



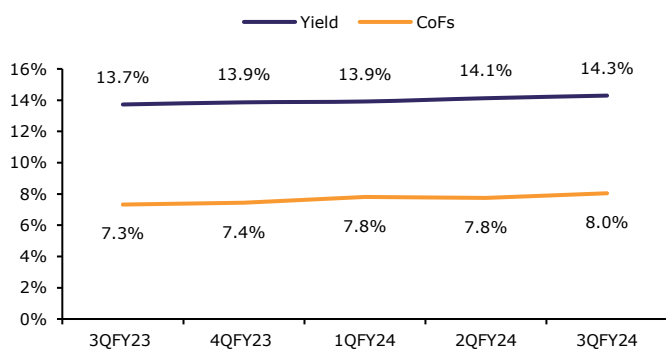
Source: Company, Emkay Research

Exhibit 10: Disbursement growth across the products segment



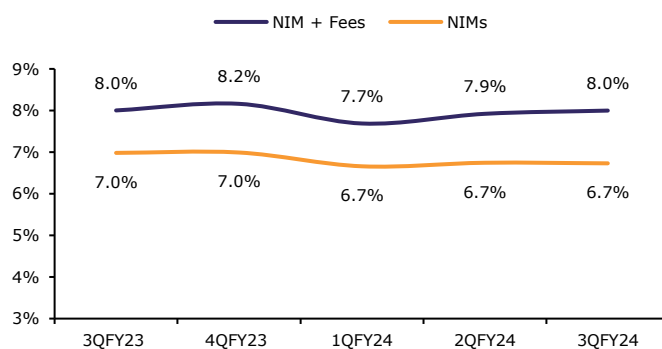
Source: Company, Emkay Research

Exhibit 11: Yield improvement of ~110bps in the HL segment contributing to the overall higher yields

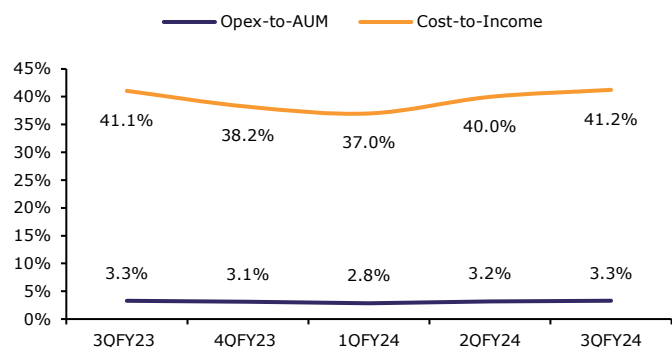


Source: Company, Emkay Research

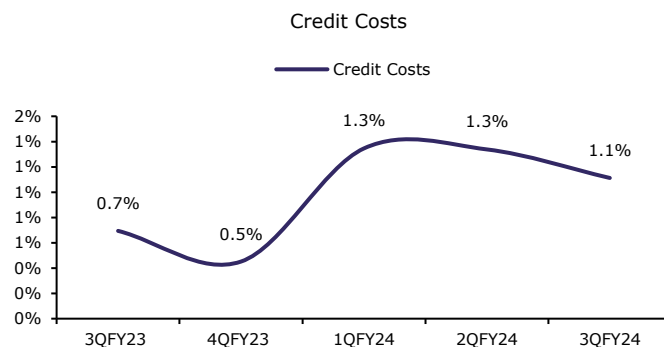
Exhibit 12: Improved yields negating the impact of increased CoFs



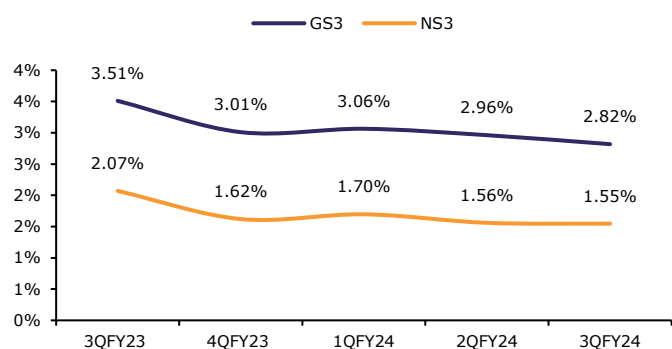
Source: Company, Emkay Research

**Exhibit 13: Opex-to-AUM to remain sticky on account of continued investment in tech and branch expansion**

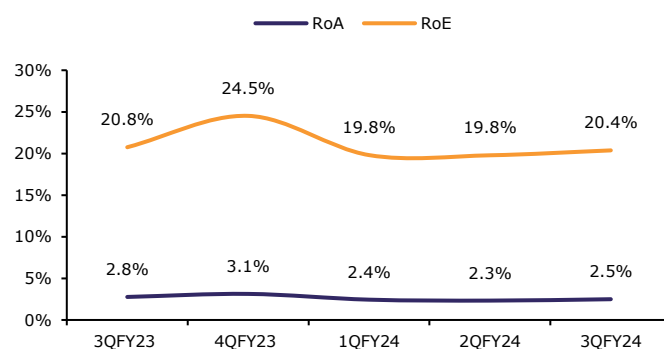
Source: Company, Emkay Research

**Exhibit 14: Credit cost declined sequentially on account of lower PCR and write-offs**

Source: Company, Emkay Research

**Exhibit 15: Asset quality improves**

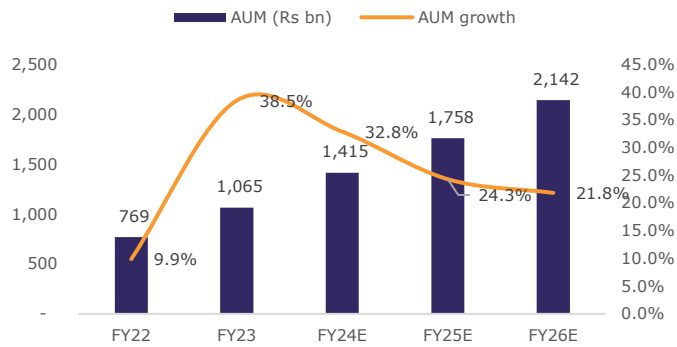
Source: Company, Emkay Research

**Exhibit 16: ROA and ROE**

Source: Company, Emkay Research

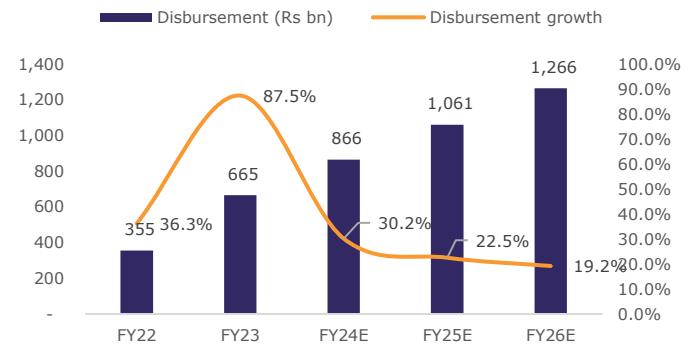
## Story in Charts

**Exhibit 17: Management expects the AUM growth trend to continue**



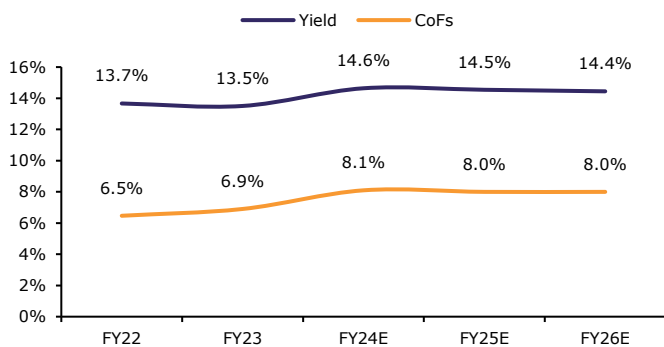
Source: Company, Emkay Research

**Exhibit 18: Strong disbursement growth led by the non-vehicle segment**



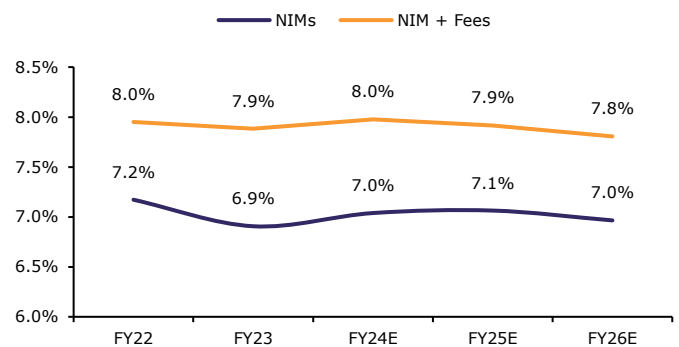
Source: Company, Emkay Research

**Exhibit 19: Yields and CoFs to remain broadly stable**



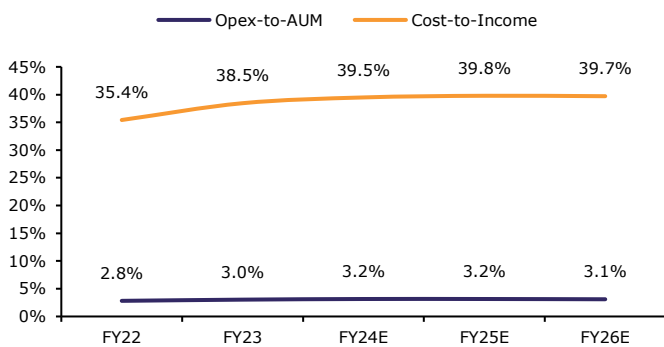
Source: Company, Emkay Research

**Exhibit 20: NIMs+Fees to marginally moderate**



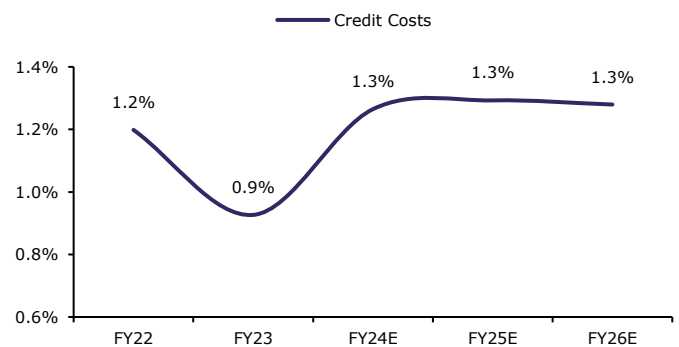
Source: Company, Emkay Research

**Exhibit 21: Opex-to-AUM to temper down and reach ~3% levels**



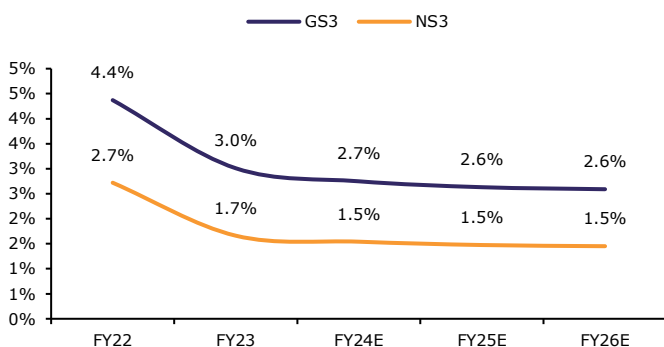
Source: Company, Emkay Research

**Exhibit 22: Credit cost is expected to remain stable at ~1.3%**



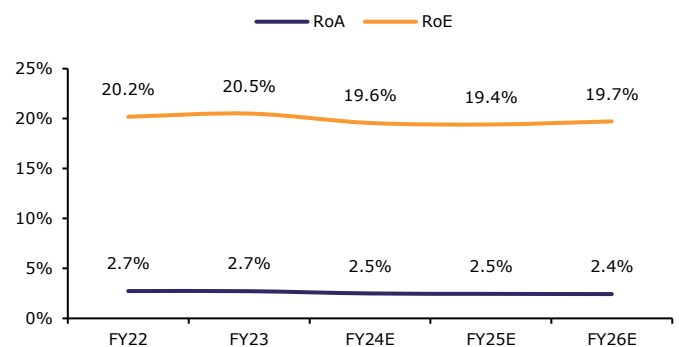
Source: Company, Emkay Research

**Exhibit 23: Stable asset quality**



Source: Company, Emkay Research

**Exhibit 24: ROA & ROE**



Source: Company, Emkay Research

## Management Call Highlights

### Business update:

- The LAP segment grew 51% YoY and the home loan (HL) segment grew 48% YoY, driven by branch expansion in tier 3 & 4 locations.
- The sequential reduction in credit cost and provision cover was on account of removal of the fully-provided book being written off. Management explained that NBFCs do not get tax benefits unless the provisions are written off. Carrying the fully-provided provisions does not auger well for the company, from a cash-flow perspective.
- So far, the company had been receiving insurance income through subsidiaries by way of dividend. However, with the company receiving the insurance license, insurance income will start accruing.
- The company has cut back some partnership business in the consumer and small enterprise loan (CSEL) segment. It has reduced its exposure to unsecured loans. The management does not see any trend currently that compels it to become conservative on growth going forward.
- In the CSEL segment, the company is not witnessing any issues in terms of delinquencies in the feet-on-street business. For the partnership business, delinquencies have come down to 2.7% from 4.7%, on account of reduction of disbursements from four partners.
- The management does not foresee availability of funds as a major issue. Apart from banks, the company is building on other sources, which include loan from IFC, loans from multinationals, and issue of retail debentures.
- The management highlighted that it makes provision cover of 50% for >90dpd loans and 100% for >180dpd loans. As provisions reach 100%, the company removes the assets from its books, as the company then receives FLDG reimbursements to the extent of the FLDG cover (FLDG income in Q3 was ~Rs120mn).
- The bank's borrowing rates have not significantly moved up because they are EBLR-linked loans for which the spread has not increased. CIFIC has foreclosed some of its loans for which banks have requested for higher spreads.
- In the PV segment, small entry-level cars are faring well. In the mid- and premium-car segment, discounts have dwindled compared with the past. For the company, used vehicles in the PV and CV segments have been growth drivers; in addition, the company is logging some small-ticket sales. The new-vehicle segment saw growth of 22% and the company is confident that such growth levels will continue in the next year too, even though the CV segment is expected to grow in a single digit for a few quarters going forward.
- Growth in the LAP segment is led by the company's continuous expansion and introduction of the mirco-LAP product. The East zone has also started adding value and overall delinquencies have come down too.
- There has been negligible impact of the floods in Chennai on the book.

### Guidance:

- AUM is expected to uphold the current trend, with higher growth coming from the non-vehicle segment (vehicle sales are expected to grow in a single digit). The management is comfortable with the current growth level in the Home Loan and LAP segments. Further, the management expects the Home Loan, LAP and Vehicle Finance segments to grow well going forward.
- Opex-to-AUM would moderate to ~3% levels.
- Management maintains guidance of New Business contribution to AUM being restricted to 15%.
- Margins would track a similar trend of improvement, as incremental disbursement of the high-yield fixed book starts to show in coming few quarters.
- CoFs would remain stable and might see a 15-20bps variation.

Cholamandalam Investment: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	95,668	120,822	178,544	226,876	276,907
Interest Expense	42,988	57,488	91,273	114,809	141,084
Net interest income	52,680	63,334	87,272	112,068	135,823
NII growth (%)	13.3	20.2	37.8	28.4	21.2
Non interest income	5,720	8,958	11,629	13,531	16,394
Total income	58,400	72,292	98,901	125,598	152,217
Operating expenses	20,687	27,799	39,057	49,976	60,451
PPOP	37,712	44,494	59,844	75,622	91,766
PPOP growth (%)	10.4	18.0	34.5	26.4	21.3
Provisions & contingencies	8,803	8,497	15,683	20,511	24,953
PBT	28,909	35,997	44,162	55,111	66,813
Extraordinary items	0	0	0	0	0
Tax expense	7,442	9,335	11,350	14,164	17,171
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	21,467	26,662	32,812	40,947	49,642
PAT growth (%)	41.8	24.2	23.1	24.8	21.2
Adjusted PAT	21,467	26,662	32,812	40,947	49,642
Diluted EPS (Rs)	26.1	32.4	39.8	49.7	60.3
Diluted EPS growth (%)	41.5	24.0	23.0	24.8	21.2
DPS (Rs)	2.0	2.1	4.0	5.0	6.0
Dividend payout (%)	7.7	6.5	10.0	10.0	10.0
Effective tax rate (%)	25.7	25.9	25.7	25.7	25.7
Net interest margins (%)	8.0	7.9	8.0	7.9	7.8
Cost-income ratio (%)	35.4	38.5	39.5	39.8	39.7
PAT/PPOP (%)	56.9	59.9	54.8	54.1	54.1
Shares outstanding (mn)	821.4	822.4	839.3	839.3	839.3

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Asset quality					
GNPL - Stage 3	33,428	32,220	38,989	46,332	55,554
NNPL - Stage 3	20,170	17,400	21,444	25,483	30,555
GNPL ratio - Stage 3 (%)	4.4	3.0	2.7	2.6	2.6
NNPL ratio - Stage 3 (%)	2.7	1.7	1.5	1.5	1.5
ECL coverage - Stage 3 (%)	39.7	46.0	45.0	45.0	45.0
ECL coverage - 1 & 2 (%)	1.4	0.8	0.7	0.7	0.7
Gross slippage - Stage 3	0	0	0	0	0
Gross slippage ratio (%)	0.0	0.0	0.0	0.0	0.0
Write-off ratio (%)	10.0	8.2	10.0	10.0	10.0
Total credit costs (%)	1.2	0.9	1.3	1.3	1.3
NNPA ratio to networth (%)	17.2	12.2	11.1	11.1	11.1
Capital adequacy					
Total CAR (%)	19.6	17.1	18.7	17.9	17.5
Tier-1 (%)	16.5	14.8	16.4	15.6	15.1
Miscellaneous					
Total income growth (%)	16.8	23.8	36.8	27.0	21.2
Opex growth (%)	30.6	34.4	40.5	28.0	21.0
PPOP margin (%)	5.1	4.9	4.8	4.8	4.7
Credit costs-to-PPOP (%)	23.3	19.1	26.2	27.1	27.2
Loan-to-Assets (%)	90.0	92.3	93.2	93.8	94.1
Yield on loans (%)	13.7	13.5	14.6	14.5	14.4
Cost of funds (%)	6.5	6.9	8.1	8.0	8.0
Spread (%)	7.2	6.6	6.5	6.5	6.4

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	1,643	1,645	1,679	1,679	1,679
Reserves & surplus	115,434	141,316	190,818	227,678	272,363
Net worth	117,077	142,961	192,497	229,356	274,042
Borrowings	691,735	973,561	1,280,083	1,590,132	1,936,958
Other liabilities & prov.	14,822	18,634	20,626	22,841	25,308
Total liabilities & equity	823,634	1,135,155	1,493,206	1,842,329	2,236,308
Net loans	741,492	1,047,483	1,391,394	1,728,404	2,105,389
Investments	20,762	36,200	42,243	46,114	56,172
Cash, other balances	42,201	29,614	34,880	39,780	42,770
Interest earning assets	804,455	1,113,298	1,468,517	1,814,298	2,204,331
Fixed assets	2,916	4,589	5,507	6,609	7,930
Other assets	16,264	17,268	19,182	21,422	24,047
Total assets	823,634	1,135,155	1,493,206	1,842,329	2,236,308
BVPS (Rs)	142.4	173.7	233.7	278.4	332.7
Adj. BVPS (INR)	142.4	173.7	233.7	278.4	332.7
Gross loans	764,779	1,070,780	1,418,597	1,761,258	2,145,015
Total AUM	769,080	1,064,980	1,414,802	1,758,295	2,141,800
On balance sheet	741,420	1,047,360	1,391,394	1,728,404	2,105,389
Off balance sheet	27,660	17,620	23,408	29,891	36,411
Disbursements	354,890	665,330	866,238	1,061,445	1,265,563
Disbursements growth (%)	36.3	87.5	30.2	22.5	19.2
Loan growth (%)	12.6	41.3	32.8	24.2	21.8
AUM growth (%)	9.9	38.5	32.8	24.3	21.8
Borrowings growth (%)	8.5	40.7	31.5	24.2	21.8
Book value growth (%)	22.3	21.9	34.6	19.1	19.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	47.1	38.0	30.9	24.8	20.4
P/B (x)	8.6	7.1	5.3	4.4	3.7
P/ABV (x)	8.6	7.1	5.3	4.4	3.7
P/PPOP (x)	26.8	22.7	17.3	13.7	11.3
Dividend yield (%)	0.2	0.2	0.3	0.4	0.5
DuPont-RoE split (%)					
NII/avg AUM	7.2	6.9	7.0	7.1	7.0
Other income	0.8	1.0	0.9	0.9	0.8
Securitization income	0.0	0.0	0.0	0.0	0.0
Opex	1.6	1.7	1.9	1.9	1.9
Employee expense	1.2	1.4	1.3	1.2	1.2
PPOP	5.1	4.9	4.8	4.8	4.7
Provisions	1.2	0.9	1.3	1.3	1.3
Tax expense	1.0	1.0	0.9	0.9	0.9
RoAUM (%)	2.9	2.9	2.6	2.6	2.5
Leverage ratio (x)	6.9	7.1	7.4	7.5	7.7
RoE (%)	20.2	20.5	19.6	19.4	19.7
Quarterly data					
Rs mn, Y/E Mar	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
NII	15,983	17,649	18,421	20,153	21,709
NIM+Fee (%)	8.0	8.2	7.7	7.9	8.0
PPOP	10,797	12,731	13,399	14,206	15,157
PAT	6,843	8,528	7,260	7,625	8,762
EPS (Rs)	8.32	10.37	8.83	9.27	10.67

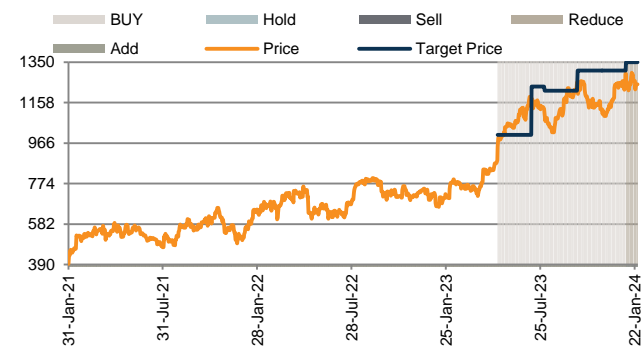
Source: Company, Emkay Research

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
05-Jan-24	1,258	1,350	Reduce	Avinash Singh
30-Nov-23	1,117	1,310	Buy	Avinash Singh
03-Nov-23	1,134	1,310	Buy	Avinash Singh
04-Oct-23	1,210	1,310	Buy	Avinash Singh
02-Aug-23	1,099	1,215	Buy	Avinash Singh
08-Jul-23	1,176	1,235	Buy	Avinash Singh
04-May-23	950	1,005	Buy	Avinash Singh

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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