

Bajaj Finance (BAF) logged a strong quarter, with PAT of ~Rs43 bn exceeding consensus and our estimates by ~6% and ~3%, respectively. Credit costs were stable sequentially at ~2.1%, with the management expecting improvement in Q4 due to better collection efficiency observed in Dec-24 and Jan-25, and maintained full-year FY25 guidance at 2-2.1%. Confident about its growth trajectory, the management expects ~25% business expansion while sustaining current margins and achieving PAT growth of ~20-22%, emphasizing that quality and margins will not be compromised for growth. BAF aims to leverage Airtel's customer base for acquiring ~200mn unique customers, having already launched two products with plans to introduce nine more by Mar-25. On fee income and the discontinuation of its co-branded credit card, the management gave reassurance that income levels would be stable, with continued earnings from distribution fees and revenue sharing under the co-brand arrangement. Given its strong financials—with ~4% RoA, above-20% RoE, and sustained earnings growth above 20%—and incorporating the Q3 developments and management insights, we revise our FY25-27 estimates, leading to a ~2.5% upward revision in earnings. We reiterate BUY on the stock, raising our Dec-25E target price by ~5% to Rs8,800 (vs Rs8,400 earlier), implying FY26E P/BV of 5.2x on a standalone basis.

Bajaj Finance: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profits	114,571	144,435	166,224	209,334	250,205
AUM growths (%)	25.3	33.6	27.0	25.0	24.0
NII growths (%)	31.2	28.7	23.4	26.6	24.0
NIMs (%)	10.3	10.2	9.7	9.8	9.8
PPoP growth (%)	30.7	28.2	26.9	23.8	20.9
Adj. EPS (Rs)	190.5	236.3	269.0	338.7	404.9
Adj. EPS growth (%)	63.3	24.0	13.8	25.9	19.5
Adj. BV (INR)	899.7	1,241.0	1,520.4	1,809.5	2,155.5
Adj. BVPS growth (%)	24.1	37.9	22.5	19.0	19.1
RoA (%)	4.7	4.4	3.9	4.0	3.9
RoE (%)	23.4	22.0	19.6	20.6	20.7
P/E (x)	40.7	32.8	28.8	22.9	19.2
P/ABV (x)	8.6	6.3	5.1	4.3	3.6

Source: Company, Emkay Research

AUM growth and PPoP impress; Credit cost largely stable

BAF reported a strong quarter, with PAT of ~Rs43bn surpassing street and our estimates across most parameters by ~6% and ~3%. Asset quality was stable, with GS3 and NS3 at 1.1% and 0.5%, respectively, despite challenges in the used vehicle segment and two-wheeler/three-wheeler (TWL/3WL) markets. Credit costs for the quarter remained elevated (stable sequentially) at 2.1%, with the management expecting some moderation in Q4 due to improved collection efficiency. Margins remained robust despite some competitive pressure, with NIMs+Fees at ~12.1% compared with 12% in Q2FY25, while operating expenses stayed stable at ~4%. The management also highlighted that fee income would remain stable despite discontinuation of the co-branded credit card, as it will continue to earn distribution fees and revenue sharing under the co-brand arrangement. On major new development, the company has entered a strategic partnership with Bharti Airtel to offer its products to the ~370mn customer-base of Airtel, where it sees the opportunity to reach out to ~200mn non-BAF customers.

Growth and profitability outlook remains unchanged

The management reiterated its guidance of ~25% AUM growth, supported by rising contributions from newer businesses and a recovery in rural B2C growth. However, share of the two-wheeler/three-wheeler (TWL/3WL) segments is expected to moderate to 3.5-4%, following the discontinuation of Bajaj Auto lending. The management emphasized that risk remains the top priority, followed by margins and growth. On credit costs, it noted improving collection efficiency and expects these to stay below 2% in FY26. Additionally, NIMs are expected to be stable, with scope for improvement in operating expenses. All these factors combined should be driving ~25% consolidated balance sheet growth and ~23-24% PAT growth in FY26. With Rajeev Jain's tenure ending in Mar-25, the board will review a comprehensive plan then. Jain intends to continue with the Bajaj Finserv Group and remain actively involved in its strategy and overseeing its subsidiaries.

We reiterate BUY with revised up TP of Rs 8,800

To reflect the Q3 developments and management commentary, we tweak our FY25-27 estimates which leads to a ~1-3% increase in EPS. Given the ~4% RoA and above-20% RoE with over 20% earnings growth remaining intact, we reiterate BUY on the stock with revised up Dec-25E TP of Rs8,800 (Rs8,400 earlier), implying standalone FY26E P/BV of 5.2x and FY26E P/E of 26x.

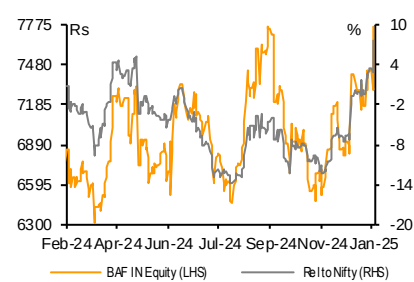
Target Price – 12M	Dec-25
Change in TP (%)	4.8
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	13.4
CMP (29-Jan-25) (Rs)	7,759.7

Stock Data	Ticker
52-week High (Rs)	7,824
52-week Low (Rs)	6,188
Shares outstanding (mn)	619.0
Market-cap (Rs bn)	4,803
Market-cap (USD mn)	55,493
Net-debt, FY25E (Rs mn)	18,898
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	6,962.0
ADTV-3M (USD mn)	80.4
Free float (%)	-
Nifty-50	23,163
INR/USD	86.6
Shareholding, Dec-24	
Promoters (%)	54.7
FPIs/MFs (%)	17.8/18.2

Price Performance

(%)	1M	3M	12M
Absolute	12.3	10.5	7.9
Rel. to Nifty	15.5	16.7	1.3

1-Year share price trend (Rs)



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Exhibit 1: Actual vs Estimates

BAF- Q3FY25 (Rs mn)						Change		Emkay	
Result Snapshot	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	QoQ	YoY	Estimates	variation
AUM	3,109,680	3,306,150	3,541,920	3,739,240	3,980,430	6%	28.0%	3,980,000	0.0%
NII	76,553	80,130	83,653	88,377	93,826	6%	22.6%	92,506	1.4%
Total Income	92,980	97,149	104,185	109,461	116,727	7%	25.5%	114,089	2.3%
PPoP	61,422	64,121	69,475	73,071	78,057	7%	27%	76,258	2.4%
Provision	12,484	13,100	16,847	19,091	20,433	7%	64%	20,145	1.4%
PBT	48,955	51,051	52,654	54,015	57,654	7%	18%	56,113	2.7%
PAT	36,390	38,245	39,120	40,137	43,082	7.3%	18.4%	41,692	3.3%
Credit Cost	1.66%	1.63%	1.97%	2.10%	2.12%	2bps	46bps	2.09%	3bps
GS3	0.95%	0.85%	0.86%	1.06%	1.12%	7bps	17bps	1.08%	4bps
NS3	0.37%	0.37%	0.38%	0.46%	0.49%	3bps	12bps	0.44%	5bps

Source: Company, Emkay Research

Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	Revised	change	Earlier	Revised	change	Earlier	Revised	change
AUM	4,165,749	4,198,811	0.8%	5,165,529	5,248,513	1.6%	6,405,256	6,508,156	1.6%
Networth	935,990	939,620	0.4%	1,114,446	1,118,257	0.3%	1,326,174	1,332,089	0.4%
AUM growth	26.0%	27.0%	100bps	24.0%	25.0%	100bps	24.0%	24.0%	0bps
Net interest income	381,341	365,022	-4.3%	473,229	462,241	-2.3%	572,063	573,341	0.2%
Total Income	461,679	453,805	-1.7%	566,640	565,329	-0.2%	683,151	692,546	1.4%
Opex	159,216	150,083	-5.7%	193,525	189,360	-2.2%	234,514	238,037	1.5%
PPOP	302,463	303,722	0.4%	373,115	375,969	0.8%	448,636	454,508	1.3%
Provisions	82,698	78,153	-5.5%	87,771	90,334	2.9%	110,090	112,598	2.3%
PBT	219,765	225,569	2.6%	285,344	285,635	0.1%	338,547	341,910	1.0%
PAT	162,157	166,224	2.5%	209,024	209,334	0.1%	247,721	250,205	1.0%
EPS (Rs)	262	269	2.5%	338	339	0.1%	401	405	1.0%
BV (Rs)	1,515	1,520	0.4%	1,803	1,809	0.3%	2,146	2,155	0.4%
NIM+Fees	12.4%	12.1%	-26bps	12.1%	12.0%	-18bps	11.8%	11.8%	-3bps
Cost-to-income ratio	34.5%	33.1%	-141bps	34.2%	33.5%	-66bps	34.3%	34.4%	4bps
Opex-to-AUM	4.3%	4.0%	-26bps	4.1%	4.0%	-14bps	4.1%	4.0%	0bps
Credit costs	2.21%	2.08%	-13bps	1.88%	1.91%	3bps	1.90%	1.92%	1bps
GS3	0.92%	1.04%	12bps	0.85%	0.98%	12bps	0.85%	0.97%	12bps
NS3	0.40%	0.46%	6bps	0.34%	0.40%	6bps	0.30%	0.36%	6bps
ROA	3.9%	3.9%	6bps	4.1%	4.0%	-7bps	3.9%	3.9%	-2bps
ROE	19.2%	19.6%	46bps	20.7%	20.6%	-5bps	20.6%	20.7%	12bps

Source: Company, Emkay Research

Exhibit 3: SOTP-based valuation

	Share Price (Rs)	No of shares (mn)	Market Cap (Rs bn)	BAF's stake	BAF's stake value (Rs bn)	Hold Co discount	Value (Rs bn)
Bajaj Housing	116.0	8,328	966	88.75%	857	25%	643
At current market price							
Bajaj Finance	7,760	618	4,795	100%	4,795	0%	4,795
Implied BAF Standalone							4,152
At Target price							
Bajaj Finance	8,800	618	5,438	100%	5,438	0%	5,438
Implied BAF Standalone							4,795
BAF - Standalone	FY25E	FY26E	FY27E				
Adjusted Net Worth (Rs bn)	762	915	1,095				
Implied P/B at CMP	5.4	4.5	3.8				
Implied P/B at TP	6.3	5.2	4.4				

Source: Company, Emkay Research

Exhibit 4: Valuation matrix

	CMP/TP (Rs)	Upside	Mkt Cap (Rs bn)	P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			Adj EPS (Rs)		
				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
At current market price	7,760	13.4%	4,134	5.10	4.29	3.60	28.8	22.9	19.2	3.9	4.0	3.9	19.6	20.6	20.7	1,520	1,809	2,155	269	339	405
At target price	8,800			5.79	4.86	4.08	32.7	26.0	21.7	3.9	4.0	3.9	19.6	20.6	20.7	1520	1809	2155	269	339	405

Source: Company, Emkay Research

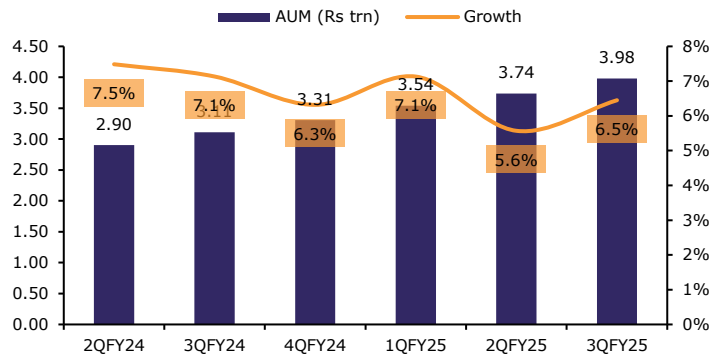
Exhibit 5: Quarterly snapshot

(Rs mn)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY (%)	QoQ (%)
Net interest income	76,553	80,130	83,653	88,377	93,826	22.6%	6.2%
Non-interest income	16,427	17,019	20,531	21,084	22,901	39.4%	8.6%
Total Income	92,980	97,149	104,185	109,461	116,727	25.5%	6.6%
Operating expenses	31,557	33,028	34,709	36,390	38,670	22.5%	6.3%
PPoP	61,422	64,121	69,475	73,071	78,057	27.1%	6.8%
Provisions & Loan loss	12,484	13,100	16,847	19,091	20,433	63.7%	7.0%
Others/Exceptional	17	30	25	35	30		
PBT	48,955	51,051	52,654	54,015	57,654	17.8%	6.7%
Taxes	12,566	12,806	13,534	13,877	14,572	16.0%	5.0%
Tax Rate	25.7%	25.1%	25.7%	25.7%	25.3%		
PAT	36,390	38,245	39,120	40,137	43,082	18.4%	7.3%
Networth	684,639	766,954	808,886	889,162	912,696	33.3%	2.6%
BV	1,118	1,241	1,309	1,437	1,475	31.9%	2.6%
EPS - Reported basic (Rs)	59	62	63	65	70	17.2%	7.3%
Total AUM	3,109,680	3,306,150	3,541,920	3,739,240	3,980,430	28.0%	6.5%
Consolidated Borrowings	2,638,780	2,895,080	3,048,260	3,191,826	3,349,150	26.9%	4.9%
NIM (as % of AUM) - calculated	10.2%	10.0%	9.8%	9.7%	9.7%	-46bps	1bps
Cost to income ratio	33.9%	34.0%	33.3%	33.2%	33.1%	-81bps	-12bps
Credit Cost	1.66%	1.63%	1.97%	2.10%	2.12%	46bps	2bps
RoAAum (AUM)	4.8%	4.8%	4.6%	4.4%	4.5%	-38bps	5bps
RoAE	22.7%	21.1%	19.9%	18.9%	19.1%	-356bps	22bps
Gross NPA	0.95%	0.85%	0.86%	1.06%	1.12%	17bps	7bps
Net NPA	0.37%	0.37%	0.38%	0.46%	0.49%	12bps	3bps
Provision coverage ratio - Stage 3	61.7%	57.0%	56.1%	57.1%	57.2%	-450bps	10bps

Source: Company, Emkay Research

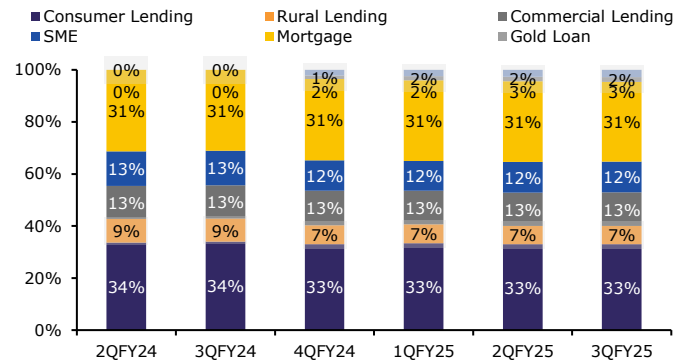
Result in charts

Exhibit 6: Strong AUM growth



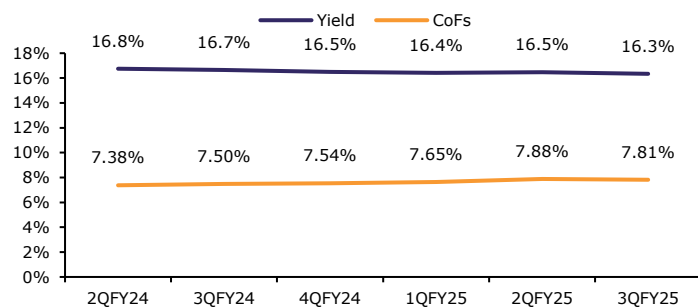
Source: Company, Emkay Research

Exhibit 7: Diverse product offering



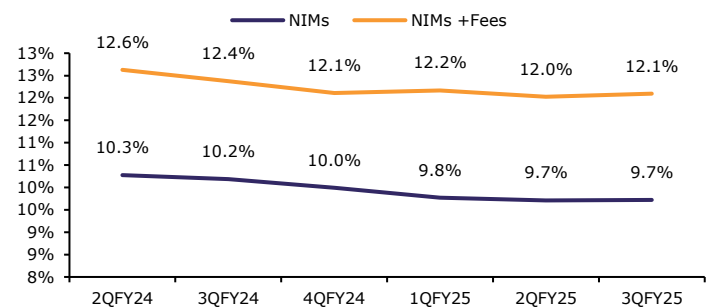
Source: Company, Emkay Research

Exhibit 8: Marginal moderation in CoFs in Q3



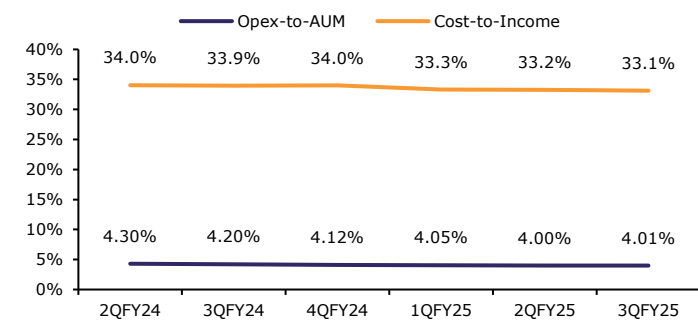
Source: Company, Emkay Research

Exhibit 9: Margins were broadly stable



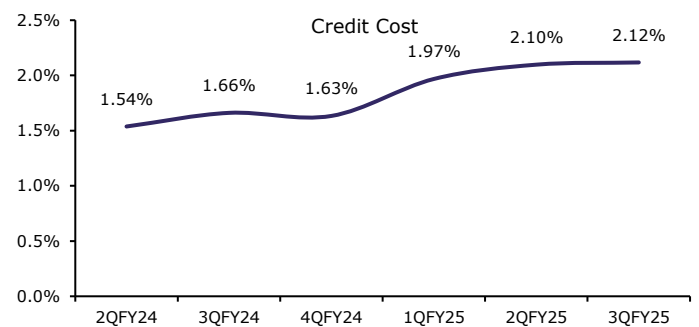
Source: Company, Emkay Research

Exhibit 10: Opex to moderate marginally going ahead



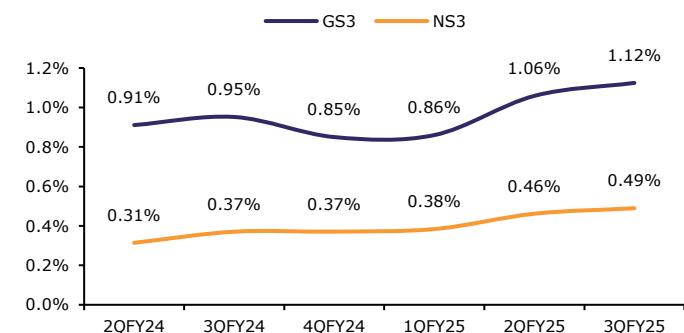
Source: Company, Emkay Research

Exhibit 11: Credit cost inched up marginally, but remains at comfortable levels



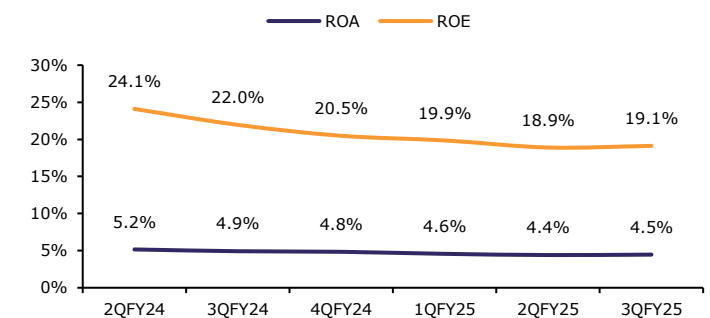
Source: Company, Emkay Research

Exhibit 12: Asset quality continue to be stable



Source: Company, Emkay Research

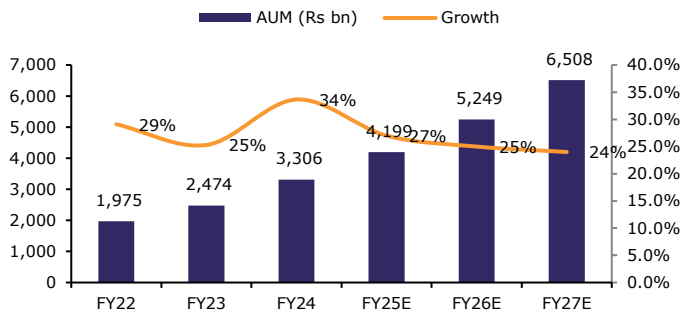
Exhibit 13: ROA/ROE remained strong



Source: Company, Emkay Research

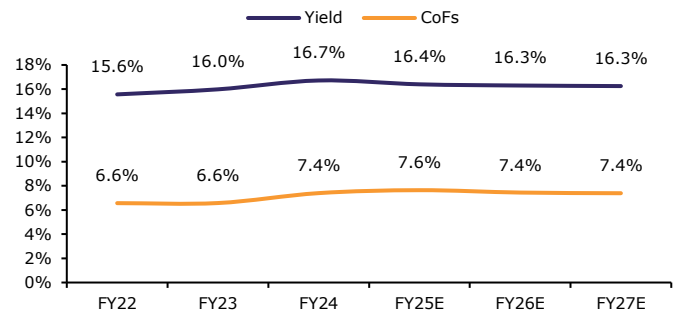
Story in charts

Exhibit 14: AUM growth in line with management guidance of 25-28%



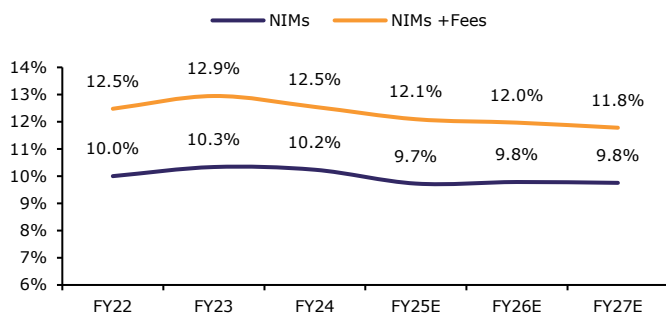
Source: Company, Emkay Research

Exhibit 15: Yields and CoFs to be stable over FY25-27E



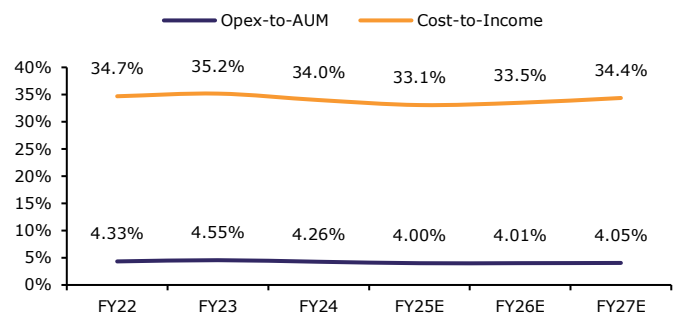
Source: Company, Emkay Research

Exhibit 16: Some compression in margins on account of rising competition



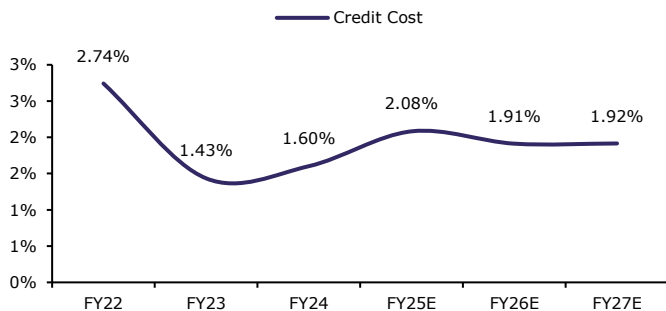
Source: Company, Emkay Research

Exhibit 17: Opex-to-AUM to be largely stable



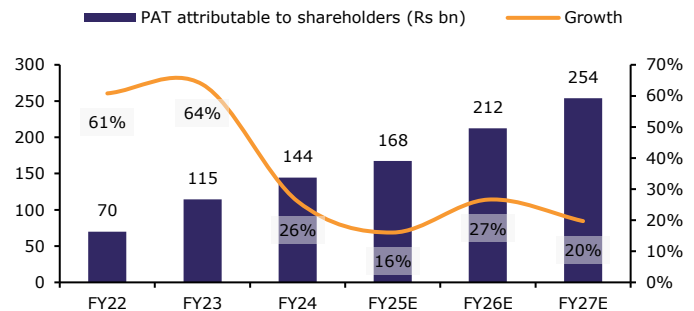
Source: Company, Emkay Research

Exhibit 18: Credit cost to remain elevated in FY25 and moderate as collection efficiency improves



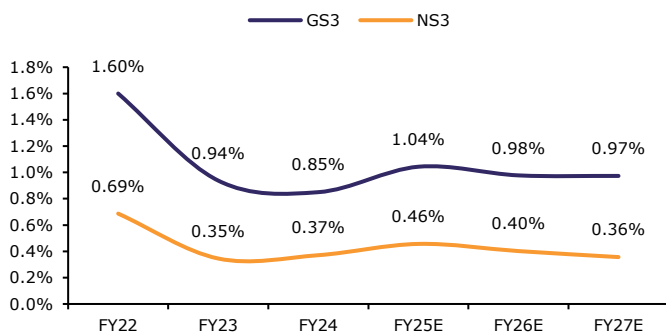
Source: Company, Emkay Research

Exhibit 19: PAT CAGR of ~21% over FY24-27E



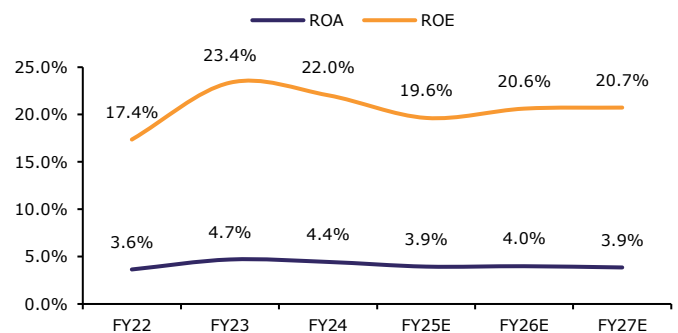
Source: Company, Emkay Research

Exhibit 20: Robust asset quality



Source: Company, Emkay Research

Exhibit 21: Strong ROA/ROE



Source: Company, Emkay Research

Earnings Conference Call Highlights

- The management emphasized that Q3FY25 was a strong quarter, driven by robust volumes, AUM growth, and controlled operating expenses. Loan losses have stabilized, while profit growth is picking up momentum and ROA is steady.
- BAF has booked the highest-ever number of new loans, at ~12.1mn in Q3, and added ~5mn new customers. The Management informed it is well on track to cross the 100mn customer franchise mark by end-FY25 (customer franchises in Q3 stood at ~97.12mn).
- The management informed that the board will be reviewing the succession plan in March (a 15-month succession plan ending in Mar-25), while Jain intends to remain in the Bajaj Finserv Group and be actively involved in its strategy and driving subsidiaries.
- With regard to its expansion plan, the management indicated that the geographical expansion has almost peaked and BAF will be adding more branches in existing locations (instead of adding locations). In Q3, the company expanded to 14 new locations and 8.9K distribution points, reaching 4,259 locations and over 224K active distribution points as of Dec-24.
- The management guided to 1) AUM growth of ~25-28%, with risk being in focus; it also informed it does not plan chasing growth by diluting margins. 2) Credit cost to remain below 2% in the medium term, while it is expected to track 2-2.1% levels in FY25. 3) PAT to grow ~20-22%. 4) Asset quality to remain robust, with GS3 ranging at 1.2-14%.
- CoFs are expected to remain at similar levels (variation of ~4-5bps), while fee income to remain at similar levels.
- B2C segment: The company's leverage analysis highlights higher default risk and lower collections for customers, with three or more live unsecured loans. Lending to such customers has been significantly reduced, and the company targets retracing pre-Covid levels by Q4. Urban B2C default rates are lower, but collection efficiencies remain subdued, taking the longest to normalize. Customers with three personal loans (3PL) peaked at ~14% and have now declined to ~8%.
- Urban and Rural B2B: Urban B2B remains strong, while Rural B2B is aligning closer to Urban B2B, with diminishing advantages in smaller markets.
- SME Lending: Efficiencies dropped sharply from April to October, but rebounded to a two-year high in November-December.
- Car Loans: Used car loans face pressure, leading to a 30-35% volume cut, while new car loans remain strong. Within used cars, delinquencies are elevated, particularly in refinancing, prompting significant reductions. Sales finance has also seen some cuts. The used car portfolio stands at ~Rs55bn (50% of car loan), with a 10-11% bounce rate, while the new car portfolio is also ~Rs55bn, with a bounce rate of ~3.0-3.5%.
- MSME Lending: Professional loans and LAP remain the slowest-growing segments.
- 2W/3W: Default rate and efficiency are both impacted, and seem elevated as this book is de-growing (BAF has stopped funding Bajaj Auto's 2Ws/3Ws, as the latter has started its own captive arm) and will be stabilizing at ~3.5-4% by FY26.
- Gold loans are digitally originated and disbursed through physical branches, with the network set to exceed 1,000 branches by March 2025. The focus remains on Tier 3 and 4 cities.
- Bharti Airtel partnership progress and plan: Targeting 200mn unique customer; two products have gone live with nine products (PL, BL, Gold Loan, TWL; Insta EMI card and more) by Mar-25.
- The co-branded credit card business is being discontinued; however, the company will continue to earn distribution fees and a share of revenue under the co-brand arrangement. This discontinuation will not affect the company's future revenue share in the partnership.
- BAF plans to remain a non-bank, given the absence of an RBI roadmap for NBFCs to transition into banks. In the short to medium term, it expects to continue operations as usual while aiming to expand its customer base to 200 million and capture a 4-5% share of the retail credit market.
- BAF has a workforce of approximately 57k-58k employees, including around 20k in debt management who oversee agencies responsible for customer collections. Currently, 52% of the total collections are digital, while 42% are managed physically through agencies.

Bajaj Finance: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	355,502	483,066	615,307	769,929	955,414
Interest Expense	125,599	187,247	250,285	307,688	382,073
Net interest income	229,903	295,819	365,022	462,241	573,341
NII growth (%)	31.2	28.7	23.4	26.6	24.0
Non interest income	58,066	66,759	88,784	103,088	119,204
Total income	287,969	362,578	453,805	565,329	692,546
Operating expenses	101,300	123,252	150,083	189,360	238,037
PPOP	186,669	239,326	303,722	375,969	454,508
PPOP growth (%)	30.7	28.2	26.9	23.8	20.9
Provisions & contingencies	31,897	46,307	78,153	90,334	112,598
PBT	154,773	193,019	225,569	285,635	341,910
Extraordinary items	0	0	0	0	0
Tax expense	40,202	48,584	57,971	73,408	87,871
Minority interest	0	0	1,374	2,892	3,835
Income from JV/Associates	0	0	0	0	0
Reported PAT	114,571	144,435	166,224	209,334	250,205
PAT growth (%)	63.7	26.1	15.1	25.9	19.5
Adjusted PAT	114,571	144,435	166,224	209,334	250,205
Diluted EPS (Rs)	189.6	236.0	269.0	338.7	404.9
Diluted EPS growth (%)	63.7	24.5	14.0	25.9	19.5
DPS (Rs)	30.0	36.0	42.9	54.4	65.1
Dividend payout (%)	0.2	0.2	0.2	0.2	0.2
Effective tax rate (%)	26.0	25.2	25.7	25.7	25.7
Net interest margins (%)	10.3	10.2	9.7	9.8	9.8
Cost-income ratio (%)	35.2	34.0	33.1	33.5	34.4
PAT/PPOP (%)	61.4	60.4	55.2	56.4	55.9
Shares outstanding (mn)	604.5	618.0	618.0	618.0	618.0

Source: Company, Emkay Research; Note: Adjusted PAT is PAT attributable to shareholders

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
GNPL - Stage 3	23,130	28,160	43,448	50,847	62,748
NNPL - Stage 3	8,370	12,100	18,898	20,797	22,830
GNPL ratio - Stage 3 (%)	0.9	0.8	1.0	1.0	1.0
NNPL ratio - Stage 3 (%)	0.3	0.4	0.5	0.4	0.4
ECL coverage - Stage 3 (%)	63.8	57.0	56.5	59.1	63.6
ECL coverage - 1 & 2 (%)	1.2	1.0	1.1	1.1	1.1
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 (%)	1.7	1.7	1.8	1.8	1.7
Total credit costs (%)	1.4	1.6	2.1	1.9	1.9
NNPA to networth (%)	1.5	1.6	2.0	1.9	1.7
Capital adequacy					
Total CAR (%)	25.0	22.5	21.9	20.9	20.3
Tier-1 (%)	23.2	21.5	20.9	20.0	19.3
Miscellaneous					
Total income growth (%)	31.7	25.9	25.2	24.6	22.5
Opex growth (%)	33.6	21.7	21.8	26.2	25.7
PPOP margin (%)	8.4	8.3	8.1	8.0	7.7
Credit costs-to-PPOP (%)	17.1	19.3	25.7	24.0	24.8
Loan-to-Assets (%)	88.0	86.8	86.4	86.6	87.0
Yield on loans (%)	16.0	16.7	16.4	16.3	16.3
Cost of funds (%)	6.6	7.4	7.6	7.4	7.4
Spread (%)	9.4	9.3	8.8	8.9	8.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	1,209	1,236	1,236	1,236	1,236
Reserves & surplus	542,511	765,718	938,384	1,117,021	1,330,853
Net worth	543,720	766,954	939,620	1,118,257	1,332,089
Borrowings	2,166,905	2,895,080	3,656,383	4,611,843	5,730,734
Other liabilities & prov.	41,662	95,383	119,228	149,035	215,430
Total liabilities & equity	2,752,287	3,757,416	4,715,232	5,879,136	7,278,253
Net loans	2,422,689	3,262,933	4,095,253	5,115,094	6,333,856
Investments	227,518	308,807	389,367	485,261	598,169
Cash, other balances	43,045	106,240	133,956	166,947	205,791
Interest earning assets	2,693,253	3,677,980	4,618,575	5,767,302	7,137,816
Fixed assets	16,766	23,583	25,212	27,646	30,323
Other assets	42,268	55,853	93,853	109,488	110,113
Total assets	2,752,287	3,757,416	4,737,640	5,904,436	7,278,253
BVPS (Rs)	899.7	1,241.0	1,520.4	1,809.5	2,155.5
Adj. BVPS (INR)	899.7	1,241.0	1,520.4	1,809.5	2,155.5
Gross loans	2,466,357	3,313,344	4,163,766	5,201,367	6,445,553
Total AUM	2,473,790	3,306,150	4,198,811	5,248,513	6,508,156
On balance sheet	2,466,357	3,313,344	4,163,766	5,201,367	6,445,553
Off balance sheet	7,433	(7,193)	35,044	47,146	62,603
Disbursements	0	0	0	0	0
Disbursements growth (%)	0.0	0.0	0.0	0.0	0.0
Loan growth (%)	26.6	34.7	25.5	24.9	23.8
AUM growth (%)	25.3	33.6	27.0	25.0	24.0
Borrowings growth (%)	31.1	33.6	26.3	26.1	24.3
Book value growth (%)	24.1	37.9	22.5	19.0	19.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	40.7	32.8	28.8	22.9	19.2
P/B (x)	8.6	6.3	5.1	4.3	3.6
P/ABV (x)	8.6	6.3	5.1	4.3	3.6
P/PPOP (x)	25.1	20.0	15.8	12.8	10.6
Dividend yield (%)	0.4	0.5	0.6	0.7	0.8
Dupont-RoE split (%)					
NII/avg AUM	10.3	10.2	9.7	9.8	9.8
Other income	2.6	2.3	2.4	2.2	2.0
Securitization income	0.0	0.0	0.0	0.0	0.0
Opex	2.3	2.1	2.0	1.9	1.9
Employee expense	2.3	2.2	2.0	2.1	2.1
PPOP	8.4	8.3	8.1	8.0	7.7
Provisions	1.4	1.6	2.1	1.9	1.9
Tax expense	1.8	1.7	1.5	1.6	1.5
RoAUM (%)	5.2	5.0	4.5	4.5	4.3
Leverage ratio (x)	4.5	4.4	4.4	4.6	4.8
RoE (%)	23.4	22.0	19.6	20.6	20.7
Quarterly data					
Rs mn, Y/E Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
NII	76,553	80,130	83,653	88,377	93,826
NIM(%)	10.2	10.0	9.8	9.7	9.7
PPOP	61,422	64,121	69,475	73,071	78,057
PAT	36,390	38,245	39,120	40,137	43,082
EPS (Rs)	59.42	61.89	63.30	64.88	69.62

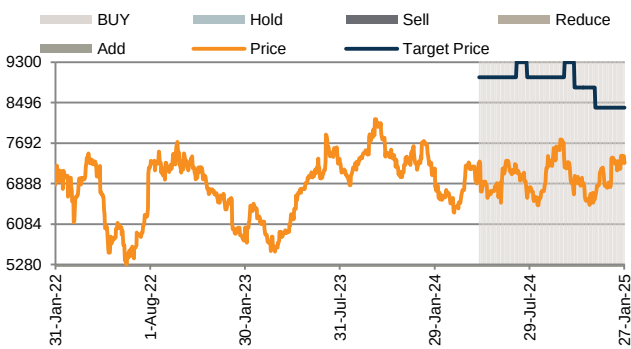
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
06-Jan-25	7,349	8,400	Buy	Avinash Singh
05-Dec-24	6,850	8,400	Buy	Avinash Singh
02-Dec-24	6,651	8,400	Buy	Avinash Singh
23-Oct-24	6,996	8,800	Buy	Avinash Singh
04-Oct-24	7,211	9,300	Buy	Avinash Singh
09-Sep-24	7,347	9,000	Buy	Avinash Singh
02-Sep-24	7,440	9,000	Buy	Avinash Singh
20-Aug-24	6,722	9,000	Buy	Avinash Singh
24-Jul-24	6,607	9,000	Buy	Avinash Singh
04-Jul-24	7,107	9,300	Buy	Avinash Singh
05-Jun-24	6,837	9,000	Buy	Avinash Singh
03-May-24	6,932	9,000	Buy	Avinash Singh
26-Apr-24	6,731	9,000	Buy	Avinash Singh
23-Apr-24	7,260	9,000	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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