

Ugro reported a satisfactory performance in Q3FY25, in terms on AUM growth, asset quality, and credit cost. The company registered its highest-ever disbursement, of ~Rs20.5bn (grew 32% YoY/4% QoQ), resulting in AUM growing ~9% sequentially. Margins were under pressure on account of lower origination via co-lending, while opex remained elevated owing to increasing branch presence, guarantee fees, and disbursement-related expenses, which the management expects will moderate as the business scales up and branches reach maturity. Additional rundown of the supply-chain finance book continues, whereas the Embedded Financing (*MySubhLife*) business is scaling well (disbursed ~Rs3.4bn in Q3). The management maintains confidence on growing its book at 30% in the near term, and achieving ROA/ROE target of 4%/17% in the medium term. To reflect the Q3FY25 developments, we adjust our FY25-27 estimates, leading to ~6-10% cut in FY25-27E EPS. We reiterate BUY on the stock, with revised down (by 25%) Dec-25E TP to Rs270 (earlier Rs360), implying FY26E P/BV of 1.2x.

UGRO Capital: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profits	398	1,193	1,473	2,323	3,737
AUM growths (%)	104.8	48.8	33.8	31.5	28.2
NII growths (%)	40.7	39.7	36.5	60.1	41.3
NIMs (%)	12.5	14.8	13.9	14.6	15.7
PPOP growth (%)	183.6	109.8	22.8	45.5	49.7
Adj. EPS (Rs)	5.7	13.4	16.1	19.9	26.4
Adj. EPS growth (%)	176.2	135.3	20.1	23.8	32.4
Adj. BV (INR)	142.0	157.0	173.1	220.3	246.7
Adj. BVPS growth (%)	3.6	10.6	10.2	27.3	12.0
RoA (%)	1.1	2.3	2.0	2.4	3.1
RoE (%)	4.1	9.9	8.5	9.9	11.3
P/E (x)	34.0	14.5	12.0	9.7	7.3
P/ABV (x)	1.4	1.2	1.1	0.9	0.8

Source: Company, Emkay Research

Stable quarter with a minor elevated opex offset by improving credit cost

Ugro delivered a steady quarter, with PAT of ~Rs375bn, nearly in line with our estimate. The company saw slightly softer disbursements in Q3FY25, growing 4% QoQ which was on account of lower origination in the co-lending and co-origination segment, as banks have practiced some caution in the unsecured segment, whereas mortgage has been doing fairly well. Opex in the quarter was elevated, primarily on account of increasing branch network (14 branches added in Q3), expenses related to guarantee fees, disbursement-related costs, and GST treatment (50% of the overall GST is charged to the P&L). Credit cost for the quarter improved by ~25bps sequentially (at ~1.6% in Q3), and the management highlighted that the USL originating from the Micro branch is performing better vs urban branches. Overall asset quality remained strong, with GNPA/NNPS at 2.14%/1.15%, respectively.

The management stays confident of delivering growth and profitability target

The management maintains its growth target of 30% in the medium term, while upholding its long-term target of 4% ROA and 17-18% ROE; it acknowledged that the profitability target is delayed by 2-3 quarters on account of lower volumes, primarily due to the slower liquidity environment. The management highlighted that it targets AUM mix of 70% secured and 30% unsecured, and will be increasing the share of high-yielding products like MEL, which would support the overall yield expansion. We expect opex to remain elevated, as the company continues to expand its branch network (reaching 400 branches by the end of FY26); opex will moderate as branches attain maturity (a micro branch typically sees break-even in 8 months).

We adjust our estimates to reflect Q3 performance; reiterate BUY; revise down (by 25%) TP to Rs 270

To reflect the Q3 developments, management commentary, and external developments, we adjust our estimates which leads to ~10% cut in FY26-27E EPS. The cut in earnings is on account of some compression in NIM due to moderating yields given the rising competition, and elevated CoF and opex. We maintain BUY on the stock, while revising down Dec-25E TP by 25% to Rs270 (vs Rs360 earlier), implying FY26E P/B of 1.2x.

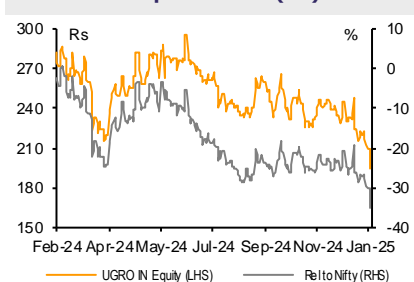
Target Price – 12M	Dec-25
Change in TP (%)	(25.0)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	39.4
CMP (28-Jan-25) (Rs)	193.7

Stock Data	Ticker
52-week High (Rs)	317
52-week Low (Rs)	186
Shares outstanding (mn)	93.0
Market-cap (Rs bn)	18
Market-cap (USD mn)	208
Net-debt, FY25E (Rs mn)	903
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	48.2
ADTV-3M (USD mn)	0.6
Free float (%)	-
Nifty-50	22,957
INR/USD	86.5
Shareholding, Dec-24	
Promoters (%)	2.2
FPIs/MFs (%)	24.7/2.4

Price Performance

(%)	1M	3M	12M
Absolute	(21.0)	(19.1)	(29.8)
Rel. to Nifty	(18.0)	(14.2)	(34.7)

1-Year share price trend (Rs)



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Management Call KTAs

- The management maintained its AUM growth guidance of 30% in the medium term.
- Margin improvement will be primarily led by increasing share of higher-yield product (Micro Enterprise Loan-MEL). The share of MEL is expected to reach ~35% by the end of FY26.
- With regard to co-lending and co-origination, the management stated that the growth in co-lending was a bit slow in the current quarter, as the bank maintained caution with regard to unsecured loans and is instead focusing on secured loans. The management expects co-lending and co-origination to pick-up in coming quarters. (Volume of co-lending in current quarter was ~Rs3.72bn vs Rs6.15bn in the previous quarter.
- UGRO targets 4% ROA and 17-18% ROE in the medium-to-long term.
- Disbursement via the embedded financing platform (*MySubhLife*), as of Dec-24, was Rs3.02bn. The company has partnered with multiple digital platforms like PhonePe, Fino, Meesho, MobiKwik, etc, and expects adding more going forward.
- Increase in opex was mainly due to branch addition, guarantee fees, disbursement-related expenses, and lower GST credit inputs available (generally 9% input credit allowed and balance 9% is charged to the P&L).
- As of Q3FY25, the secured:unsecured mix stands at ~70:30. Of the total unsecured, ~41% of the USL is covered under the guarantee scheme; hence technically, the portion USL covered under the guarantee scheme is also secured. Guarantee fee is ~1% of the loan, and the claim in case of default is 2x the premium paid (ie 2%). The guarantee policy covered ~75% of the principal outstanding.
- LTV on secured book is ~55%.
- Average monthly cost of a micro branch is ~Rs0.4-0.45mn, and a branch typically achieves AUM breakeven at Rs50mn. The management highlighted that branch efficiency is improving and the time taken to reach breakeven for a branch has reduced to 8 months, from 18 months earlier.
- Yield was flattish in Q3, despite some uptick in gross yield due to higher disbursement in the partnership embedded finance channel (net yield is adjusted for partners' share).

Exhibit 1: Result snapshot

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	QoQ change	YoY Change
NII	661	622	958	649	871	34%	32%
NIMs (%)	6.0	5.2	7.6	4.8	3.3	-154bps	-274bps
NII + Fees	1,626	2,008	1,654	1,998	2,177	9%	34%
NIMs + Fees (%)	14.8	16.8	13.1	14.8	14.7	-12bps	-10bps
Cost of Borrowing (%)	11.71	11.62	11.86	11.60	11.64	5bps	-7bps
Opex-to-AUM (%)	4.34	4.84	3.92	4.35	4.65	30bps	31bps
PPoP	761	956	760	945	942	0%	24%
Credit cost on AUM (%)	1.49	1.89	1.45	1.83	1.56	-27bps	7bps
Credit cost on on-book AUM (%)	2.71	3.43	2.63	3.29	2.79	-50bps	8bps
PAT	325	313	304	355	375	6%	15%
Networth	14,049	14,384	19,172	19,578	19,976	2%	42%
AUM	83,640	90,470	92,180	101,570	110,670	9%	32%
Disbursement	15,520	15,540	11,450	19,710	20,500	4%	32%
GS3 - Reported (%)	3.15	3.09	2.90	2.67	2.10	-57bps	-105bps
NS3 - Reported (%)	1.7	1.6	1.6	1.5	1.5	4bps	-17bps
GNPA - GS3 on Total AUM (%)	2.04	2.02	2.03	2.10	2.14	5bps	10bps
NNPA - NS3 on Total AUM (%)	1.1	1.1	1.1	1.1	1.1	2bps	9bps
ROA - Reported (%)	2.40	2.20	1.90	2.00	1.90	-10bps	-50bps
ROE - Reported (%)	9.40	9.20	7.70	8.50	8.40	-10bps	-100bps
PCR (%)	49.0	48.0	47.0	47.0	47.0	0bps	-200bps

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
Disbursement	73,674	73,674	0.0%	92,896	92,896	0.0%	116,605	116,605	0.0%
AUM	121,065	121,065	0.0%	159,173	159,173	0.0%	204,006	204,006	0.0%
Net Interest Income	4,001	3,618	-9.6%	6,138	5,791	-5.7%	8,284	8,180	-1.3%
Other operating Income	4,170	4,571	9.6%	5,025	5,561	10.7%	6,977	7,454	6.8%
Total Income	8,171	8,188	0.2%	11,163	11,351	1.7%	15,261	15,634	2.4%
Operating expenses	4,494	4,565	1.6%	5,679	6,077	7.0%	7,108	7,740	8.9%
PPOP	3,677	3,624	-1.5%	5,484	5,274	-3.8%	8,153	7,894	-3.2%
Provisions	1,651	1,641	-0.6%	1,975	2,148	8.7%	2,653	2,864	8.0%
PAT	1,506	1,473	-2.2%	2,607	2,323	-10.9%	4,087	3,737	-8.6%
EPS (Rs)	16	16	-2.2%	22	20	-10.9%	29	26	-8.6%
BVPS (Rs)	173	173	-0.2%	223	220	-1.0%	251	247	-1.9%
Networth	18,517	18,485	-0.2%	31,534	31,217	-1.0%	35,621	34,955	-1.9%
Disbursement growth	25.6%	25.6%	-	26.1%	26.1%	-	25.5%	25.5%	-
AUM growth	33.8%	33.8%	-	31.5%	31.5%	-	28.2%	28.2%	-
Total PCR as a % of AUM	50%	50.00%	-	52%	50.00%	-200bps	55%	50.00%	-500bps
NIM	7.0%	6.2%	-87bps	8.4%	7.5%	-90bps	8.9%	8.2%	-68bps
NIMs + Fees	14.4%	13.9%	-41bps	15.2%	14.6%	-58bps	16.3%	15.7%	-68bps
Opex-to-AUM ratio	4.2%	4.3%	7bps	4.1%	4.3%	28bps	3.9%	4.3%	35bps
Cost-to-Income ratio	55.0%	55.7%	75bps	50.9%	53.5%	267bps	46.6%	49.5%	293bps
Credit Cost	2.9%	2.8%	-11bps	2.7%	2.8%	8bps	2.8%	2.9%	3bps
ROA	2.2%	2.0%	-16bps	3.0%	2.4%	-54bps	3.7%	3.1%	-57bps
ROE	8.6%	8.5%	-18bps	11.0%	9.9%	-113bps	12.2%	11.3%	-88bps

Source: Company, Emkay Research

Exhibit 3: Valuation matrix

	CMP/TP (Rs)	Upside	Mkt Cap (Rs bn)	P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			EPS (Rs)		
				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
At current market price	194	39%	18.0	1.12	0.88	0.79	12.04	9.72	7.34	2.3	2.0	2.4	8.5	9.9	11.3	173	220	247	16	20	26
At target price	270		18.0	1.56	1.23	1.09	16.79	13.56	10.24	2.3	2.0	2.4	8.5	9.9	11.3	173.1	220.3	246.7	16.1	19.9	26.4

Source: Company, Emkay Research

Exhibit 4: AUM trend

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
AUM (Rs bn)	25.89	29.69	36.57	43.75	50.96	60.81	67.77	75.92	83.64	90.47	92.18	101.57	110.67
QoQ growth	34%	15%	23%	20%	16%	19%	11%	12%	10%	8%	2%	10%	9%

Source: Company, Emkay Research

Exhibit 5: AUM mix – On-balance sheet:Off-balance sheet

(Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
On Book	24,078	24,910	28,750	31,030	33,210	36,390	38,480	41,756	46,002	49,690	51,040	56,640	61,650
Off Book	1,812	4,780	7,820	12,720	17,750	24,420	29,290	34,164	37,638	40,780	41,140	44,930	49,020
Total AUM	25,890	29,690	36,570	43,750	50,960	60,810	67,770	75,920	83,640	90,470	92,180	101,570	110,670
On Book	93%	84%	79%	71%	65%	60%	57%	55%	55%	55%	55%	56%	56%
Off Book	7%	16%	21%	29%	35%	40%	43%	45%	45%	45%	45%	44%	44%

Source: Company, Emkay Research

Exhibit 6: Product-wise AUM mix

Portfolio Mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Prime - Secured Loans	37.7%	34.4%	31.4%	29.6%	28.7%	28.4%	29.3%	28.5%	26.9%	26.4%	26.6%	27.5%	27.5%
Prime - Unsecured Loans	22.2%	25.8%	27.3%	28.8%	30.0%	31.2%	31.1%	31.3%	31.9%	32.5%	33.3%	32.8%	30.3%
Micro Enterprise Loan	2.9%	3.6%	4.6%	5.5%	6.6%	7.8%	8.1%	8.4%	8.6%	9.0%	9.7%	10.9%	12.3%
Supply Chain Financing	10.0%	9.7%	9.7%	9.1%	9.0%	9.3%	8.6%	8.8%	8.6%	7.0%	4.8%	3.5%	2.8%
Machinery Loan	7.1%	8.5%	9.9%	10.6%	11.1%	11.5%	11.8%	11.8%	12.4%	12.9%	13.6%	13.7%	13.6%
Partnerships & Alliances	20.2%	18.0%	17.0%	16.4%	14.6%	11.8%	11.1%	11.2%	11.6%	12.3%	12.0%	11.7%	10.8%
Embedded Finance	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%

Source: Company, Emkay Research

Exhibit 7: Disbursement trend

(Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Disbursement	8,170	6,120	9,160	11,010	11,640	14,590	12,790	14,770	15,520	15,540	11,450	19,710	20,500
Growth		-25.1%	49.7%	20.2%	5.7%	25.3%	-12.3%	15.5%	5.1%	0.1%	-26.3%	72.1%	4.0%

Source: Company, Emkay Research

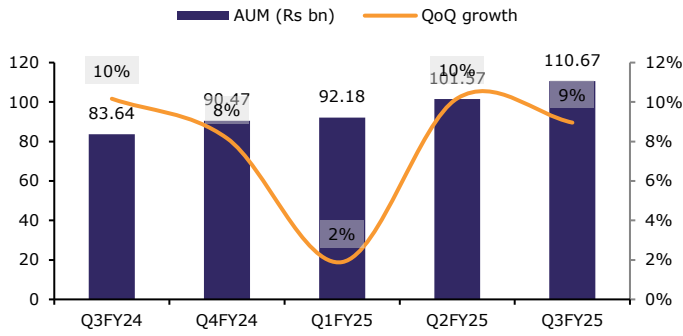
Exhibit 8: Product-wise disbursement mix

Disbursement Mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Prime - Secured Loans	32.8%	16.8%	21.0%	22.8%	25.3%	24.7%	28.4%	20.6%	15.7%	17.0%	21.3%	21.4%	18.3%
Prime - Unsecured Loans	23.9%	40.8%	33.3%	32.1%	33.2%	28.6%	33.5%	35.5%	38.0%	40.3%	45.8%	31.6%	20.1%
Micro Enterprise Loan	5.0%	7.2%	9.9%	10.9%	11.7%	14.1%	11.8%	12.7%	11.6%	13.1%	18.3%	23.1%	26.5%
Supply Chain Financing (Net)	5.4%	4.4%	7.2%	5.3%	5.6%	7.5%	0.9%	5.8%	3.4%	-5.7%	-16.1%	-5.0%	-3.0%
Machinery Loan	8.6%	13.2%	13.0%	11.4%	11.5%	11.9%	12.0%	11.3%	14.5%	14.6%	17.1%	14.8%	12.7%
Partnerships & Alliances	24.4%	17.5%	15.6%	17.5%	12.7%	13.2%	13.4%	14.2%	16.8%	20.7%	13.6%	14.1%	11.4%
Embedded Finance	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.3%

Source: Company, Emkay Research

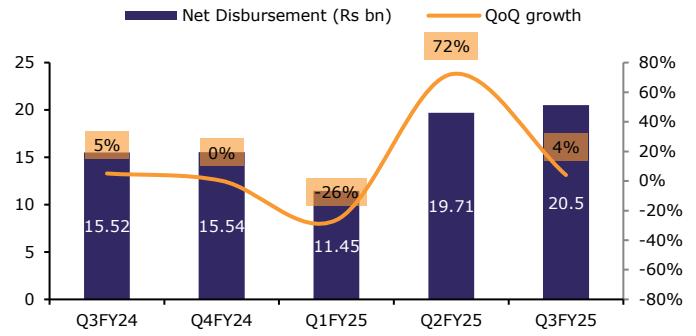
Result in charts

Exhibit 9: Robust AUM growth



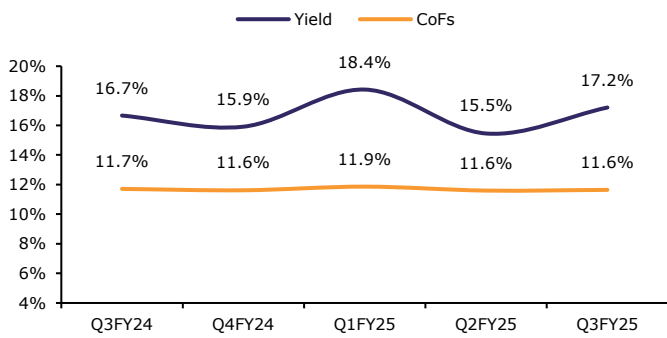
Source: Company, Emkay Research

Exhibit 10: Disbursement remains soft in Q3FY25



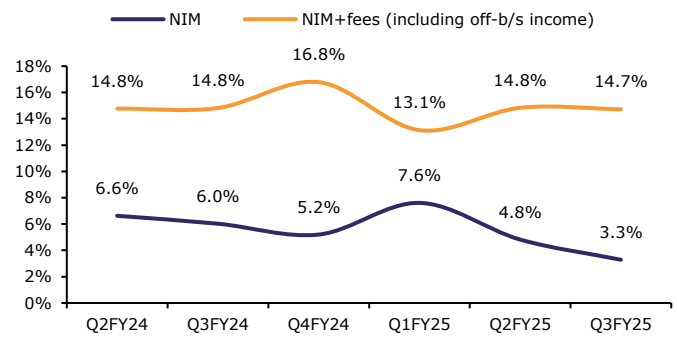
Source: Company, Emkay Research

Exhibit 11: CoFs remain broadly stable



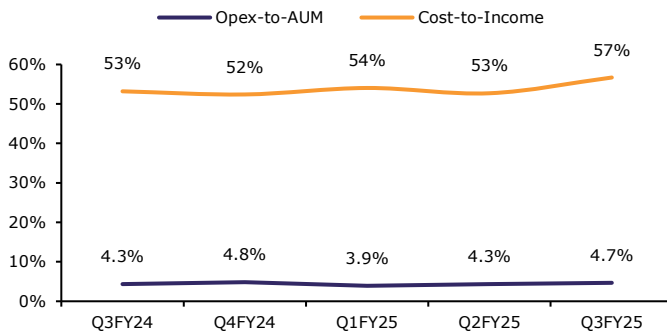
Source: Company, Emkay Research

Exhibit 12: NIMs+Fees remain above 14.7%



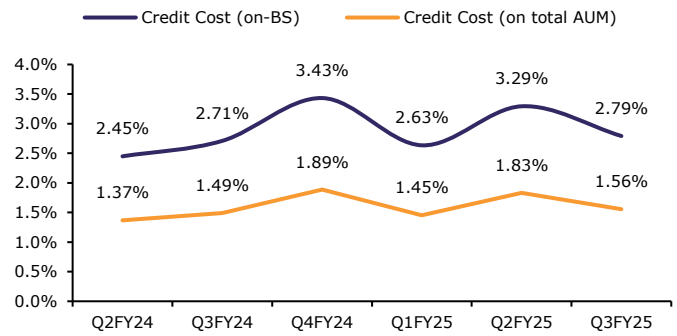
Source: Company, Emkay Research

Exhibit 13: Higher opex on account of branch expansion



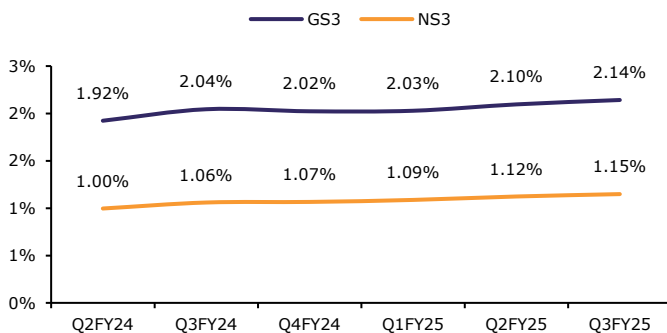
Source: Company, Emkay Research

Exhibit 14: Credit cost improvement on account of prudent underwriting



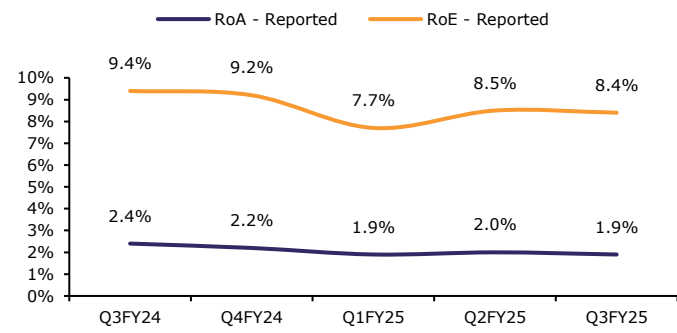
Source: Company, Emkay Research

Exhibit 15: Asset quality remains robust



Source: Company, Emkay Research

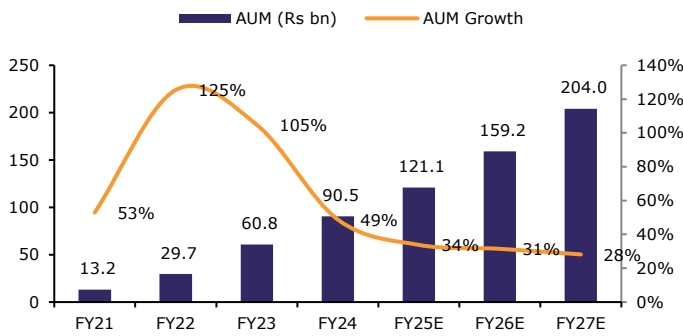
Exhibit 16: ROA/ROE broadly stable



Source: Company, Emkay Research

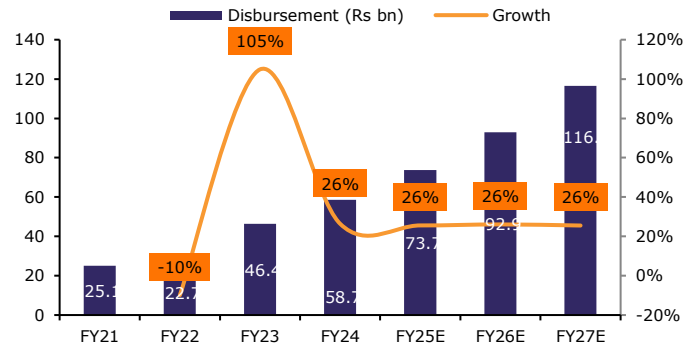
Story in charts

Exhibit 17: AUM growth led by strong disbursement



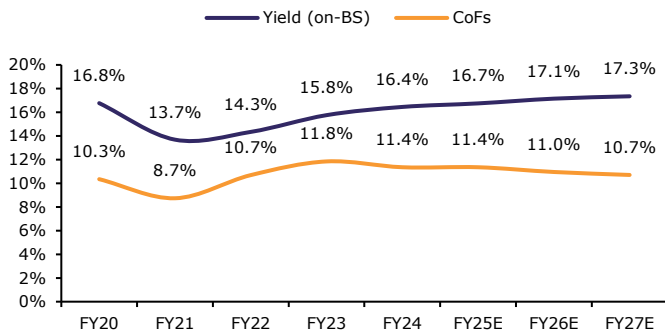
Source: Company, Emkay Research

Exhibit 18: Disbursement across the product segment to remain robust



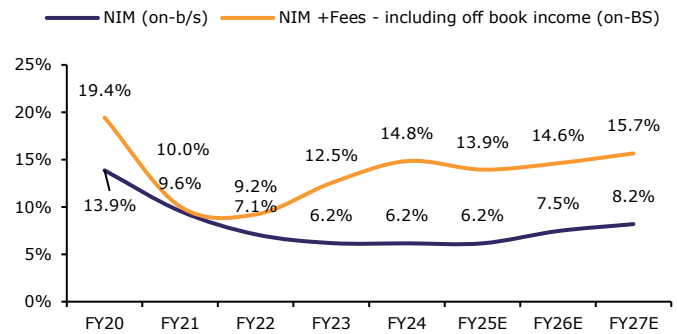
Source: Company, Emkay Research

Exhibit 19: Yield improvement led by change in asset mix



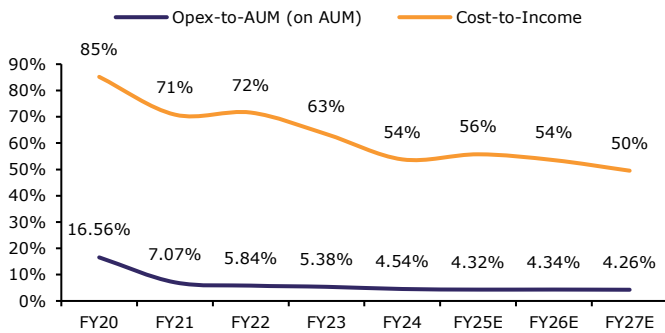
Source: Company, Emkay Research

Exhibit 20: Overall margin to improve



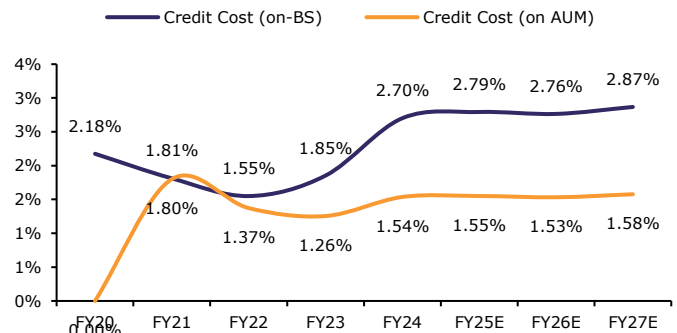
Source: Company, Emkay Research

Exhibit 21: Cost to moderate on account of improved branch efficiency



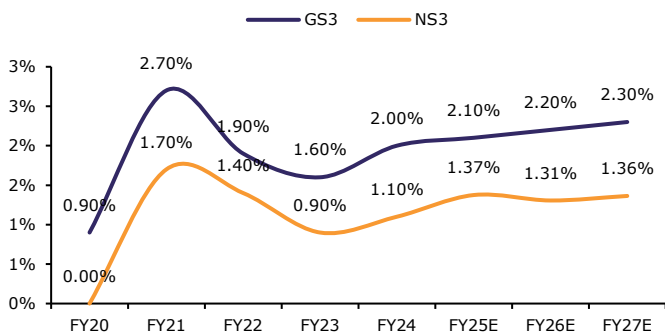
Source: Company, Emkay Research

Exhibit 22: Credit cost to remain at comfortable levels



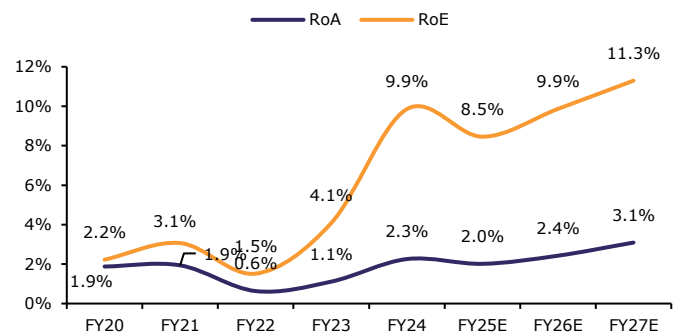
Source: Company, Emkay Research

Exhibit 23: Asset quality to remain stable



Source: Company, Emkay Research

Exhibit 24: ROA/RoE to improve as efficiency improves



Source: Company, Emkay Research

UGRO Capital: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	4,829	7,079	9,839	13,319	17,327
Interest Expense	2,933	4,429	6,221	7,529	9,147
Net interest income	1,896	2,650	3,618	5,791	8,180
NII growth (%)	40.7	39.7	36.5	60.1	41.3
Non interest income	1,944	3,737	4,571	5,561	7,454
Total income	3,841	6,387	8,188	11,351	15,634
Operating expenses	2,435	3,437	4,565	6,077	7,740
PPOP	1,406	2,950	3,624	5,274	7,894
PPOP growth (%)	183.6	109.8	22.8	45.5	49.7
Provisions & contingencies	568	1,163	1,641	2,148	2,864
PBT	838	1,788	1,983	3,126	5,030
Extraordinary items	0	0	0	0	0
Tax expense	441	594	510	803	1,293
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	398	1,193	1,473	2,323	3,737
PAT growth (%)	173.4	200.0	23.4	57.7	60.9
Adjusted PAT	398	1,193	1,473	2,323	3,737
Diluted EPS (Rs)	5.7	13.4	16.1	19.9	26.4
Diluted EPS growth (%)	176.2	135.3	20.1	23.8	32.4
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0
Effective tax rate (%)	52.6	33.2	25.7	25.7	25.7
Net interest margins (%)	12.5	14.8	13.9	14.6	15.7
Cost-income ratio (%)	63.4	53.8	55.7	53.5	49.5
PAT/PPOP (%)	28.3	40.5	40.7	44.0	47.3
Shares outstanding (mn)	69.3	91.6	91.6	141.7	141.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
GNPL - Stage 3	957	1,715	1,806	2,915	3,923
NNPL - Stage 3	499	892	903	1,457	1,961
GNPL ratio - Stage 3 (%)	2.5	3.1	2.4	3.0	3.2
NNPL ratio - Stage 3 (%)	1.3	1.7	1.2	1.6	1.6
ECL coverage - Stage 3 (%)	49.0	48.0	50.0	50.0	50.0
ECL coverage - 1 & 2 (%)	1.1	0.7	1.2	1.2	1.4
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 (%)	0.1	1.2	1.6	1.6	1.7
Total credit costs (%)	1.9	2.7	2.8	2.8	2.9
NNPA to networth (%)	5.1	6.2	4.9	4.7	5.6
Capital adequacy					
Total CAR (%)	20.2	20.8	24.2	27.7	23.2
Tier-1 (%)	19.6	19.5	23.3	27.0	22.7
Miscellaneous					
Total income growth (%)	119.9	66.3	28.2	38.6	37.7
Opex growth (%)	94.6	41.2	32.8	33.1	27.4
PPOP margin (%)	4.6	6.9	6.2	6.8	7.9
Credit costs-to-PPOP (%)	40.4	39.4	45.3	40.7	36.3
Loan-to-Assets (%)	88.4	86.5	86.6	86.4	88.9
Yield on loans (%)	15.8	16.4	16.7	17.1	17.3
Cost of funds (%)	11.8	11.4	11.4	11.0	10.7
Spread (%)	3.9	5.1	5.4	6.2	6.6

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	693	916	916	1,417	1,417
Reserves & surplus	9,147	13,468	17,569	29,801	33,538
Net worth	9,840	14,384	18,485	31,217	34,955
Borrowings	31,489	46,532	63,051	74,413	96,495
Other liabilities & prov.	1,726	1,884	2,065	2,271	2,499
Total liabilities & equity	43,056	62,800	83,601	107,902	133,948
Net loans	38,064	54,322	72,428	93,205	119,033
Investments	601	592	1,254	2,158	2,679
Cash, other balances	2,118	4,549	7,167	9,443	8,750
Interest earning assets	40,783	59,463	80,849	104,807	130,462
Fixed assets	38	45	54	65	78
Other assets	2,235	3,292	2,697	3,031	3,408
Total assets	43,056	62,800	83,601	107,902	133,948
BVPS (Rs)	142.0	157.0	173.1	220.3	246.7
Adj. BVPS (INR)	142.0	157.0	173.1	220.3	246.7
Gross loans	38,677	55,148	75,244	97,162	124,529
Total AUM	60,810	90,470	121,065	159,173	204,006
On balance sheet	36,390	49,690	67,797	87,545	112,203
Off balance sheet	24,420	40,780	53,269	71,628	91,803
Disbursements	46,410	58,670	73,674	92,896	116,605
Disbursements growth (%)	104.9	26.4	25.6	26.1	25.5
Loan growth (%)	55.3	42.7	33.3	28.7	27.7
AUM growth (%)	104.8	48.8	33.8	31.5	28.2
Borrowings growth (%)	74.7	47.8	35.5	18.0	29.7
Book value growth (%)	3.6	10.6	10.2	27.3	12.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	34.0	14.5	12.0	9.7	7.3
P/B (x)	1.4	1.2	1.1	0.9	0.8
P/ABV (x)	1.4	1.2	1.1	0.9	0.8
P/PPOP (x)	9.6	5.9	4.9	4.3	3.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Dupont-RoE split (%)					
NII/avg AUM	6.2	6.2	6.2	7.5	8.2
Other income	6.3	8.7	7.8	7.2	7.5
Securitization income	0.0	0.0	0.0	0.0	0.0
Opex	3.4	3.7	3.4	3.1	2.8
Employee expense	4.6	4.2	4.4	4.8	4.9
PPOP	4.6	6.9	6.2	6.8	7.9
Provisions	1.9	2.7	2.8	2.8	2.9
Tax expense	1.4	1.4	0.9	1.0	1.3
RoAUM (%)	1.3	2.8	2.5	3.0	3.7
Leverage ratio (x)	3.1	3.6	3.4	3.3	3.0
RoE (%)	4.1	9.9	8.5	9.9	11.3

Quarterly data

Rs mn, Y/E Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
NII	661	622	958	649	871
NIM(%)	14.8	16.8	13.1	14.8	14.7
PPOP	761	956	760	945	942
PAT	325	313	304	355	375
EPS (Rs)	3.56	3.57	3.31	3.87	4.09

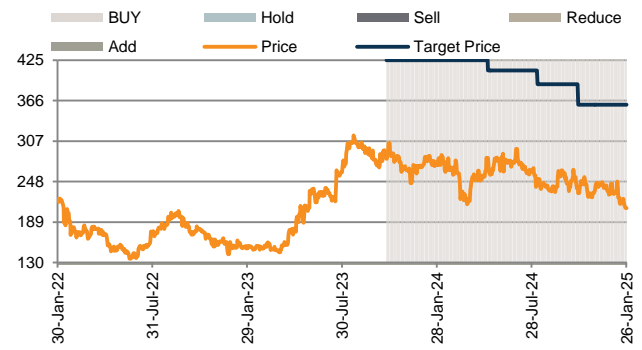
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
06-Jan-25	232	360	Buy	Avinash Singh
05-Dec-24	243	360	Buy	Avinash Singh
25-Oct-24	231	360	Buy	Avinash Singh
04-Oct-24	245	390	Buy	Avinash Singh
02-Sep-24	235	390	Buy	Avinash Singh
20-Aug-24	246	390	Buy	Avinash Singh
08-Aug-24	243	390	Buy	Avinash Singh
05-Jun-24	278	410	Buy	Avinash Singh
05-May-24	283	410	Buy	Avinash Singh
03-May-24	283	425	Buy	Avinash Singh
30-Nov-23	266	425	Buy	Avinash Singh
28-Oct-23	304	425	Buy	Avinash Singh
23-Oct-23	282	425	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
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