

## Result Preview



### Company

|                            |
|----------------------------|
| Aavas Financiers           |
| Bajaj Finance              |
| Can Fin Homes              |
| Chola Inv. & Fin.          |
| CreditAccess Grameen       |
| Five Star Business Finance |
| Fusion Microfinance        |
| HomeFirst                  |
| IIFL Finance               |
| L&T Finance Holdings       |
| LIC Housing Finance        |
| M&M Financial Services     |
| Manappuram Finance         |
| MAS Financial Services     |
| Muthoot Finance            |
| PNB Housing Finance        |
| Poonawalla Fincorp         |
| Repco Home Finance         |
| Shriram Finance            |
| Spandana Sphoorty          |

## Trends point at seasonally weaker 1H

### NIM largely stable for most players; credit costs remain elevated

- AUM growth slightly weaker owing to heavy rainfall in some regions and few inauspicious days in Sep'24:** We expect ~8% YoY growth in AUM in 2QFY25 for our HFC coverage universe, including both affordable and other HFCs. Vehicle financiers are projected to report ~24% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~24% YoY growth. NBFC-MFIs are likely to post ~13% YoY growth, while diversified lenders are expected to deliver ~22% YoY growth in AUM. For our coverage universe, we estimate loan growth of ~18% YoY/~4% QoQ in 2QFY25. We expect slightly weaker loan growth (vs. our earlier expectations) because of rainfall/floods in certain regions and few inauspicious days in Sep'24. Gold financiers are expected to report decent gold loan growth. Micro-financiers should report a sequential decline in loans because of muted disbursements. Most housing financiers (except LICHF and Repco) are expected to report healthy loan growth.
- Largely stable trends in NIM and spreads; all eyes on expected repo rate cuts:** The increase in MCLR of banks has been mitigated by the decline in the T-Bill rates. The cost of borrowings (CoB) for most NBFCs has been either stable or declined slightly. NIM and spreads for NBFCs are showing signs of stabilization. Fixed-rate lenders like vehicle financiers, which had increased lending rates in the prior quarters, will also benefit from NIM expansion, driven by expected repo rate cuts in 2HFY25. At the sectoral level, we expect NIM to remain flat for vehicle financiers and HFCs.
- Seasonal deterioration in asset quality but most pronounced in MFIs:** Except for housing/mortgages, we expect a sequential deterioration in asset quality, mainly due to seasonality (except for MFIs). The MFI segment continues to exhibit forward flows (due to customer overleveraging), resulting in higher PAR (portfolio at risk) formation, and it will see significantly higher credit costs.
- PAT likely to grow ~9% YoY for our coverage universe, driven by high credit costs and higher stress for NBFC-MFIs:** We estimate ~19%/18%/9% YoY growth in NII/PPoP/PAT in 2QFY25 for our NBFC coverage universe. Excluding NBFC-MFIs, we estimate ~15% YoY growth in PAT for our coverage. Among NBFC sub-sectors, our preference is for vehicle finance and housing finance/mortgages. We advise underweight in microfinance since the recovery is still distant. Our top picks in the sector are SHFL, LTFH and PNBHF.

### Minor weakness in disbursement momentum; flat trends in NIM

- The impact of the RBI circular (on interest income recognition only on cheque realization) on disbursements was much less pronounced compared to the last quarter. While there was minor weakness in the disbursement momentum (partly because of some inauspicious days in Sep'24), the outlook on loan growth remains healthy for most HFCs in our coverage universe.
- We anticipate credit costs for LICHF to be at ~45bp (vs. 20bp in 1QFY25). Margin is expected to remain stable QoQ, aided by stable CoF and slight improvement in yields, driven by better recoveries from NPA pool.

- We forecast HomeFirst to report ~24% YoY growth in disbursements, leading to healthy AUM growth of ~34% YoY. We expect NIM to remain stable for both Aavas and HomeFirst despite the ongoing rise in their CoB. Asset quality is also expected to remain range-bound, which will keep the credit costs benign.
- We estimate PNBHF to deliver ~15% YoY growth in loan book as of Sep'24 and NIM to remain largely stable. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate could potentially result in provision write-backs (like in the prior quarter).
- For Five Star, we expect disbursements to remain flat QoQ. As a result, we estimate ~6% QoQ growth in AUM. NIM moderation (driven by improvement in leverage) will continue. We expect asset quality to remain largely stable (despite ~40% overlap with MFI customers) and credit costs to remain benign.

#### **Vehicle finance – Seasonal blip in asset quality and disbursement momentum**

- For MMFS, we estimate disbursements of ~INR140b (up 5% YoY) and 21% YoY growth in business assets (aided by trade advances ahead of the festive season) in 2QFY25. We now estimate ~19% YoY growth in business assets for MMFS in FY25. We expect credit costs for MMFS to be at ~2.2% (vs. 2.8% in 2QFY24).
- For CIFIC and SHTF, we expect a sequential growth in disbursements, which should translate into ~33%/20% YoY growth in AUM for CIFIC/SHTF as of Sep'24.
- We estimate NIM expansion for vehicle financiers in FY25, due to a rise in yields and a decline in CoB. Seasonal trends and heavy rainfall in some regions could result in a minor deterioration in asset quality for vehicle financiers with high credit costs.

#### **Gold finance – Decent growth in gold loans with some compression in NIM**

- We expect gold loan financiers to deliver decent gold loan growth and modest tonnage growth in 2QFY25.
- We expect ~4%/3% sequential growth in the gold loan portfolio of MUTH/MGFL. Gold loan NIM could contract QoQ because of the minor decline in yields and a rise in CoF. Asirvad MFI, a subsidiary of MGFL, could see asset quality deterioration and high credit costs (like in the last quarter).

#### **Microfinance – Stressful quarter; sequential decline in AUM even as fresh slippages continue**

- Customer overleveraging has resulted in higher delinquencies and lower collection efficiencies. After the implementation of MFIN guardrails, disbursements were muted for all three NBFC-MFIs – CREDAG, Fusion, and Spandana – in our coverage universe. We expect a QoQ decline of 3%/7%/6% in AUM for CREDAG/Fusion/Spandana in 2QFY25.
- Higher NPA formation will also result in interest income reversals, which could weigh on NIM.
- Flows into forward asset quality buckets have continued for the last four quarters. We expect an increase in PAR90 for all the three MFIs in our coverage and expects significantly high credit costs. 2QFY25 will be the worst quarter in terms of credit costs and we estimate annualized credit costs of ~5%/~20%/16% for CREDAG/Fusion/Spandana in this quarter.

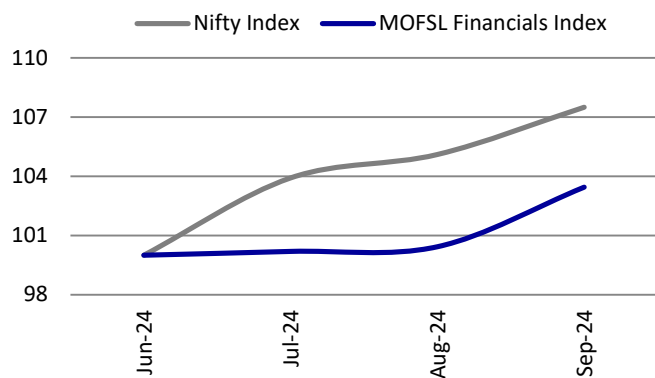
### Diversified financiers: Calibration in personal loans continues; credit costs from the PL portfolio still elevated

- We expect LTFH to report ~27% YoY/4% QoQ growth in Retail Loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), the consolidated loan book could also grow ~4% QoQ in 2QFY25. Unlike NBFC-MFIs, we expect only a minor deterioration in collection efficiencies in the MFI business of LTFH. This could result in a slight sequential increase in credit costs for LTFH.
- BAF is likely to report ~30% YoY/7% QoQ growth in AUM. We estimate a ~10bp QoQ contraction in NIM for BAF with credit costs at ~1.9% (down ~5bp QoQ).
- We expect Poonawalla to report ~41% YoY growth in AUM, driven by ~11% QoQ growth in disbursements. We estimate this to translate into ~29% YoY PAT growth for the company.
- For IIFL Finance, we estimate gold loan AUM to decline to ~INR109b as of Sep'24. Along with decline in the MFI business, this could result in a ~7% QoQ fall in consolidated AUM. We estimate a PAT of INR2.7b in 2Q (vs. INR2.9b in 1Q).

#### Exhibit 1: Quarterly performance

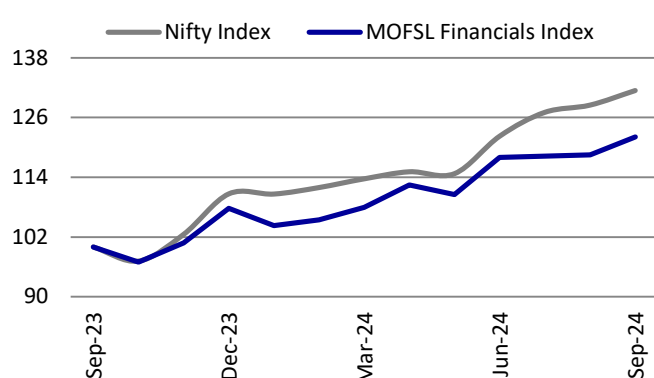
| Sector              | CMP (INR) | Rating  | NII (INR m)     |                  |                  | Operating profit (INR m) |                  |                  | Net profit (INR m) |                  |                  |
|---------------------|-----------|---------|-----------------|------------------|------------------|--------------------------|------------------|------------------|--------------------|------------------|------------------|
|                     |           |         | Sep-24          | Variance YoY (%) | Variance QoQ (%) | Sep -24                  | Variance YoY (%) | Variance QoQ (%) | Sep -24            | Variance YoY (%) | Variance QoQ (%) |
| AAVAS Financiers    | 1849      | Neutral | 2,541           | 14.3             | 3.9              | 1,896                    | 16.3             | 11.9             | 1,410              | 15.8             | 11.8             |
| Bajaj Finance       | 7702      | Neutral | 88,549          | 23.0             | 5.9              | 71,745                   | 23.0             | 3.3              | 40,155             | 13.1             | 2.6              |
| Can Fin Homes       | 900       | Neutral | 3,273           | 3.3              | 1.8              | 2,815                    | 4.2              | 0.7              | 2,103              | 33.0             | 5.3              |
| Chola. Inv & Fin.   | 1,582     | Buy     | 27,022          | 34.1             | 5.0              | 19,333                   | 36.1             | 4.5              | 9,846              | 29.1             | 4.5              |
| CreditAccess        | 1,197     | Buy     | 9,124           | 19.5             | -1.6             | 6,820                    | 21.2             | -3.9             | 2,613              | -24.7            | -34.3            |
| Five Star Business  | 825       | Buy     | 5,143           | 29.2             | 6.5              | 3,671                    | 32.3             | 3.5              | 2,615              | 31.1             | 3.9              |
| Fusion Micro        | 246       | Neutral | 3,905           | 27.7             | -1.8             | 2,832                    | 17.1             | -4.9             | -1,800             | -243.2           | 405.2            |
| Home First Fin.     | 1,184     | Buy     | 1,558           | 17.9             | 6.4              | 1,254                    | 20.1             | 5.3              | 914                | 22.9             | 4.1              |
| IIFL Finance        | 468       | Buy     | 13,140          | -7.8             | -8.6             | 6,619                    | -29.3            | -3.8             | 2,728              | -42.5            | -5.3             |
| L&T Fin. Holdings   | 188       | Buy     | 25,014          | 32.4             | 2.8              | 15,319                   | 18.1             | 4.4              | 6,968              | 17.3             | 1.7              |
| LIC Housing Fin     | 659       | Buy     | 20,371          | -3.3             | 2.4              | 18,192                   | -4.2             | 2.7              | 11,966             | 0.7              | -8.0             |
| M & M Financial     | 331       | Buy     | 18,457          | 16.3             | 3.5              | 11,794                   | 25.1             | 4.0              | 4,330              | 84.1             | -15.6            |
| Manappuram Finance  | 197       | Buy     | 15,810          | 16.7             | 2.8              | 10,077                   | 16.3             | 2.7              | 5,599              | -0.1             | 0.6              |
| MAS Financial       | 288       | Buy     | 1,265           | 22.9             | 2.2              | 1,270                    | 22.6             | 7.3              | 742                | 23.7             | 5.4              |
| Muthoot Finance     | 1956      | Neutral | 24,282          | 30.7             | 5.4              | 17,980                   | 34.0             | 4.8              | 13,025             | 31.4             | 20.7             |
| PNB Housing         | 974       | Buy     | 6,658           | 3.1              | 3.7              | 5,647                    | 2.3              | 4.2              | 4,425              | 15.5             | 2.2              |
| Poonawalla Fincorp  | 401       | Buy     | 6,110           | 28.7             | 6.1              | 4,408                    | 31.3             | 2.0              | 2,979              | 29.5             | 2.1              |
| Repco Home Fin      | 534       | Neutral | 1,883           | 6.7              | 2.7              | 1,412                    | 5.5              | 2.3              | 1,085              | 10.6             | 2.9              |
| Shriram Finance Ltd | 3,572     | Buy     | 54,818          | 19.3             | 4.7              | 41,540                   | 19.3             | 7.8              | 20,605             | 17.7             | 4.0              |
| Spandana Sphoorty   | 588       | Buy     | 3,682           | 16.6             | -15.2            | 2,644                    | 2.7              | -7.8             | -1,067             | -185.2           | -291.5           |
| <b>NBFC</b>         |           |         | <b>3,32,605</b> | <b>19.3</b>      | <b>3.5</b>       | <b>2,47,269</b>          | <b>17.6</b>      | <b>3.6</b>       | <b>1,31,239</b>    | <b>9.1</b>       | <b>-0.9</b>      |

**Exhibit 2: Relative performance — three-months (%)**



Source: Bloomberg, MOFSL

**Exhibit 3: Relative performance — one-year (%)**



Source: Bloomberg, MOFSL

**Exhibit 4: EPS estimate changes for FY25-26**

| Company            | Old Estimates |       | New Estimates |       | Change (%) |       |
|--------------------|---------------|-------|---------------|-------|------------|-------|
|                    | FY25          | FY26  | FY25          | FY26  | FY25       | FY26  |
| AAVAS              | 74.4          | 94.1  | 74.4          | 90.4  | -0.0       | -4.0  |
| BAF                | 275.4         | 359.2 | 273.2         | 363.5 | -0.8       | 1.2   |
| CANF               | 64.8          | 72.9  | 63.5          | 72.8  | -2.0       | -0.1  |
| CIFC               | 54.6          | 72.2  | 53.4          | 73.1  | -2.3       | 1.1   |
| CRETAG             | 104.5         | 124.0 | 81.2          | 97.9  | -22.3      | -21.1 |
| Five Star Business | 37.3          | 54.5  | 36.7          | 44.3  | -1.4       | -18.8 |
| FUSION             | 43.3          | 72.0  | -1.7          | 54.0  | -          | -24.9 |
| HomeFirst          | 43.0          | 55.1  | 42.4          | 52.6  | -1.4       | -4.5  |
| IIFL Fin           | 23.6          | 48.3  | 26.5          | 48.3  | 12.0       | -0.0  |
| LTFH               | 11.4          | 15.4  | 11.4          | 14.2  | -0.6       | -7.4  |
| LICHF              | 90.5          | 93.0  | 89.2          | 93.3  | -1.4       | 0.3   |
| MMFSL              | 22.7          | 28.3  | 20.7          | 28.3  | -8.9       | -0.1  |
| MASFIN             | 17.8          | 22.1  | 16.9          | 21.7  | -5.2       | -1.5  |
| Muthoot            | 124.8         | 141.0 | 126.7         | 145.3 | 1.5        | 3.1   |
| MGFL               | 30.0          | 35.3  | 27.4          | 33.4  | -8.6       | -5.4  |
| PNBHF              | 71.5          | 87.9  | 70.3          | 88.9  | -1.6       | 1.2   |
| PFL                | 18.8          | 25.6  | 16.8          | 21.3  | -10.3      | -16.6 |
| REPCO              | 66.0          | 72.0  | 68.9          | 74.3  | 4.4        | 3.2   |
| SHFL               | 227.2         | 279.9 | 224.9         | 272.7 | -1.0       | -2.6  |
| SPANDANA           | 84.0          | 110.4 | 12.7          | 73.0  | -84.9      | -33.9 |

Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

| Aavas Financiers  |   |              |              |              |              |                                     |              |              | Neutral       |               |
|---|---|--------------|--------------|--------------|--------------|-------------------------------------|--------------|--------------|---------------|---------------|
| CMP: INR1,849   TP: INR2,070 (12%)  |   |              |              |              |              | EPS CHANGE (%): FY25   26: 0.0 -4.0 |              |              |               |               |
| ■ AUM/disbursements are likely to grow ~21%/15% YoY.                                      | ■ Asset quality to improve and credit costs to remain benign  |              |              |              |              |                                     |              |              |               |               |
| ■ We expect NIM to remain stable QoQ. Upfront assignment income is estimated at ~INR490m. | ■ Commentaries on loan growth, margin trajectory, and tech transformation are the key monitorables. |              |              |              |              |                                     |              |              |               |               |
| Quarterly performance   |   |              |              |              |              |                                     |              |              |               | (INR m)       |
| Y/E March   | FY24  |              |              |              | FY25E        |                                     |              |              | FY24          | FY25E         |
|   | 1Q  | 2Q           | 3Q           | 4Q           | 1Q           | 2QE                                 | 3Q           | 4Q           |               |               |
| Interest Income   | 4,128   | 4,259        | 4,373        | 4,586        | 4,797        | 4,980                               | 5,293        | 5,917        | 17,347        | 20,988        |
| Interest Expenses   | 1,866   | 2,036        | 2,166        | 2,216        | 2,352        | 2,439                               | 2,585        | 2,924        | 8,284         | 10,299        |
| <b>Net Income</b>   | <b>2,262</b>  | <b>2,223</b> | <b>2,208</b> | <b>2,371</b> | <b>2,446</b> | <b>2,541</b>                        | <b>2,708</b> | <b>2,994</b> | <b>9,063</b>  | <b>10,689</b> |
| YoY Growth (%)  | 26  | 18           | 6            | 7            | 8            | 14                                  | 23           | 26           | 14            | 18            |
| Other income  | 540   | 716          | 719          | 882          | 628          | 829                                 | 923          | 987          | 2,856         | 3,368         |
| <b>Total Income</b>   | <b>2,802</b>  | <b>2,938</b> | <b>2,926</b> | <b>3,252</b> | <b>3,074</b> | <b>3,370</b>                        | <b>3,632</b> | <b>3,981</b> | <b>11,919</b> | <b>14,057</b> |
| YoY Growth (%)  | 28  | 16           | 12           | 14           | 10           | 15                                  | 24           | 22           | 17            | 18            |
| Operating Expenses  | 1,339   | 1,308        | 1,349        | 1,434        | 1,379        | 1,474                               | 1,603        | 1,786        | 5,430         | 6,241         |
| YoY Growth (%)  | 30  | 14           | 12           | 19           | 3            | 13                                  | 19           | 24           | 19            | 15            |
| <b>Operating Profits</b>  | <b>1,464</b>  | <b>1,631</b> | <b>1,577</b> | <b>1,818</b> | <b>1,695</b> | <b>1,896</b>                        | <b>2,029</b> | <b>2,195</b> | <b>6,489</b>  | <b>7,816</b>  |
| YoY Growth (%)  | 27  | 17           | 11           | 10           | 16           | 16                                  | 29           | 21           | 15.6          | 20.4          |
| Provisions  | 57  | 65           | 80           | 43           | 86           | 89                                  | 94           | 52           | 245           | 320           |
| <b>Profit before Tax</b>  | <b>1,407</b>  | <b>1,565</b> | <b>1,497</b> | <b>1,775</b> | <b>1,609</b> | <b>1,807</b>                        | <b>1,935</b> | <b>2,144</b> | <b>6,244</b>  | <b>7,496</b>  |
| Tax Provisions  | 310   | 348          | 331          | 349          | 348          | 398                                 | 426          | 434          | 1,338         | 1,606         |
| <b>Profit after tax</b>   | <b>1,097</b>  | <b>1,217</b> | <b>1,166</b> | <b>1,426</b> | <b>1,261</b> | <b>1,410</b>                        | <b>1,510</b> | <b>1,710</b> | <b>4,907</b>  | <b>5,890</b>  |
| YoY Growth (%)  | 23  | 14           | 9            | 13           | 15           | 16                                  | 29           | 20           | 14.1          |               |

| Bajaj Finance   |   |               |               |               |                 |                                     |                 |                 | Neutral         |                 |
|---|---|---------------|---------------|---------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| CMP INR7,702   TP: INR8,600 (+12%)                      |   |               |               |               |                 | EPS CHANGE (%): FY25   26: -0.8 1.2 |                 |                 |                 |                 |
| ■ BAF is likely to report AUM growth of 30% YoY/ 7% QoQ | ■ Credit costs are expected to decline ~5bp QoQ to ~1.9%                    |               |               |               |                 |                                     |                 |                 |                 |                 |
| ■ Margin is likely to contract ~10bp QoQ to ~9.7%       | ■ Commentaries on NIM trajectory and credit costs are the key monitorables. |               |               |               |                 |                                     |                 |                 |                 |                 |
| Quarterly Performance                                   |   |               |               |               |                 |                                     |                 |                 |                 | (INR m)         |
| Y/E March   | FY24  |               |               |               | FY25E           |                                     |                 |                 | FY24            | FY25E           |
|   | 1Q  | 2Q            | 3Q            | 4Q            | 1Q              | 2QE                                 | 3Q              | 4Q              |                 |                 |
| Interest Income   | 1,08,211  | 1,17,340      | 1,25,233      | 1,32,301      | 1,40,492        | 1,49,764                            | 1,60,248        | 1,69,164        | 4,83,066        | 6,19,668        |
| Interest expenses                                       | 41,025  | 45,371        | 48,680        | 52,171        | 56,839          | 61,215                              | 65,806          | 69,790          | 1,87,247        | 2,53,650        |
| <b>Net Interest Income</b>                              | <b>67,186</b>   | <b>71,970</b> | <b>76,553</b> | <b>80,130</b> | <b>83,653</b>   | <b>88,549</b>                       | <b>94,441</b>   | <b>99,374</b>   | <b>2,95,819</b> | <b>3,66,018</b> |
| YoY Growth (%)  | 27.4  | 30.0          | 29.3          | 28.1          | 24.5            | 23.0                                | 23.4            | 24.0            | 28.7            | 23.7            |
| Other Operating Income                                  | 16,795  | 16,477        | 16,436        | 17,019        | 20,531          | 19,501                              | 19,891          | 19,562          | 66,759          | 79,486          |
| <b>Net Income</b>                                       | <b>83,980</b>   | <b>88,447</b> | <b>92,989</b> | <b>97,149</b> | <b>1,04,185</b> | <b>1,08,051</b>                     | <b>1,14,333</b> | <b>1,18,936</b> | <b>3,62,578</b> | <b>4,45,504</b> |
| YoY Growth (%)  | 33.3  | 26.3          | 25.1          | 25.0          | 24.1            | 22.2                                | 23.0            | 22.4            | 25.7            | 22.9            |
| Operating Expenses                                      | 28,544  | 30,100        | 31,567        | 33,028        | 34,709          | 36,306                              | 38,303          | 40,373          | 1,23,252        | 1,49,691        |
| <b>Operating Profit</b>                                 | <b>55,437</b>   | <b>58,347</b> | <b>61,422</b> | <b>64,121</b> | <b>69,475</b>   | <b>71,745</b>                       | <b>76,030</b>   | <b>78,563</b>   | <b>2,39,326</b> | <b>2,95,813</b> |
| YoY Growth (%)  | 37.0  | 30.0          | 26.6          | 25.3          | 25.3            | 23.0                                | 23.8            | 22.5            | 27.9            | 23.6            |
| Provisions and Cont.                                    | 9,953   | 10,771        | 12,484        | 13,100        | 16,847          | 17,554                              | 17,933          | 17,224          | 46,307          | 69,558          |
| <b>Profit before Tax</b>                                | <b>45,512</b>   | <b>47,578</b> | <b>48,955</b> | <b>51,051</b> | <b>52,654</b>   | <b>54,191</b>                       | <b>58,097</b>   | <b>61,356</b>   | <b>1,93,036</b> | <b>2,26,272</b> |
| Tax Provisions  | 11,143  | 12,070        | 12,566        | 12,806        | 13,534          | 14,035                              | 15,047          | 14,400          | 48,584          | 57,016          |
| <b>Net Profit</b>                                       | <b>34,369</b>   | <b>35,508</b> | <b>36,390</b> | <b>38,245</b> | <b>39,120</b>   | <b>40,155</b>                       | <b>43,050</b>   | <b>46,955</b>   | <b>1,44,452</b> | <b>1,69,255</b> |
| YoY Growth (%)  | 36.8  | 27.7          | 22.4          | 21.1          | 13.8            | 13.1                                | 18.3            | 22.8            | 25.5            | 17.2            |

**Can Fin Homes****Neutral****CMP INR900 | TP: INR960 (+7%)****EPS CHANGE (%): FY25|26: -2.0|-0.1**

- Estimate loan book to grow ~10% YoY
- Spreads are expected to remain stable QoQ at ~3.0%
- Margin is expected to remain flat QoQ at 3.6%
- Commentaries on loan growth and outlook on NIM in a declining rate environment are the key monitorables

**Quarterly performance****(INR m)**

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3Q           | 4Q           |               |               |
| Interest Income            | 8,181        | 8,652        | 8,948        | 9,117        | 9,242        | 9,426        | 9,719        | 10,094       | 34,899        | 38,480        |
| Interest Expenses          | 5,330        | 5,484        | 5,660        | 5,839        | 6,027        | 6,154        | 6,357        | 6,611        | 22,314        | 25,149        |
| <b>Net Interest Income</b> | <b>2,851</b> | <b>3,168</b> | <b>3,288</b> | <b>3,278</b> | <b>3,214</b> | <b>3,273</b> | <b>3,362</b> | <b>3,482</b> | <b>12,585</b> | <b>13,331</b> |
| YoY Growth (%)             | 13.9         | 26.1         | 30.6         | 25.5         | 12.7         | 3.3          | 2.2          | 6.2          | 24.0          | 5.9           |
| Other income               | 60           | 58           | 71           | 159          | 70           | 76           | 99           | 170          | 348           | 414           |
| <b>Total Income</b>        | <b>2,911</b> | <b>3,226</b> | <b>3,359</b> | <b>3,437</b> | <b>3,284</b> | <b>3,348</b> | <b>3,461</b> | <b>3,652</b> | <b>12,933</b> | <b>13,745</b> |
| YoY Growth (%)             | 13.9         | 25.7         | 30.8         | 25.7         | 12.8         | 3.8          | 3.0          | 6.3          | 24.1          | 6.3           |
| Operating Expenses         | 435          | 524          | 494          | 720          | 488          | 533          | 593          | 824          | 2,173         | 2,438         |
| YoY Growth (%)             | 7.4          | 29.5         | 12.7         | 39.3         | 12.3         | 1.7          | 19.9         | 14.5         | 23.1          | 12.2          |
| <b>Operating Profits</b>   | <b>2,476</b> | <b>2,702</b> | <b>2,865</b> | <b>2,717</b> | <b>2,796</b> | <b>2,815</b> | <b>2,868</b> | <b>2,828</b> | <b>10,760</b> | <b>11,307</b> |
| YoY Growth (%)             | 15.2         | 25.0         | 34.6         | 22.5         | 12.9         | 4.2          | 0.1          | 4.1          | 24.3          | 5.1           |
| Provisions                 | 137          | 722          | 308          | 18           | 245          | 140          | 120          | 19           | 1,185         | 523           |
| <b>Profit before Tax</b>   | <b>2,339</b> | <b>1,980</b> | <b>2,557</b> | <b>2,700</b> | <b>2,551</b> | <b>2,675</b> | <b>2,748</b> | <b>2,810</b> | <b>9,575</b>  | <b>10,784</b> |
| Tax Provisions             | 504          | 399          | 556          | 609          | 555          | 573          | 594          | 609          | 2,068         | 2,329         |
| <b>Profit after tax</b>    | <b>1,835</b> | <b>1,581</b> | <b>2,001</b> | <b>2,090</b> | <b>1,996</b> | <b>2,103</b> | <b>2,155</b> | <b>2,201</b> | <b>7,507</b>  | <b>8,455</b>  |
| YoY Growth (%)             | 13.1         | 11.5         | 32.1         | 26.1         | 8.8          | 33.0         | 7.7          | 5.3          | 20.8          | 12.6          |

**Cholamandalam Inv. & Fin.****Buy****CMP INR1,582 | TP: INR1,850 (+17%)****EPS CHANGE (%): FY25|26: -2.3|1.1**

- Estimate business AUM to grow ~33% YoY
- Margin is likely to contract ~10bp QoQ to 6.7%
- Credit costs are projected to remain stable QoQ at ~1.5%
- Guidance on margins, loan growth and asset quality of new businesses to be closely monitored

**Quarterly Performance****(INR m)**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3Q            | 4Q            |               |                 |
| Interest Income            | 38,492        | 42,205        | 46,099        | 49,341        | 53,695        | 57,131        | 61,702        | 66,369        | 1,76,137      | 2,38,897        |
| Interest Expenses          | 20,071        | 22,052        | 24,390        | 25,793        | 27,957        | 30,109        | 31,765        | 33,075        | 92,306        | 1,22,906        |
| <b>Net Interest Income</b> | <b>18,421</b> | <b>20,153</b> | <b>21,709</b> | <b>23,548</b> | <b>25,738</b> | <b>27,022</b> | <b>29,937</b> | <b>33,293</b> | <b>83,831</b> | <b>1,15,990</b> |
| YoY Growth (%)             | 24.3          | 35.4          | 35.8          | 33.4          | 39.7          | 34.1          | 37.9          | 41.4          | 32.4          | 38.4            |
| Other Income               | 2,845         | 3,514         | 4,088         | 5,580         | 4,595         | 6,030         | 5,557         | 5,899         | 16,026        | 22,080          |
| <b>Total Income</b>        | <b>21,265</b> | <b>23,667</b> | <b>25,797</b> | <b>29,127</b> | <b>30,333</b> | <b>33,052</b> | <b>35,493</b> | <b>39,192</b> | <b>99,857</b> | <b>1,38,071</b> |
| YoY Growth (%)             | 29.7          | 39.4          | 40.8          | 41.4          | 42.6          | 39.7          | 37.6          | 34.6          | 38.1          | 38.3            |
| Operating Expenses         | 7,867         | 9,461         | 10,640        | 12,850        | 11,834        | 13,719        | 14,896        | 17,044        | 40,818        | 57,493          |
| <b>Operating Profit</b>    | <b>13,399</b> | <b>14,206</b> | <b>15,157</b> | <b>16,278</b> | <b>18,499</b> | <b>19,333</b> | <b>20,598</b> | <b>22,148</b> | <b>59,039</b> | <b>80,578</b>   |
| YoY Growth (%)             | 26.4          | 37.1          | 40.4          | 27.9          | 38.1          | 36.1          | 35.9          | 36.1          | 32.7          | 36.5            |
| Provisions & Loan Losses   | 3,723         | 3,998         | 3,588         | 1,908         | 5,814         | 6,171         | 5,000         | 3,248         | 13,218        | 20,233          |
| <b>Profit before Tax</b>   | <b>9,675</b>  | <b>10,208</b> | <b>11,569</b> | <b>14,369</b> | <b>12,685</b> | <b>13,163</b> | <b>15,598</b> | <b>18,900</b> | <b>45,821</b> | <b>60,345</b>   |
| Tax Provisions             | 2,415         | 2,583         | 2,807         | 3,788         | 3,263         | 3,317         | 3,899         | 5,030         | 11,593        | 15,509          |
| <b>Net Profit</b>          | <b>7,260</b>  | <b>7,625</b>  | <b>8,762</b>  | <b>10,581</b> | <b>9,422</b>  | <b>9,846</b>  | <b>11,698</b> | <b>13,870</b> | <b>34,228</b> | <b>44,836</b>   |
| YoY Growth (%)             | 28.3          | 35.3          | 28.0          | 24.1          | 29.8          | 29.1          | 33.5          | 31.1          | 28.4          | 31.0            |

**CreditAccess Grameen Ltd.****Buy****CMP INR1,197 | | TP: INR1,420 (+19%)****EPS CHANGE (%): FY25|26: -22.3|-21.1**

- Estimate GLP growth of ~13% YoY
- Margin is likely to expand ~15bp QoQ to 14.1%
- Credit costs are projected to rise ~250bp QoQ to ~5%
- Guidance on credit costs and GLP growth to be monitored

**Quarterly Performance****(INR m)**

| Y/E March                  | FY24         |              |              |              | FY25E         |              |              |               | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1Q            | 2QE          | 3Q           | 4Q            |               |               |
| Interest Income            | 11,052       | 11,874       | 12,444       | 13,632       | 14,372        | 14,074       | 14,084       | 14,911        | 49,001        | 57,441        |
| Interest Expenses          | 3,849        | 4,239        | 4,415        | 4,822        | 5,103         | 4,950        | 5,024        | 5,184         | 17,324        | 20,262        |
| <b>Net Interest Income</b> | <b>7,203</b> | <b>7,635</b> | <b>8,029</b> | <b>8,810</b> | <b>9,268</b>  | <b>9,124</b> | <b>9,060</b> | <b>9,726</b>  | <b>31,677</b> | <b>37,179</b> |
| YoY Growth (%)             | 57.8         | 53.3         | 48.5         | 42.3         | 28.7          | 19.5         | 12.8         | 10.4          | 49.8          | 17.4          |
| Other Income               | 656          | 602          | 509          | 959          | 754           | 689          | 650          | 886           | 2,725         | 2,979         |
| <b>Total Income</b>        | <b>7,858</b> | <b>8,237</b> | <b>8,537</b> | <b>9,770</b> | <b>10,023</b> | <b>9,814</b> | <b>9,710</b> | <b>10,612</b> | <b>34,402</b> | <b>40,158</b> |
| YoY Growth (%)             | 63.8         | 52.1         | 43.6         | 35.6         | 27.5          | 19.1         | 13.7         | 8.6           | 47.1          | 16.7          |
| Operating Expenses         | 2,420        | 2,611        | 2,520        | 2,942        | 2,929         | 2,994        | 3,153        | 3,400         | 10,493        | 12,474        |
| <b>Operating Profit</b>    | <b>5,438</b> | <b>5,626</b> | <b>6,018</b> | <b>6,828</b> | <b>7,093</b>  | <b>6,820</b> | <b>6,557</b> | <b>7,212</b>  | <b>23,910</b> | <b>27,684</b> |
| YoY Growth (%)             | 88           | 68           | 59           | 36           | 30            | 21           | 9            | 6             | 59            | 16            |
| Provisions & Loan Losses   | 764          | 959          | 1,262        | 1,533        | 1,746         | 3,317        | 2,985        | 2,270         | 4,518         | 10,318        |
| <b>Profit before Tax</b>   | <b>4,674</b> | <b>4,668</b> | <b>4,756</b> | <b>5,295</b> | <b>5,347</b>  | <b>3,503</b> | <b>3,572</b> | <b>4,942</b>  | <b>19,392</b> | <b>17,366</b> |
| Tax Provisions             | 1,189        | 1,197        | 1,222        | 1,324        | 1,371         | 890          | 907          | 1,261         | 4,933         | 4,428         |
| <b>Net Profit</b>          | <b>3,485</b> | <b>3,470</b> | <b>3,533</b> | <b>3,971</b> | <b>3,977</b>  | <b>2,613</b> | <b>2,665</b> | <b>3,681</b>  | <b>14,459</b> | <b>12,937</b> |
| YoY Growth (%)             | 151.3        | 96.6         | 63.7         | 33.9         | 14.1          | -24.7        | -24.6        | -7.3          | 75.0          | -10.5         |

**Five Star Business Finance****Buy****CMP INR825 | | TP: INR1000 (+21%)****EPS CHANGE (%): FY25|26: -1.4|-1.8**

- Estimate AUM growth of ~33% YoY
- Margin is likely to contract ~5bp QoQ to 19.3%
- Credit costs are projected to decline ~10bp QoQ to ~0.6%
- Outlook on asset quality; guidance on loan growth and credit costs to be closely monitored

**Quarterly Performance****(INR m)**

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3Q           | 4Q           |               |               |
| Interest Income            | 4,637        | 5,041        | 5,495        | 5,992        | 6,411        | 6,847        | 7,292        | 7,754        | 21,166        | 28,303        |
| Interest Expenses          | 962          | 1,059        | 1,287        | 1,377        | 1,582        | 1,704        | 1,849        | 1,983        | 4,685         | 7,117         |
| <b>Net Interest Income</b> | <b>3,676</b> | <b>3,982</b> | <b>4,208</b> | <b>4,615</b> | <b>4,829</b> | <b>5,143</b> | <b>5,443</b> | <b>5,771</b> | <b>16,481</b> | <b>21,186</b> |
| YoY Growth (%)             | 35.9         | 34.3         | 31.6         | 33.4         | 31.4         | 29.2         | 29.4         | 25.0         | 33.7          | 28.6          |
| Other Income               | 198          | 183          | 205          | 199          | 283          | 213          | 245          | 228          | 785           | 968           |
| <b>Total Income</b>        | <b>3,874</b> | <b>4,165</b> | <b>4,413</b> | <b>4,814</b> | <b>5,112</b> | <b>5,356</b> | <b>5,688</b> | <b>5,999</b> | <b>17,266</b> | <b>22,155</b> |
| YoY Growth (%)             | 41.3         | 38.4         | 35.5         | 33.0         | 32.0         | 28.6         | 28.9         | 24.6         | 36.7          | 28.3          |
| Operating Expenses         | 1,263        | 1,389        | 1,412        | 1,488        | 1,565        | 1,685        | 1,795        | 1,987        | 5,553         | 7,031         |
| <b>Operating Profit</b>    | <b>2,611</b> | <b>2,775</b> | <b>3,001</b> | <b>3,326</b> | <b>3,547</b> | <b>3,671</b> | <b>3,893</b> | <b>4,012</b> | <b>11,713</b> | <b>15,123</b> |
| YoY Growth (%)             | 40.5         | 37.9         | 45.5         | 43.6         | 35.9         | 32.3         | 29.7         | 20.6         | 42.0          | 29.1          |
| Provisions & Loan Losses   | 152          | 106          | 102          | 194          | 185          | 170          | 230          | 208          | 554           | 794           |
| <b>Profit before Tax</b>   | <b>2,459</b> | <b>2,670</b> | <b>2,899</b> | <b>3,132</b> | <b>3,362</b> | <b>3,501</b> | <b>3,663</b> | <b>3,805</b> | <b>11,160</b> | <b>14,330</b> |
| Tax Provisions             | 622          | 676          | 731          | 771          | 846          | 886          | 927          | 924          | 2,800         | 3,582         |
| <b>Net Profit</b>          | <b>1,837</b> | <b>1,994</b> | <b>2,168</b> | <b>2,361</b> | <b>2,516</b> | <b>2,615</b> | <b>2,736</b> | <b>2,881</b> | <b>8,359</b>  | <b>10,747</b> |
| YoY Growth (%)             | 32           | 38           | 44           | 40           | 37           | 31           | 26           | 22           | 38.5          | 28.6          |

## Fusion Microfinance

Neutral

CMP INR246 | TP: INR270 (+10%)

EPS CHANGE (%): FY25|26: -|-25

- Estimate AUM growth of ~14% YoY
- Annualized credit costs projected at ~20% in 2QFY25
- Margin is likely to contract ~20bp QoQ to ~14.8%
- Guidance on credit costs, margins, and disbursement trajectory to be closely monitored

## Quarterly Performance

(INR m)

| Y/E March                  | FY24         |              |              |              | FY25E        |               |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE           | 3Q           | 4Q           |               |               |
| Interest Income            | 4,790        | 4,968        | 5,400        | 5,761        | 6,213        | 6,151         | 5,782        | 5,610        | 20,919        | 23,755        |
| Interest Expenses          | 1,835        | 1,910        | 2,015        | 2,149        | 2,234        | 2,245         | 2,155        | 2,018        | 7,908         | 8,653         |
| <b>Net Interest Income</b> | <b>2,955</b> | <b>3,058</b> | <b>3,386</b> | <b>3,612</b> | <b>3,979</b> | <b>3,905</b>  | <b>3,626</b> | <b>3,592</b> | <b>13,011</b> | <b>15,103</b> |
| YoY Growth (%)             | 58.7         | 26.1         | 34.2         | 30.6         | 34.6         | 27.7          | 7.1          | -0.5         | 35.9          | 16.1          |
| Other Income               | 738          | 745          | 732          | 991          | 854          | 860           | 849          | 1,109        | 3,205         | 3,672         |
| <b>Total Income</b>        | <b>3,693</b> | <b>3,803</b> | <b>4,118</b> | <b>4,603</b> | <b>4,833</b> | <b>4,766</b>  | <b>4,475</b> | <b>4,701</b> | <b>16,216</b> | <b>18,774</b> |
| YoY Growth (%)             | 70.0         | 28.9         | 38.0         | 32.8         | 30.9         | 25.3          | 8.7          | 2.1          | 40.1          | 15.8          |
| Operating Expenses         | 1,339        | 1,385        | 1,515        | 1,696        | 1,855        | 1,933         | 1,973        | 2,070        | 5,935         | 7,831         |
| <b>Operating Profit</b>    | <b>2,354</b> | <b>2,418</b> | <b>2,603</b> | <b>2,907</b> | <b>2,978</b> | <b>2,832</b>  | <b>2,502</b> | <b>2,631</b> | <b>10,281</b> | <b>10,943</b> |
| YoY Growth (%)             | 95.8         | 29.1         | 41.6         | 31.5         | 26.5         | 17.1          | -3.9         | -9.5         | 44.3          | 6.4           |
| Provisions & Loan Losses   | 759          | 762          | 938          | 1,190        | 3,485        | 5,200         | 1,560        | 921          | 3,649         | 11,166        |
| <b>Profit before Tax</b>   | <b>1,595</b> | <b>1,656</b> | <b>1,665</b> | <b>1,717</b> | <b>-507</b>  | <b>-2,368</b> | <b>942</b>   | <b>1,711</b> | <b>6,633</b>  | <b>-222</b>   |
| Tax Provisions             | 390          | 399          | 401          | 390          | -151         | -568          | 227          | 439          | 1,580         | -53           |
| <b>Net Profit</b>          | <b>1,205</b> | <b>1,257</b> | <b>1,265</b> | <b>1,327</b> | <b>-356</b>  | <b>-1,800</b> | <b>715</b>   | <b>1,271</b> | <b>5,053</b>  | <b>-169</b>   |
| YoY Growth (%)             | 60           | 32           | 23           | 16           | -130         | -243          | -43          | -4           | 31            | -103.4        |

## Home First Finance Company

Buy

CMP INR1,184 | TP: INR1,355 (+14%)

EPS CHANGE (%): FY25|26: -1.4|-4.5

- Estimate a robust AUM growth of ~34% YoY/7% QoQ
- Cost/income ratio expected to remain largely stable at ~35%
- Margin is projected to contract ~5bp QoQ in 2QFY25
- Outlook on margins and credit cost are key monitorables

## Quarterly Performance

(INR m)

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3Q           | 4Q           |              |              |
| Interest Income            | 2,313        | 2,491        | 2,646        | 2,827        | 3,032        | 3,245        | 3,471        | 3,744        | 10,277       | 13,492       |
| Interest expenses          | 1,068        | 1,170        | 1,302        | 1,459        | 1,568        | 1,687        | 1,797        | 1,905        | 4,999        | 6,956        |
| <b>Net Interest Income</b> | <b>1,246</b> | <b>1,321</b> | <b>1,344</b> | <b>1,368</b> | <b>1,464</b> | <b>1,558</b> | <b>1,674</b> | <b>1,839</b> | <b>5,278</b> | <b>6,535</b> |
| YoY Growth (%)             | 32.6         | 30.1         | 21.4         | 22.4         | 17.5         | 17.9         | 24.6         | 34.4         | 26.3         | 23.8         |
| Other Income               | 285          | 289          | 364          | 351          | 382          | 376          | 411          | 441          | 1,289        | 1,609        |
| <b>Net Income</b>          | <b>1,530</b> | <b>1,610</b> | <b>1,708</b> | <b>1,719</b> | <b>1,846</b> | <b>1,934</b> | <b>2,085</b> | <b>2,280</b> | <b>6,567</b> | <b>8,145</b> |
| YoY Growth (%)             | 40.9         | 36.1         | 35.7         | 24.2         | 20.6         | 20.1         | 22.1         | 32.7         | 33.7         | 24.0         |
| Operating Expenses         | 553          | 565          | 611          | 584          | 655          | 680          | 749          | 904          | 2,313        | 2,988        |
| <b>Operating Profit</b>    | <b>977</b>   | <b>1,044</b> | <b>1,097</b> | <b>1,135</b> | <b>1,191</b> | <b>1,254</b> | <b>1,336</b> | <b>1,376</b> | <b>4,254</b> | <b>5,157</b> |
| YoY Growth (%)             | 39.8         | 40.9         | 34.5         | 24.8         | 21.9         | 20.1         | 21.8         | 21.2         | 34.3         | 21.2         |
| Provisions and Cont.       | 77           | 80           | 70           | 27           | 56           | 75           | 80           | 75           | 254          | 285          |
| <b>Profit before Tax</b>   | <b>900</b>   | <b>964</b>   | <b>1,027</b> | <b>1,107</b> | <b>1,135</b> | <b>1,179</b> | <b>1,256</b> | <b>1,302</b> | <b>4,000</b> | <b>4,872</b> |
| Tax Provisions             | 209          | 221          | 239          | 273          | 258          | 265          | 289          | 294          | 942          | 1,106        |
| <b>Net Profit</b>          | <b>691</b>   | <b>743</b>   | <b>788</b>   | <b>835</b>   | <b>878</b>   | <b>914</b>   | <b>968</b>   | <b>1,007</b> | <b>3,057</b> | <b>3,766</b> |
| YoY Growth (%)             | 34.9         | 36.9         | 34.5         | 30.4         | 27.0         | 22.9         | 22.7         | 20.7         | 33.9         | 23.2         |



**IIFL Finance****Buy****CMP INR468 | TP: INR580 (+24%)****EPS CHANGE (%): FY25 | 26: 12 | 0**

- Estimate AUM to decline by ~12% YoY
- Estimate PAT of INR2.4b in 2QFY25 (PQ: INR2.9b)
- Cost ratios are expected to remain stable QoQ
- Outlook on gold loan business, loan growth and margins key monitorable

**Quarterly Performance**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                            | 1Q            | 2QE           | 3Q            | 4Q            | 1Q            | 2QE           | 3Q            | 4Q            |               |               |
| Interest Income            | 21,989        | 23,576        | 25,630        | 27,200        | 24,721        | 22,249        | 22,694        | 23,313        | 98,386        | 92,976        |
| Interest Expenses          | 8,878         | 9,321         | 9,885         | 10,744        | 10,340        | 9,409         | 9,597         | 10,637        | 38,829        | 39,983        |
| <b>Net Interest Income</b> | <b>13,111</b> | <b>14,255</b> | <b>15,745</b> | <b>16,456</b> | <b>14,381</b> | <b>12,840</b> | <b>13,096</b> | <b>12,676</b> | <b>59,557</b> | <b>52,993</b> |
| YoY Growth (%)             | 48.9          | 44.7          | 44.7          | 38.9          | 9.7           | -9.9          | -16.8         | -23.0         | 43.6          | -11.0         |
| Other Income               | 1,306         | 1,878         | 1,120         | -873          | -43           | 640           | 1,830         | 1,953         | 3,342         | 4,380         |
| <b>Total Income</b>        | <b>14,417</b> | <b>16,134</b> | <b>16,865</b> | <b>15,584</b> | <b>14,338</b> | <b>13,479</b> | <b>14,927</b> | <b>14,629</b> | <b>62,899</b> | <b>57,373</b> |
| YoY Growth (%)             | 20            | 26            | 26            | 10            | -1            | -16           | -11           | -6            | 20.4          | -8.8          |
| Operating Expenses         | 6,332         | 6,772         | 7,272         | 7,691         | 7,461         | 7,161         | 7,478         | 7,761         | 28,067        | 29,861        |
| <b>Operating Profit</b>    | <b>8,085</b>  | <b>9,361</b>  | <b>9,593</b>  | <b>7,893</b>  | <b>6,877</b>  | <b>6,318</b>  | <b>7,449</b>  | <b>6,867</b>  | <b>34,832</b> | <b>27,512</b> |
| YoY Growth (%)             | 18.4          | 29.0          | 24.9          | -1.6          | -14.9         | -32.5         | -22.3         | -13.0         | 16.9          | -21.0         |
| Provisions & Loan Losses   | 1,901         | 2,526         | 2,430         | 2,356         | 2,516         | 2,465         | 2,589         | 2,691         | 9,113         | 10,261        |
| <b>Profit before Tax</b>   | <b>6,184</b>  | <b>6,835</b>  | <b>7,163</b>  | <b>5,537</b>  | <b>4,362</b>  | <b>3,853</b>  | <b>4,861</b>  | <b>4,176</b>  | <b>25,719</b> | <b>17,252</b> |
| Tax Provisions             | 1,455         | 1,580         | 1,711         | 1,231         | 980           | 935           | 984           | 1,125         | 5,977         | 4,023         |
| <b>PAT (Pre NCI)</b>       | <b>4,729</b>  | <b>5,255</b>  | <b>5,452</b>  | <b>4,306</b>  | <b>3,382</b>  | <b>2,918</b>  | <b>3,877</b>  | <b>3,052</b>  | <b>19,742</b> | <b>13,228</b> |
| NCI                        | 475           | 513           | 548           | 572           | 501           | 491           | 481           | 527           | 2,107         | 2,000         |
| <b>PAT (Post NCI)</b>      | <b>4,254</b>  | <b>4,743</b>  | <b>4,904</b>  | <b>3,734</b>  | <b>2,881</b>  | <b>2,427</b>  | <b>3,396</b>  | <b>2,525</b>  | <b>17,635</b> | <b>11,228</b> |
| YoY Growth (%)             | 29            | 25            | 30            | -10           | -32           | -49           | -31           | -32           | 18            | -36           |

**L&T Finance Holdings****Buy****CMP INR188 | TP: INR225 (+20%)****EPS CHANGE (%): FY25 | 26: -3.0 | -6.1**

- Expect consolidated loan book growth of 4% QoQ
- Anticipate credit costs to expand to ~2.6% (annualized) in 2QFY25 (vs. ~2.5% in 1QFY25)
- NIM is expected to decline ~10bp to ~11.1% QoQ
- Outlook on the MFI business is the key monitorable

**Quarterly performance****(INR m)**

| Y/E March                   | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                             | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3Q            | 4Q            |               |                 |
| Interest Income             | 31,165        | 31,685        | 33,063        | 33,226        | 34,526        | 36,080        | 38,605        | 41,847        | 1,29,139      | 1,51,059        |
| Interest Expenses           | 13,638        | 13,249        | 13,534        | 13,351        | 13,514        | 13,852        | 14,822        | 17,765        | 53,772        | 59,953          |
| <b>Net Interest Income</b>  | <b>17,527</b> | <b>18,436</b> | <b>19,529</b> | <b>19,875</b> | <b>21,012</b> | <b>22,228</b> | <b>23,784</b> | <b>24,082</b> | <b>75,367</b> | <b>91,106</b>   |
| Change YoY (%)              | 14.3          | 11.9          | 7.2           | 12.6          | 19.9          | 20.6          | 21.8          | 21.2          | 11.4          | 20.9            |
| Other Operating Income      | 1,068         | 453           | 2,277         | 3,492         | 3,318         | 2,786         | 1,310         | 411           | 6,667         | 7,825           |
| <b>Net Operating Income</b> | <b>18,596</b> | <b>18,889</b> | <b>21,805</b> | <b>23,367</b> | <b>24,330</b> | <b>25,014</b> | <b>25,094</b> | <b>24,493</b> | <b>82,034</b> | <b>98,930</b>   |
| Change YoY (%)              | 11.7          | 7.5           | 12.9          | 31.9          | 30.8          | 32.4          | 15.1          | 4.8           | 15.1          | 20.6            |
| Other income                | 1,535         | 2,682         | 473           | 56            | 2             | 536           | 1,750         | 2,219         | 4,745         | 4,508           |
| <b>Total Income</b>         | <b>20,130</b> | <b>21,572</b> | <b>22,278</b> | <b>23,422</b> | <b>24,332</b> | <b>25,550</b> | <b>26,844</b> | <b>26,713</b> | <b>86,779</b> | <b>1,03,439</b> |
| Change YoY (%)              | 11.1          | 15.0          | 11.9          | 18.7          | 20.9          | 18.4          | 20.5          | 14.0          | 13.4          | 19.2            |
| Operating Expenses          | 7,782         | 8,598         | 8,896         | 9,803         | 9,656         | 10,231        | 10,497        | 11,106        | 35,079        | 41,490          |
| Change YoY (%)              | 18.3          | 25.2          | 19.9          | 24.6          | 24.1          | 19.0          | 18.0          | 13.3          | 22.1          | 18.3            |
| <b>Operating Profits</b>    | <b>12,348</b> | <b>12,974</b> | <b>13,382</b> | <b>13,619</b> | <b>14,676</b> | <b>15,319</b> | <b>16,346</b> | <b>15,607</b> | <b>51,701</b> | <b>61,948</b>   |
| Change YoY (%)              | 6.9           | 9.1           | 7.2           | 7.3           | 18.9          | 18.1          | 22.1          | 14.6          | 6.3           | 19.8            |
| Provisions                  | 5,212         | 5,000         | 5,142         | 6,679         | 5,453         | 5,967         | 6,745         | 6,037         | 21,410        | 24,202          |
| <b>Profit before Tax</b>    | <b>7,136</b>  | <b>7,974</b>  | <b>8,240</b>  | <b>6,940</b>  | <b>9,223</b>  | <b>9,353</b>  | <b>9,601</b>  | <b>9,569</b>  | <b>30,290</b> | <b>37,746</b>   |
| Tax Provisions              | 1,831         | 2,032         | 1,847         | 1,410         | 2,370         | 2,385         | 2,448         | 2,233         | 7,119         | 9,437           |
| <b>Profit after tax</b>     | <b>5,309</b>  | <b>5,951</b>  | <b>6,402</b>  | <b>5,539</b>  | <b>6,855</b>  | <b>6,968</b>  | <b>7,153</b>  | <b>7,336</b>  | <b>23,171</b> | <b>28,310</b>   |
| Change YoY (%)              | 103           | 47            | 41            | 11            | 29            | 17            | 12            | 32            | 43            | 22              |

**LIC Housing Finance****Buy****CMP INR659 | TP: INR830 (+26%)****EPS CHANGE (%): FY25 | 26: -1.0 | 0.3**

- Expect loan growth of ~6% YoY with a fairly stable mix
- Estimate annualized credit costs of ~45bp in 2QFY25 vs. ~20bp in 1QFY25
- Yields are expected to expand on a sequential basis, leading to ~5bp expansion in NIMs
- Commentaries on mortgage demand, and guidance on margins and loan growth are the key monitorables

**Quarterly Performance****(INR m)**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3Q            | 4Q            |               |               |
| Interest Income            | 67,037        | 67,066        | 67,437        | 68,875        | 67,391        | 68,537        | 70,319        | 71,311        | 2,70,416      | 2,77,558      |
| Interest Expenses          | 44,942        | 46,000        | 46,465        | 46,499        | 47,501        | 48,166        | 49,225        | 49,990        | 1,83,907      | 1,94,881      |
| <b>Net Interest Income</b> | <b>22,094</b> | <b>21,066</b> | <b>20,972</b> | <b>22,376</b> | <b>19,891</b> | <b>20,371</b> | <b>21,094</b> | <b>21,321</b> | <b>86,509</b> | <b>82,677</b> |
| YoY Growth (%)             | 37.2          | 81.2          | 30.6          | 12.4          | -10.0         | -3.3          | 0.6           | -4.7          | 36.7          | -4.4          |
| Fees and other income      | 429           | 521           | 488           | 493           | 446           | 625           | 585           | 550           | 1,931         | 2,206         |
| <b>Net Income</b>          | <b>22,523</b> | <b>21,587</b> | <b>21,460</b> | <b>22,869</b> | <b>20,337</b> | <b>20,997</b> | <b>21,679</b> | <b>21,871</b> | <b>88,440</b> | <b>84,883</b> |
| YoY Growth (%)             | 36.4          | 79.1          | 30.6          | 12.8          | -9.7          | -2.7          | 1.0           | -4.4          | 36.3          | -4.0          |
| Operating Expenses         | 2,425         | 2,595         | 2,615         | 3,829         | 2,621         | 2,805         | 2,917         | 3,792         | 11,463        | 12,135        |
| <b>Operating Profit</b>    | <b>20,098</b> | <b>18,993</b> | <b>18,845</b> | <b>19,041</b> | <b>17,715</b> | <b>18,192</b> | <b>18,762</b> | <b>18,079</b> | <b>76,976</b> | <b>72,748</b> |
| YoY Growth (%)             | 38.8          | 101.1         | 39.0          | 8.7           | -11.9         | -4.2          | -0.4          | -5.1          | 40.0          | -5.5          |
| Provisions and Cont.       | 3,608         | 4,192         | 4,358         | 4,279         | 1,431         | 3,291         | 3,620         | 3,269         | 16,437        | 11,611        |
| <b>Profit before Tax</b>   | <b>16,490</b> | <b>14,801</b> | <b>14,487</b> | <b>14,762</b> | <b>16,285</b> | <b>14,901</b> | <b>15,142</b> | <b>14,810</b> | <b>60,539</b> | <b>61,137</b> |
| Tax Provisions             | 3,253         | 2,920         | 2,858         | 3,854         | 3,282         | 2,935         | 2,983         | 2,843         | 12,885        | 12,044        |
| <b>Net Profit</b>          | <b>13,237</b> | <b>11,881</b> | <b>11,629</b> | <b>10,908</b> | <b>13,002</b> | <b>11,966</b> | <b>12,159</b> | <b>11,966</b> | <b>47,654</b> | <b>49,093</b> |
| YoY Growth (%)             | 43            | 290           | 142           | -8            | -2            | 1             | 5             | 10            | 65            | 3             |

**Mahindra Financial Services****Buy****CMP INR331 | TP: INR395 (+19%)****EPS CHANGE (%): FY25 | 26: -8.4 | 0.6**

- Estimate disbursements of ~INR140b, leading to AUM of ~INR1.1t (up 21% YoY/ ~6% QoQ)
- We expect ~10bp QoQ contraction in margin
- Estimate credit costs of ~2.2% in 2QFY25 (vs. ~1.7% QoQ)
- Commentaries on margins, credit costs, and loan growth are the key monitorables

**Quarterly Performance****(INR m)**

| Y/E March                | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                          | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3Q            | 4Q            |               |               |
| Interest income          | 30,349        | 31,535        | 33,733        | 35,471        | 36,122        | 37,675        | 40,124        | 41,950        | 1,31,088      | 1,55,871      |
| Interest Expenses        | 14,505        | 15,665        | 16,750        | 17,351        | 18,286        | 19,218        | 20,275        | 20,875        | 64,269        | 78,654        |
| <b>NII</b>               | <b>15,844</b> | <b>15,870</b> | <b>16,983</b> | <b>18,121</b> | <b>17,836</b> | <b>18,457</b> | <b>19,849</b> | <b>21,076</b> | <b>66,818</b> | <b>77,217</b> |
| YoY Growth (%)           | 5.3           | 9.6           | 9.4           | 13.2          | 12.6          | 16.3          | 16.9          | 16.3          | 9.4           | 15.6          |
| Other income             | 905           | 870           | 1,172         | 1,590         | 1,480         | 1,526         | 1,693         | 2,183         | 4,537         | 6,882         |
| <b>Net Total Income</b>  | <b>16,750</b> | <b>16,740</b> | <b>18,155</b> | <b>19,710</b> | <b>19,316</b> | <b>19,983</b> | <b>21,541</b> | <b>23,259</b> | <b>71,355</b> | <b>84,099</b> |
| YoY Growth (%)           | 6.9           | 8.7           | 10.1          | 14.4          | 15.3          | 19.4          | 18.7          | 18.0          | 10.1          | 17.9          |
| Operating Expenses       | 6,750         | 7,312         | 7,530         | 7,980         | 7,970         | 8,189         | 8,358         | 8,785         | 29,572        | 33,302        |
| <b>Operating Profit</b>  | <b>10,000</b> | <b>9,428</b>  | <b>10,625</b> | <b>11,730</b> | <b>11,345</b> | <b>11,794</b> | <b>13,183</b> | <b>14,474</b> | <b>41,783</b> | <b>50,796</b> |
| YoY Growth (%)           | 5.7           | 9.2           | 6.4           | 24.2          | 13.5          | 25.1          | 24.1          | 23.4          | 11.4          | 21.6          |
| Provisions               | 5,264         | 6,266         | 3,284         | 3,415         | 4,482         | 5,982         | 3,011         | 3,053         | 18,228        | 16,528        |
| <b>Profit before Tax</b> | <b>4,735</b>  | <b>3,163</b>  | <b>7,341</b>  | <b>8,315</b>  | <b>6,864</b>  | <b>5,812</b>  | <b>10,172</b> | <b>11,421</b> | <b>23,555</b> | <b>34,268</b> |
| Tax Provisions           | 1,209         | 811           | 1,813         | 2,126         | 1,734         | 1,482         | 2,594         | 2,928         | 5,959         | 8,738         |
| <b>Net Profit</b>        | <b>3,527</b>  | <b>2,352</b>  | <b>5,528</b>  | <b>6,190</b>  | <b>5,130</b>  | <b>4,330</b>  | <b>7,578</b>  | <b>8,492</b>  | <b>17,596</b> | <b>25,530</b> |
| YoY Growth (%)           | 58.2          | -47.5         | -12.1         | -9.5          | 45.5          | 84.1          | 37.1          | 37.2          | -11.3         | 45.1          |

**Manappuram Finance****Buy****CMP INR197 | TP: INR250 (+27%)****EPS CHANGE (%): FY25 | 26: -4.2 | -6.4**

- Expect gold AUM/consolidated AUM to grow 3% each on a sequential basis
- Factored in a margin decline of ~20bp QoQ and spreads to remain stable in the consolidated loan book
- Expect credit costs to increase ~10bp QoQ to ~2.2%
- Commentaries on gold loan growth and asset quality in the MFI and PL segments are the key monitorables

**Quarterly Performance (Consolidated, INR m)**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3Q            | 4Q            |               |               |
| Interest Income            | 19,363        | 20,438        | 22,011        | 22,734        | 23,861        | 24,887        | 25,509        | 26,635        | 84,546        | 1,00,892      |
| Interest Expenses          | 6,484         | 6,894         | 7,487         | 7,792         | 8,483         | 9,077         | 9,213         | 9,265         | 28,657        | 36,038        |
| <b>Net Interest Income</b> | <b>12,879</b> | <b>13,543</b> | <b>14,524</b> | <b>14,943</b> | <b>15,378</b> | <b>15,810</b> | <b>16,296</b> | <b>17,370</b> | <b>55,889</b> | <b>64,854</b> |
| YoY Growth (%)             | 34.6          | 25.5          | 33.0          | 32.8          | 19.4          | 16.7          | 12.2          | 16.2          | 31.4          | 16.0          |
| Other income               | 1,209         | 1,303         | 1,256         | 888           | 1,259         | 1,252         | 1,325         | 998           | 4,655         | 4,834         |
| <b>Net Income</b>          | <b>14,088</b> | <b>14,846</b> | <b>15,780</b> | <b>15,831</b> | <b>16,636</b> | <b>17,062</b> | <b>17,621</b> | <b>18,368</b> | <b>60,544</b> | <b>69,687</b> |
| Operating Expenses         | 6,068         | 6,182         | 6,419         | 6,497         | 6,823         | 6,985         | 7,190         | 7,461         | 25,165        | 28,459        |
| <b>Operating Profits</b>   | <b>8,020</b>  | <b>8,664</b>  | <b>9,361</b>  | <b>9,333</b>  | <b>9,814</b>  | <b>10,077</b> | <b>10,431</b> | <b>10,906</b> | <b>35,379</b> | <b>41,229</b> |
| YoY Growth (%)             | 57.5          | 36.8          | 58.1          | 52.0          | 22.4          | 16.3          | 11.4          | 16.9          | 50.7          | 16.5          |
| Provisions                 | 1,212         | 1,197         | 1,496         | 1,878         | 2,286         | 2,504         | 2,518         | 2,492         | 5,783         | 9,800         |
| <b>PBT</b>                 | <b>6,808</b>  | <b>7,467</b>  | <b>7,864</b>  | <b>7,455</b>  | <b>7,528</b>  | <b>7,574</b>  | <b>7,913</b>  | <b>8,414</b>  | <b>29,595</b> | <b>31,429</b> |
| Tax Provisions             | 1,828         | 1,861         | 2,111         | 1,820         | 1,963         | 1,975         | 2,057         | 2,239         | 7,621         | 8,234         |
| <b>PAT</b>                 | <b>4,980</b>  | <b>5,607</b>  | <b>5,753</b>  | <b>5,635</b>  | <b>5,565</b>  | <b>5,599</b>  | <b>5,856</b>  | <b>6,175</b>  | <b>21,974</b> | <b>23,195</b> |
| YoY Growth (%)             | 77            | 37            | 46            | 36            | 12            | 0             | 2             | 10            | 46            | 6             |

**MAS Financial****Buy****CMP INR288 | TP: INR360 (+25%)****EPS CHANGE (%): FY25 | 26: -2.1 | -1.9**

- Standalone AUM is likely to grow ~4% QoQ/~19% YoY
- We expect credit costs to increase by ~10bp to ~1.1%
- Margin is expected to expand ~25bp QoQ to ~7.1%
- Commentary on branch expansions and increase in the direct business are the key monitorables

**Quarterly Performance****(INR m)**

| Y/E March                      | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                                | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3Q           | 4Q           |               |               |
| <b>Revenue from Operations</b> | <b>2,801</b> | <b>2,982</b> | <b>3,206</b> | <b>3,295</b> | <b>3,465</b> | <b>3,706</b> | <b>4,013</b> | <b>4,241</b> | <b>12,246</b> | <b>15,424</b> |
| Interest Income                | 2,362        | 2,490        | 2,651        | 2,757        | 2,952        | 3,099        | 3,347        | 3,542        | 10,223        | 12,940        |
| Gain on assignments            | 242          | 272          | 319          | 336          | 304          | 340          | 381          | 437          | 1,170         | 1,462         |
| Other operating Income         | 196          | 219          | 236          | 202          | 210          | 266          | 285          | 262          | 853           | 1,023         |
| Interest expenses              | 1,428        | 1,461        | 1,638        | 1,615        | 1,714        | 1,834        | 2,018        | 2,109        | 6,142         | 7,675         |
| <b>Total income</b>            | <b>1,373</b> | <b>1,520</b> | <b>1,569</b> | <b>1,680</b> | <b>1,751</b> | <b>1,871</b> | <b>1,995</b> | <b>2,132</b> | <b>6,104</b>  | <b>7,749</b>  |
| Growth Y-o-Y (%)               | 30           | 28           | 27           | 33           | 27           | 23           | 27           | 27           | 29            | 27            |
| Operating Expenses             | 427          | 484          | 467          | 555          | 567          | 601          | 637          | 678          | 1,894         | 2,484         |
| <b>Operating Profits</b>       | <b>946</b>   | <b>1,036</b> | <b>1,102</b> | <b>1,125</b> | <b>1,183</b> | <b>1,270</b> | <b>1,358</b> | <b>1,454</b> | <b>4,210</b>  | <b>5,265</b>  |
| Growth Y-o-Y (%)               | 34           | 34           | 35           | 27           | 25           | 23           | 23           | 29           | 33            | 25            |
| Provisions                     | 188          | 236          | 257          | 214          | 239          | 280          | 322          | 334          | 896           | 1,176         |
| <b>Profit before tax</b>       | <b>758</b>   | <b>800</b>   | <b>845</b>   | <b>911</b>   | <b>944</b>   | <b>990</b>   | <b>1,036</b> | <b>1,119</b> | <b>3,314</b>  | <b>4,089</b>  |
| Growth Y-o-Y (%)               | 22           | 22           | 25           | 29           | 25           | 24           | 23           | 23           | 25            | 23            |
| Tax Provisions                 | 186          | 200          | 221          | 230          | 240          | 247          | 259          | 284          | 837           | 1,030         |
| <b>Net Profit</b>              | <b>573</b>   | <b>600</b>   | <b>624</b>   | <b>681</b>   | <b>704</b>   | <b>742</b>   | <b>777</b>   | <b>835</b>   | <b>2,478</b>  | <b>3,058</b>  |
| Growth Y-o-Y (%)               | 23           | 22           | 24           | 23           | 23           | 24           | 24           | 23           | 23            | 23            |

**Muthoot Finance****Neutral****CMP INR 1,956 | TP: INR1,800 (-8%)****EPS CHANGE (%): FY25|26: 0.0|1.8**

- Estimate gold AUM growth of ~4% QoQ
- Margin is likely to contract 20bp to ~11.6%.

- We expect stable credit costs of ~20bp
- Commentaries on gold loan growth and margin guidance are the key monitorables

**Quarterly Performance****(INR m)**

| Y/E March                     | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                               | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3Q            | 4Q            |                 |                 |
| Interest Income               | 29,577        | 30,147        | 31,176        | 33,575        | 36,560        | 39,009        | 39,985        | 40,705        | 1,24,476        | 1,56,259        |
| Other operating income        | 410           | 450           | 501           | 514           | 478           | 517           | 551           | 572           | 1,874           | 2,118           |
| <b>Total Operating income</b> | <b>29,987</b> | <b>30,597</b> | <b>31,677</b> | <b>34,089</b> | <b>37,038</b> | <b>39,527</b> | <b>40,536</b> | <b>41,277</b> | <b>1,26,350</b> | <b>1,58,377</b> |
| YoY Growth (%)                | 19.8          | 22.5          | 19.1          | 19.5          | 23.5          | 29.2          | 28.0          | 21.1          | 20.2            | 25.3            |
| Other income                  | 276           | 139           | 80            | 95            | 63            | 132           | 84            | 121           | 590             | 400             |
| <b>Total Income</b>           | <b>30,263</b> | <b>30,736</b> | <b>31,757</b> | <b>34,184</b> | <b>37,101</b> | <b>39,659</b> | <b>40,619</b> | <b>41,398</b> | <b>1,26,940</b> | <b>1,58,777</b> |
| YoY Growth (%)                | 20.6          | 22.8          | 19.1          | 19.4          | 22.6          | 29.0          | 27.9          | 21.1          | 20.4            | 25.1            |
| Interest Expenses             | 10,638        | 11,563        | 12,119        | 12,228        | 13,511        | 14,727        | 15,464        | 16,189        | 46,548          | 59,891          |
| <b>Net Income</b>             | <b>19,625</b> | <b>19,173</b> | <b>19,638</b> | <b>21,956</b> | <b>23,590</b> | <b>24,932</b> | <b>25,156</b> | <b>25,209</b> | <b>80,393</b>   | <b>98,886</b>   |
| Operating Expenses            | 5,620         | 5,751         | 5,696         | 6,861         | 6,437         | 6,952         | 7,160         | 7,534         | 23,927          | 28,083          |
| <b>Operating Profit</b>       | <b>14,006</b> | <b>13,422</b> | <b>13,942</b> | <b>15,095</b> | <b>17,153</b> | <b>17,980</b> | <b>17,995</b> | <b>17,675</b> | <b>56,466</b>   | <b>70,803</b>   |
| YoY Growth (%)                | 36.8          | 16.9          | 10.4          | 16.9          | 22.5          | 34.0          | 29.1          | 17.1          | 19.5            | 25.4            |
| Provisions                    | 860           | 120           | 137           | 860           | 2,236         | 450           | 250           | -583          | 1,978           | 2,353           |
| <b>Profit before Tax</b>      | <b>13,145</b> | <b>13,302</b> | <b>13,805</b> | <b>14,236</b> | <b>14,917</b> | <b>17,530</b> | <b>17,745</b> | <b>18,258</b> | <b>54,488</b>   | <b>68,450</b>   |
| Tax Provisions                | 3,394         | 3,392         | 3,532         | 3,673         | 4,130         | 4,505         | 4,561         | 4,380         | 13,991          | 17,576          |
| <b>Net Profit</b>             | <b>9,751</b>  | <b>9,910</b>  | <b>10,273</b> | <b>10,563</b> | <b>10,787</b> | <b>13,025</b> | <b>13,185</b> | <b>13,877</b> | <b>40,497</b>   | <b>50,873</b>   |
| YoY Growth (%)                | 21.6          | 14.3          | 13.9          | 17.0          | 10.6          | 31.4          | 28.3          | 31.4          | 16.6            | 25.6            |

**PNB Housing Finance****BUY****CMP INR974 | TP: INR1,235 (27%)****EPS CHANGE (%): FY25|26|: 0.7|0.2**

- Loan growth is expected to be ~15% YoY
- Expect provision write-backs from recoveries in both Retail and Corporate written-off pool

- NIM is expected to remain largely stable QoQ
- Commentaries on the asset quality of the retail loan book, NIM, and credit costs are the key monitorables

**Quarterly performance****(INR m)**

|                            | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3Q           | 4Q           |               |               |
| Interest Income            | 16,669       | 17,029       | 16,795       | 16,929       | 17,391       | 17,912       | 18,898       | 19,922       | 67,422        | 74,122        |
| Interest Expenses          | 10,475       | 10,573       | 10,866       | 10,697       | 10,969       | 11,255       | 11,828       | 12,530       | 42,611        | 46,582        |
| <b>Net Interest Income</b> | <b>6,194</b> | <b>6,456</b> | <b>5,929</b> | <b>6,232</b> | <b>6,421</b> | <b>6,658</b> | <b>7,069</b> | <b>7,392</b> | <b>24,811</b> | <b>27,541</b> |
| YoY Growth (%)             | 68.1         | 1.9          | -17.3        | 7.2          | 3.7          | 3.1          | 19.2         | 18.6         | 7.8           | 11.0          |
| Other income               | 408          | 765          | 765          | 1,211        | 930          | 977          | 1,025        | 1,241        | 3,149         | 4,173         |
| <b>Total Income</b>        | <b>6,602</b> | <b>7,221</b> | <b>6,694</b> | <b>7,443</b> | <b>7,352</b> | <b>7,635</b> | <b>8,095</b> | <b>8,633</b> | <b>27,960</b> | <b>31,714</b> |
| YoY Growth (%)             | 37.3         | 0.2          | -16.3        | 18.2         | 11.3         | 5.7          | 20.9         | 16.0         | 6.3           | 13.4          |
| Operating Expenses         | 1,530        | 1,702        | 1,700        | 1,778        | 1,929        | 1,987        | 2,047        | 2,124        | 6,710         | 8,088         |
| YoY Growth (%)             | 26.0         | 24.4         | 34.7         | 21.1         | 26.1         | 16.8         | 20.4         | 19.5         | 26.3          | 20.5          |
| <b>Operating Profits</b>   | <b>5,072</b> | <b>5,519</b> | <b>4,994</b> | <b>5,665</b> | <b>5,422</b> | <b>5,647</b> | <b>6,048</b> | <b>6,509</b> | <b>21,250</b> | <b>23,626</b> |
| YoY Growth (%)             | 41.1         | -5.4         | -25.9        | 17.3         | 6.9          | 2.3          | 21.1         | 14.9         | 1.2           | 11.2          |
| Provisions                 | 606          | 448          | 591          | 66           | -120         | -100         | 200          | 230          | 1,711         | 211           |
| <b>Profit before Tax</b>   | <b>4,467</b> | <b>5,071</b> | <b>4,403</b> | <b>5,598</b> | <b>5,542</b> | <b>5,747</b> | <b>5,848</b> | <b>6,278</b> | <b>19,539</b> | <b>23,415</b> |
| Tax Provisions             | 994          | 1,241        | 1,019        | 1,206        | 1,214        | 1,322        | 1,345        | 1,271        | 4,459         | 5,151         |
| <b>Profit after tax</b>    | <b>3,473</b> | <b>3,830</b> | <b>3,384</b> | <b>4,393</b> | <b>4,328</b> | <b>4,425</b> | <b>4,503</b> | <b>5,008</b> | <b>15,080</b> | <b>18,264</b> |
| YoY Growth (%)             | 47.8         | 45.8         | 25.8         | 57.3         | 24.6         | 15.5         | 33.0         | 14.0         | 44.2          | 21.1          |

**Poonawalla Fincorp****Buy****CMP INR401 | TP: INR460 (+15%)****EPS CHANGE (%): FY25|26: -2.1|-3.7**

- Expect AUM/Disbursement growth of ~41%/5% YoY
- Expect cost ratios to increase to ~37.2% in 2QFY25 (~36.1%)

- Expect margin to contract ~15bp QoQ to ~9.8%
- Commentaries on growth in personal loans, margin, and asset quality/credit costs are the key monitorables

**Quarterly Performance (Standalone)****(INR m)**

| Y/E March                      | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                                | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3Q           | 4Q           |               |               |
| Interest Income                | 6,560        | 6,901        | 7,144        | 8,436        | 8,962        | 9,679        | 10,502       | 11,051       | 29,061        | 40,193        |
| Interest Expenses              | 2,348        | 2,155        | 2,237        | 2,811        | 3,201        | 3,569        | 3,837        | 4,152        | 9,503         | 14,759        |
| <b>Net Interest Income</b>     | <b>4,212</b> | <b>4,746</b> | <b>4,907</b> | <b>5,625</b> | <b>5,761</b> | <b>6,110</b> | <b>6,665</b> | <b>6,899</b> | <b>19,558</b> | <b>25,434</b> |
| YoY Growth (%)                 | 77.8         | 73.3         | 62.9         | 48.1         | 36.8         | 28.7         | 35.8         | 22.6         | 58.9          | 30.0          |
| Other Income                   | 563          | 539          | 594          | 782          | 997          | 905          | 970          | 608          | 2,478         | 3,479         |
| <b>Total Income</b>            | <b>4,775</b> | <b>5,285</b> | <b>5,501</b> | <b>6,407</b> | <b>6,758</b> | <b>7,015</b> | <b>7,635</b> | <b>7,507</b> | <b>22,036</b> | <b>28,914</b> |
| YoY Growth (%)                 | 70.3         | 57.1         | 52.8         | 57.0         | 46.9         | 32.7         | 38.8         | 17.2         | 54.7          | 31.2          |
| Operating Expenses             | 1,834        | 1,929        | 1,998        | 2,313        | 2,436        | 2,607        | 2,737        | 2,696        | 8,074         | 10,476        |
| <b>Operating Profit</b>        | <b>2,941</b> | <b>3,356</b> | <b>3,502</b> | <b>4,094</b> | <b>4,321</b> | <b>4,408</b> | <b>4,897</b> | <b>4,811</b> | <b>13,962</b> | <b>18,437</b> |
| YoY Growth (%)                 | 185.0        | 167.0        | 124.8        | 103.1        | 46.9         | 31.3         | 39.8         | 17.5         | 128.8         | 32.1          |
| Provisions & Loan Losses       | 266          | 281          | -65          | 239          | 425          | 489          | 464          | 212          | 720           | 1,590         |
| <b>Profit before Tax</b>       | <b>2,676</b> | <b>3,075</b> | <b>3,568</b> | <b>3,855</b> | <b>3,897</b> | <b>3,919</b> | <b>4,433</b> | <b>4,599</b> | <b>13,242</b> | <b>16,848</b> |
| Exceptional items              |              | 6,560        |              |              |              | 0            |              |              | 6,560         | 0             |
| Tax Provisions                 | 674          | 775          | 916          | 538          | 980          | 941          | 1,020        | 935          | 2,907         | 3,875         |
| <b>PAT (excl. exceptional)</b> | <b>2,002</b> | <b>2,300</b> | <b>2,651</b> | <b>3,317</b> | <b>2,916</b> | <b>2,979</b> | <b>3,414</b> | <b>3,664</b> | <b>10,335</b> | <b>12,973</b> |
| <b>PAT (incl. exceptional)</b> | <b>2,002</b> | <b>8,861</b> | <b>2,651</b> | <b>3,317</b> | <b>2,916</b> | <b>2,979</b> | <b>3,414</b> | <b>3,664</b> | <b>16,896</b> | <b>12,973</b> |
| YoY Growth (%)                 | 86.0         | 76.7         | 76.3         | 83.6         | 45.7         | 29.5         | 28.7         | 10.5         | 73.9          | 25.5          |

**Repc Home Finance****Neutral****CMP INR534 | TP: INR580 (9%)****EPS CHANGE (%): FY24|25|26: -0.2|1.7**

- Disbursements/AUM expected to grow ~7%/8% YoY
- Expect asset quality to continue to improve, resulting in provision write-backs in the quarter

- Margin are likely to expand ~5bp QoQ to ~5.45%
- Commentaries around asset quality and guidance on disbursements/AUM growth are the key monitorables

**Quarterly performance****(INR m)**

| Y/E March                | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                          | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3Q           | 4Q           |              |              |
| Interest Income          | 3,572        | 3,770        | 3,787        | 3,831        | 4,007        | 4,118        | 4,203        | 4,261        | 14,960       | 16,589       |
| Interest Expenses        | 2,026        | 2,075        | 2,153        | 2,203        | 2,330        | 2,395        | 2,448        | 2,486        | 8,456        | 9,658        |
| <b>Net Income</b>        | <b>1,546</b> | <b>1,695</b> | <b>1,635</b> | <b>1,628</b> | <b>1,677</b> | <b>1,723</b> | <b>1,755</b> | <b>1,776</b> | <b>6,504</b> | <b>6,931</b> |
| YoY Growth (%)           | 16.5         | 23.6         | 17.8         | 10.5         | 8.5          | 1.6          | 7.4          | 9.1          | 17.0         | 6.6          |
| Other income             | 93           | 69           | 145          | 141          | 155          | 160          | 170          | 142          | 448          | 627          |
| <b>Total Income</b>      | <b>1,639</b> | <b>1,765</b> | <b>1,779</b> | <b>1,769</b> | <b>1,833</b> | <b>1,883</b> | <b>1,925</b> | <b>1,918</b> | <b>6,952</b> | <b>7,558</b> |
| YoY Growth (%)           | 15.7         | 18.9         | 18.7         | 11.9         | 11.8         | 6.7          | 8.2          | 8.4          | 16.2         | 8.7          |
| Operating Expenses       | 392          | 426          | 410          | 483          | 452          | 470          | 489          | 534          | 1,710        | 1,946        |
| YoY Growth (%)           | 15.7         | 24.4         | 2.9          | 27.6         | 15.4         | 10.3         | 19.5         | 10.8         | 17.3         | 13.8         |
| <b>Operating Profits</b> | <b>1,247</b> | <b>1,338</b> | <b>1,370</b> | <b>1,287</b> | <b>1,380</b> | <b>1,412</b> | <b>1,436</b> | <b>1,383</b> | <b>5,242</b> | <b>5,612</b> |
| YoY Growth (%)           | 15.7         | 17.3         | 24.5         | 6.9          | 10.7         | 5.5          | 4.8          | 7.5          | 15.9         | 7.1          |
| Provisions               | 50           | 16           | 29           | -100         | 14           | -35          | -35          | -62          | -5           | -118         |
| <b>Profit before Tax</b> | <b>1,198</b> | <b>1,322</b> | <b>1,341</b> | <b>1,387</b> | <b>1,366</b> | <b>1,447</b> | <b>1,472</b> | <b>1,446</b> | <b>5,247</b> | <b>5,730</b> |
| Tax Provisions           | 307          | 341          | 346          | 306          | 312          | 362          | 383          | 365          | 1,300        | 1,421        |
| <b>Profit after tax</b>  | <b>891</b>   | <b>981</b>   | <b>994</b>   | <b>1,081</b> | <b>1,054</b> | <b>1,085</b> | <b>1,089</b> | <b>1,081</b> | <b>3,947</b> | <b>4,309</b> |
| YoY Growth (%)           | 43.5         | 37.9         | 23.1         | 31.6         | 18.4         | 10.6         | 9.5          | 0.0          | 33.3         | 9.2          |
| Loan growth (%)          | 6.7          | 7.1          | 8.1          | 8.5          | 8.3          | 8.4          | 8.7          | 8.8          | 9.0          | 10.3         |
| Cost to Income Ratio (%) | 23.9         | 24.2         | 23.0         | 27.3         | 24.7         | 25.0         | 25.4         | 27.9         | 24.6         | 25.8         |
| Tax Rate (%)             | 25.6         | 25.8         | 25.8         | 22.1         | 22.8         | 25.0         | 26.0         | 25.3         | 24.8         | 24.8         |

**Shriram Finance****Buy****CMP INR3,572 | TP: INR4,100 (+15%)****EPS CHANGE (%): FY25 | 26: -0.7 | -2.3**

- Estimate disbursements of ~INR403b, leading to AUM of ~INR2.43t (up 20% YoY/ ~4% QoQ)
- Margin is expected to expand ~5bp QoQ to 9.2%
- Credit cost is likely to increase ~20bp QoQ to 2.3%
- Commentaries on loan growth in CV and on asset quality in 2W and PL segments are the key monitorables

**Quarterly Performance****(INR m)**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3Q            | 4Q            |                 |                 |
| Interest Income            | 76,880        | 82,166        | 86,179        | 90,773        | 93,628        | 97,841        | 1,02,538      | 1,07,798      | 3,35,997        | 4,01,804        |
| Interest Expenses          | 34,875        | 36,219        | 37,069        | 39,898        | 41,289        | 43,023        | 45,260        | 47,607        | 1,48,061        | 1,77,180        |
| <b>Net Interest Income</b> | <b>42,004</b> | <b>45,947</b> | <b>49,110</b> | <b>50,874</b> | <b>52,339</b> | <b>54,818</b> | <b>57,277</b> | <b>60,190</b> | <b>1,87,935</b> | <b>2,24,624</b> |
| YoY Growth (%)             | 20.0          | 21.6          | 17.1          | 21.7          | 24.6          | 19.3          | 16.6          | 18.3          | 17.0            | 19.5            |
| Other Income               | 3,167         | 3,479         | 3,094         | 4,206         | 2,343         | 3,825         | 3,594         | 4,950         | 13,980          | 14,712          |
| <b>Total Income</b>        | <b>45,171</b> | <b>49,426</b> | <b>52,204</b> | <b>55,080</b> | <b>54,682</b> | <b>58,643</b> | <b>60,871</b> | <b>65,141</b> | <b>2,01,915</b> | <b>2,39,336</b> |
| YoY Growth (%)             | 22.0          | 17.9          | 16.2          | 21.7          | 21.1          | 18.6          | 16.6          | 18.3          | 17.0            | 18.5            |
| Operating Expenses         | 13,908        | 14,618        | 15,311        | 16,024        | 16,140        | 17,103        | 17,761        | 19,221        | 59,895          | 70,224          |
| <b>Operating Profit</b>    | <b>31,262</b> | <b>34,808</b> | <b>36,893</b> | <b>39,056</b> | <b>38,541</b> | <b>41,540</b> | <b>43,110</b> | <b>45,920</b> | <b>1,42,020</b> | <b>1,69,112</b> |
| YoY Growth (%)             | 17.3          | 16.3          | 11.7          | 26.8          | 23.3          | 19.3          | 16.9          | 17.6          | 15.1            | 19.1            |
| Provisions & Loan Losses   | 8,786         | 11,286        | 12,497        | 12,615        | 11,876        | 13,696        | 14,428        | 15,673        | 45,183          | 55,673          |
| <b>Profit before Tax</b>   | <b>22,476</b> | <b>23,523</b> | <b>24,396</b> | <b>26,441</b> | <b>26,666</b> | <b>27,844</b> | <b>28,682</b> | <b>30,247</b> | <b>96,836</b>   | <b>1,13,439</b> |
| Tax Provisions             | 5,722         | 6,014         | 6,213         | 6,983         | 6,860         | 7,239         | 7,601         | 7,227         | 24,932          | 28,927          |
| <b>Net Profit</b>          | <b>16,754</b> | <b>17,508</b> | <b>18,183</b> | <b>19,459</b> | <b>19,806</b> | <b>20,605</b> | <b>21,081</b> | <b>23,020</b> | <b>71,905</b>   | <b>84,512</b>   |
| YoY Growth (%)             | 30.8          | 12.6          | 2.3           | 48.7          | 18.2          | 17.7          | 15.9          | 18.3          | 20.3            | 17.5            |

**Spandana Sphoorty****BUY****CMP INR588 | TP: INR675 (+15%)****EPS CHANGE (%): FY25 | 26: -83.9 | -29.9**

- Estimate disbursements of ~INR19b, leading to AUM of ~INR111b (~AUM growth of 13% YoY)
- Margin is likely to contract ~180bp QoQ to ~14.1%
- Annualized credit costs to increase to 15.7% (PQ: 7.8%)
- Guidance on credit costs, margins, and AUM growth to be closely monitored

**Quarterly Performance****(INR m)**

| Y/E March                  | FY24         |              |              |              | FY25E        |               |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE           | 3Q           | 4Q           |               |               |
| Interest Income            | 4,929        | 5,436        | 5,663        | 6,352        | 6,935        | 6,172         | 6,234        | 6,412        | 22,381        | 25,754        |
| Interest Expenses          | 1,995        | 2,277        | 2,502        | 2,493        | 2,594        | 2,490         | 2,440        | 2,393        | 9,268         | 9,916         |
| <b>Net Interest Income</b> | <b>2,934</b> | <b>3,159</b> | <b>3,161</b> | <b>3,859</b> | <b>4,342</b> | <b>3,682</b>  | <b>3,794</b> | <b>4,019</b> | <b>13,113</b> | <b>15,837</b> |
| YoY Growth (%)             | 99.3         | 70.6         | 45.7         | 42.8         | 48.0         | 16.6          | 20.0         | 4.1          | 60.0          | 20.8          |
| Other Income               | 344          | 966          | 905          | 744          | 435          | 1,002         | 951          | 873          | 2,959         | 3,260         |
| <b>Total Income</b>        | <b>3,277</b> | <b>4,125</b> | <b>4,067</b> | <b>4,603</b> | <b>4,776</b> | <b>4,685</b>  | <b>4,745</b> | <b>4,892</b> | <b>16,072</b> | <b>19,097</b> |
| YoY Growth (%)             | 102.2        | 88.5         | 59.9         | 19.9         | 45.7         | 13.6          | 16.7         | 6.3          | 57.7          | 18.8          |
| Operating Expenses         | 1,386        | 1,549        | 1,662        | 1,943        | 1,908        | 2,040         | 2,196        | 2,372        | 6,540         | 8,516         |
| <b>Operating Profit</b>    | <b>1,891</b> | <b>2,576</b> | <b>2,405</b> | <b>2,660</b> | <b>2,869</b> | <b>2,644</b>  | <b>2,549</b> | <b>2,520</b> | <b>9,532</b>  | <b>10,582</b> |
| YoY Growth (%)             | 273.5        | 134.1        | 71.0         | 2.0          | 51.7         | 2.7           | 6.0          | -5.3         | 69.6          | 11.0          |
| Provisions & Loan Losses   | 286          | 901          | 701          | 938          | 2,118        | 4,085         | 1,838        | 1,328        | 2,826         | 9,369         |
| <b>Profit before Tax</b>   | <b>1,605</b> | <b>1,675</b> | <b>1,703</b> | <b>1,722</b> | <b>751</b>   | <b>-1,441</b> | <b>710</b>   | <b>1,193</b> | <b>6,706</b>  | <b>1,212</b>  |
| Tax Provisions             | 411          | 423          | 429          | 435          | 193          | -375          | 179          | 309          | 1,699         | 307           |
| <b>Net Profit</b>          | <b>1,195</b> | <b>1,252</b> | <b>1,274</b> | <b>1,287</b> | <b>557</b>   | <b>-1,067</b> | <b>531</b>   | <b>884</b>   | <b>5,007</b>  | <b>906</b>    |
| YoY Growth (%)             | -154.4       | 126.9        | 78.5         | 21.9         | -53.4        | -185.2        | -58.3        | -31.3        | 3,940.0       | -81.9         |

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|----------------------------------|--|
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| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | < - 10 % to 15%  |
| UNDER REVIEW                     | Rating may undergo a change  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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