

## Financials - NBFCs

### 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
Power finance Corporation
Repco Home Finance
Rural Electrification Corporation
Shriram Finance
Spandana Sphoorty

### Strong seasonality missing in the quarter

#### Seasonality notwithstanding, collection and demand trend remained rather muted

- **Demand momentum remained weak in 4QFY25:** We expect ~9% YoY growth in AUM for our coverage HFCs, including both affordable and large HFCs. Vehicle financiers are projected to report ~20% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~29% YoY growth. NBFC-MFIs are estimated to post a decline of ~15% YoY in AUM, while diversified lenders are expected to deliver ~21% YoY growth in AUM. For our NBFC coverage universe, we estimate loan growth of ~15% YoY/~4% QoQ as of Mar'25. Notwithstanding seasonality, demand trends and loan growth remained flat during the quarter due to calibrated growth in unsecured retail, muted disbursements in microfinance and low mortgage volumes.
- **Lag in transmission of repo rate cut; borrowing costs largely stable QoQ:** CoB for most NBFCs has either been stable or seen a minor decline because of the repricing of EBLR-linked borrowing. However, the transmission through bank MCLR cuts is yet to happen and most NBFCs are of the view that it will happen with a lag of 3-6 months. 4Q NIM for NBFCs would exhibit stability or a minor compression, primarily because of some pressure on yields. We expect NIM to remain stable or see a minor improvement for fixed-rate lenders like vehicle financiers, which will also benefit from any subsequent repo rate cuts over the next 3-6 months. We expect a sequential expansion in NIM for CIFC (from higher yields) and MFIs (from lower interest income reversals).
- **4Q collection trends weaker YoY; MFI CE improved but credit costs still high:** Asset quality remained largely stable or saw a minor improvement, driven by significant collection efforts during the quarter. Asset quality, which usually improves significantly in 4Q, is not clearly there in this quarter. Collection efficiencies for MFIs have improved MoM, and even Karnataka collections saw a sharp recovery in Mar'25 (vs. Feb'25). While credit costs for all MFIs under our coverage will decline sequentially, they still remain high at ~9%-34% in 4QFY25. Asset quality for HFCs (including affordable HFCs) is largely stable with an improvement bias. Power financiers are also expected to report improvement in asset quality, driven by the complete resolution of a stressed asset. Credit costs for vehicle financiers will be significantly higher in this quarter than in 4Q of the previous fiscal years.
- **Earnings flat YoY for our coverage universe owing to sticky credit costs and lower NII growth:** We estimate ~13%/15% YoY growth in NII/PPoP in 4QFY25 for our NBFC coverage universe, though PAT is expected to be flat YoY. Excluding NBFC-MFIs, we estimate ~5% YoY growth in PAT for our coverage universe. We remain underweight in microfinance and would closely monitor any impact on collections from the implementation of MFIN guardrails 2.0 from Apr'25. Our preference is for vehicle financiers (primarily to play NIM expansion from repo rate cuts), select affordable HFCs and diversified lenders (which have navigated the unsecured credit cycle and are now looking to grow their unsecured loan book again). Our top picks in the sectors are: SHFL, HomeFirst and PNBHF.

### Demand remains sluggish in mid-ticket mortgages

- Disbursement momentum remained rather sluggish particularly in mid-ticket home loans, while the affordable segment still continues to see reasonably healthy demand. Delays in property registrations due to an issue in e-Khata in Karnataka have improved but not been completely normalized.
- NIMs are expected to remain largely stable for large HFCs, while they are expected to moderate sequentially for affordable HFCs due to an ongoing rise in CoF. Asset quality has not shown any signs of weakness and there is an improvement bias. Credit costs are expected to remain benign for HFCs.
- For LICHF, we expect credit costs at ~25bp (vs. -5bp in 3Q). Margins are likely to remain largely stable QoQ. We expect LICHF to report ~6% YoY growth in loans.
- We forecast HomeFirst to report ~14% YoY growth in disbursements, leading to healthy AUM growth of ~31% YoY. We expect NIM to contract ~10bp QoQ for Aavas and Homefirst due to the ongoing rise in portfolio CoB. Asset quality is also expected to remain stable for HomeFirst, while we estimate a minor improvement for Aavas.
- We estimate PNBHF to deliver ~15% YoY growth in total loan book and ~18% YoY growth in retail loans as of Mar'25. For PNBHF, we expect NIM to contract 5bp QoQ. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate may result in provision write-backs (like in prior quarters).
- For Five Star, we expect disbursements to grow ~8% YoY, translating into ~23% YoY growth in AUM. NIMs are likely to contract ~55bp sequentially due to higher leverage and a ~200bp cut in lending rates by the company since Nov'24. We expect a minor deterioration in GS3, resulting in credit costs rising to ~80bp (compared to ~70bp in 3QFY25).

### Vehicle Finance – Collection trends not suggesting strong seasonality of 4Q

- MMFS reported disbursements of ~INR155b in 4QFY25 (up ~1% YoY), leading to ~16% YoY growth in business assets. We expect credit costs for MMFS to be at ~1.7% in 4QFY25 (vs. 5bp in 3QFY25 aided by provision release). MMFS also reported improvement of ~100bp QoQ in Stage 2+ Stage 3.
- For CIFC and SHTF, we expect sequential growth in disbursements, which should translate into ~26%/18% YoY growth in AUM for CIFC/SHTF as of Mar'25.
- We estimate NIM expansion for vehicle financiers in FY26, driven by a decline in CoB and a fixed-rate vehicle finance book. Asset quality is expected to remain largely stable QoQ (except for some technical write-offs, if any) and has not seen any meaningful improvement, which is generally seen in the seasonally strong 4Q of the fiscal year. As a result, we expect credit costs in Vehicle Finance will be significantly higher than they were in 4Qs of the previous fiscal years.

### Gold Finance – Strong growth in gold loans with some NIM compression

- We expect gold loan financiers to deliver healthy gold loan growth and decent tonnage growth in 4QFY25. For MGFL, we expect the standalone entity to deliver ~4% QoQ gold loan growth, but the drag from its MFI and CV businesses would keep consol. loan growth muted during the quarter. We expect ~10% QoQ gold loan growth for MUTH.

- We expect margins for gold financiers to contract by ~15bp during the quarter. Asirvad MFI, subsidiary of MGFL, could exhibit further asset quality deterioration and high credit costs (higher than 3Q).

#### **Microfinance – Credit costs decline sequentially but will remain elevated; collection efficiency improves in Feb-Mar’25**

- Disbursements were muted (and lower QoQ) for Fusion and Spandana, while we expect CREDAG disbursements to have accelerated during the quarter. We expect AUM to grow ~4% QoQ and remain flat YoY for CREDAG and decline ~13%/24% QoQ for Fusion/Spandana in 4QFY25.
- Karnataka MFI ordinance had impacted collection efficiency in Feb’25, which recovered in Mar’25 and will likely take another two months to get normalized.
- For this quarter and the next two quarters, a significant proportion of the credit costs will be contributed by write-offs of loans that had slipped over the last 6-9 months. Credit cost is expected to decline sequentially for all three NBFC-MFIs in our coverage universe. However, it will remain elevated in 4Q and 1HFY26. We estimate annualized credit costs of ~9%/~14%/34% for CREDAG/Fusion/Spandana in this quarter.
- While MFIs reported early green shoots and improved collection efficiency in Jan-Mar’25, we expect normalization in the MFI sector only in 2HFY26. Additionally, the impact (if any) on collections from the implementation of MFIN Guardrails 2.0 from Apr’25 will be a critical factor to monitor.

#### **Diversified Financiers: Ready for stronger growth in unsecured personal and business loans; credit costs expected to moderate slightly**

- LTFH has reported ~19% YoY/3% QoQ growth in retail loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), we expect consolidated loan book to grow by ~3% QoQ in 4QFY25. We expect credit costs to decline ~20bp to 2.6% (vs. 2.8% in 3QFY25).
- BAF has reported ~26% YoY/5% QoQ growth in AUM. We estimate a ~5bp QoQ contraction in NIM for BAF with credit costs at ~205bp (vs. 212bp QoQ).
- Poonawalla posted AUM growth of 42% YoY/15% QoQ, with total AUM of INR355b. We expect credit costs to decline 220bp QoQ to 2.5% (vs. 4.7% in 3Q).
- For IIFL Finance, we expect the strong growth in gold loan AUM to sustain and estimate gold loan book to increase to ~INR215b as of Mar’25 (vs. ~INR150b as of Dec’24). While we expect a sequential decline in its MFI AUM, it would still exhibit ~11% QoQ growth in its consolidated AUM. We estimate PAT of INR2.2b in 4Q (vs. INR410m in 3Q).

#### **Power Financiers: Loan growth weaker than earlier expectations; higher standard provisions on certain discoms**

- Disbursements for power financiers could be subdued during the quarter (due to slowdown in economic activity), which we expect to result in lower-than-expected loan growth for both REC and PFC. Asset quality is expected to further improve, aided by the complete resolution of KSK Mahanadi.
- During the quarter, NCLT approved the resolution of KSK Mahanadi, which will result in provision write-backs for PFC. REC will also see some provision write-backs in 4Q from the resolution of this stressed exposure, but it had already

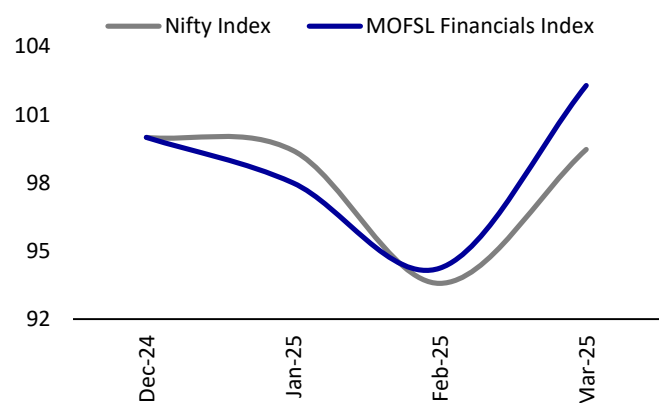
taken part of this benefit in 3Q. We also expect higher standard asset provisions on certain discoms, which saw rating downgrades earlier in 4Q.

- For PFC, we expect disbursement growth of ~14% YoY, leading to loan book growth of ~11% YoY. For REC, we expect disbursement growth of ~16% YoY, which could potentially result in loan book growth of ~13% YoY/2% QoQ.

### Exhibit 1: Quarterly performance

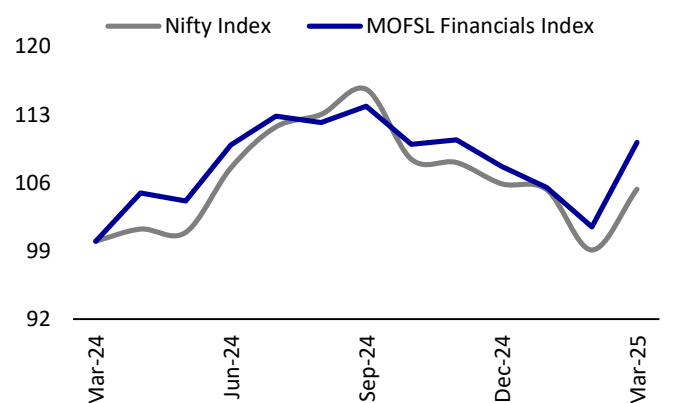
Name	CMP (INR)	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
			Mar-25	Variance YoY (%)	Variance QoQ (%)	Mar -25	Variance YoY (%)	Variance QoQ (%)	Mar -25	Variance YoY (%)	Variance QoQ (%)
AAVAS Financiers	2,084	Neutral	2,628	10.9	3.7	2,030	11.7	4.4	1,588	11.3	8.5
Bajaj Finance	8,697	Neutral	98,355	22.7	4.8	81,554	27.2	4.5	45,201	18.2	5.0
Can Fin Homes	663	Neutral	3,506	7.0	1.7	2,935	8.0	0.8	2,230	6.7	5.1
Chola. Inv & Fin.	1,468	Buy	31,034	31.8	7.5	21,787	33.8	2.4	12,268	15.9	12.9
CreditAccess	968	Buy	9,085	3.1	5.3	6,786	-0.6	8.9	698	-82.4	LP
Five-Star Business	698	Buy	5,483	18.8	1.6	3,947	18.7	1.6	2,763	17.0	0.9
Fusion Finance	142	Neutral	2,898	-19.8	29.1	1,323	-54.5	104.3	-1,379	PL	Loss
Home First Fin.	988	Buy	1,706	24.7	4.6	1,461	28.8	4.7	1,044	25.0	7.2
IIFL Finance	325	Buy	12,442	-24.4	0.7	8,309	5.3	40.2	2,227	-40.4	-
L&T Finance	151	Buy	22,555	13.5	0.8	14,244	4.6	-3.6	6,371	15.0	1.8
LIC Housing Fin	561	Buy	20,520	-8.3	2.6	17,320	-9.0	-1.0	12,763	17.0	-10.9
M & M Financial	276	Buy	19,730	8.9	3.2	12,806	9.2	4.8	5,725	-7.5	-36.4
Manappuram Finance	232	Neutral	15,882	6.3	-0.2	9,595	2.8	3.1	2,096	-62.8	-24.7
MAS Financial	258	Buy	2,149	27.9	4.5	1,437	27.7	3.9	838	23.1	7.3
Muthoot Finance	2,336	Neutral	29,277	37.1	7.6	21,486	42.3	4.3	15,159	43.5	11.2
PFC	405	Buy	46,350	9.4	-1.3	54,652	16.7	6.0	43,751	5.8	5.3
PNB Housing	875	Buy	7,009	12.5	1.5	6,085	7.4	5.0	5,033	14.6	4.1
Poonawalla Fincorp	349	Buy	6,965	23.8	13.4	4,517	10.3	21.1	1,824	-45.0	-
REC	417	Buy	52,061	16.0	1.4	51,577	16.3	2.7	35,146	-12.5	-12.8
Repco Home Fin	342	Neutral	1,831	12.5	2.7	1,496	16.2	3.6	1,155	6.8	8.4
Shriram Finance	638	Buy	57,847	13.7	3.5	42,802	9.6	4.8	21,619	11.1	3.9
Spandana Sphoorty	245	Buy	2,307	-40.2	-15.8	400	-84.9	-48.9	-4,142	PL	Loss
<b>NBFC</b>			<b>4,51,620</b>	<b>13.5</b>	<b>3.3</b>	<b>3,68,550</b>	<b>14.8</b>	<b>4.6</b>	<b>2,13,977</b>	<b>-0.5</b>	<b>4.6</b>

### Exhibit 2: Relative performance – three months (%)



Source: MOFSL, Company

### Exhibit 3: One-year relative performance (%)



Source: MOFSL, Company

**Exhibit 4: EPS estimate changes for FY25/FY26/FY27**

Company	Old Estimates (INR)			New Estimates (INR)			Change (%)		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
AAVAS	73.5	88.9	108.8	73.2	87.5	105.5	-0.4	-1.6	-3.0
BAF	270.9	343.7	435.6	270.3	336.9	426.2	-0.2	-2.0	-2.2
CANF	64.0	68.8	78.9	63.5	68.5	78.6	-0.8	-0.5	-0.5
CIFC	50.2	66.8	88.0	50.2	64.6	85.0	0.0	-3.2	-3.4
CREDAG	34.3	89.5	125.8	34.8	75.6	114.6	1.5	-15.5	-8.9
Five Star Business	36.6	41.6	48.6	36.6	41.6	48.6	-0.1	-0.1	-0.1
FUSION	-95.9	16.4	28.8	-119.0	10.6	20.7	-	-35.5	-28.3
HomeFirst	43.0	52.5	64.0	43.0	53.0	64.3	0.1	1.0	0.5
IIFL Fin	4.9	46.5	59.0	9.3	41.3	60.1	90.0	-11.3	2.0
LTFH	10.7	12.6	16.7	10.6	12.3	16.1	-0.3	-2.7	-4.0
LICHF	96.7	95.1	107.7	97.0	94.8	107.1	0.3	-0.3	-0.5
MMFSL	19.8	24.5	30.8	19.1	24.6	30.6	-3.9	0.4	-0.6
MASFIN	17.0	21.7	26.4	17.0	21.6	26.4	-0.1	-0.2	-0.0
Muthoot	130.1	163.0	182.3	129.7	173.7	194.5	-0.3	6.6	6.7
MGFL	21.4	25.4	30.8	19.1	24.5	29.9	-10.9	-3.6	-2.7
PNBHF	72.7	88.9	107.6	72.7	88.3	107.2	-0.0	-0.6	-0.4
PFC	50.8	56.3	60.7	50.4	56.5	61.3	-0.8	0.3	1.0
PFL	0.2	14.1	21.2	0.3	15.2	25.4	28.0	8.4	19.9
REC	60.9	71.5	78.1	56.9	70.1	74.7	-6.5	-2.0	-4.3
REPCO	70.3	70.1	76.9	70.3	70.1	76.6	0.0	0.1	-0.4
SHFL	43.6	52.6	63.6	44.1	52.5	62.7	1.3	-0.1	-1.4
SPANDANA	-130.8	11.9	47.0	-142.4	5.4	28.4	-	-54.6	-39.6

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: INR2,084 | TP: INR2,000 (-4%)**
**EPS CHANGE (%): FY25|26|27: -0.4|-1.6|-3.0**

- AUM/disbursements are likely to grow ~18%/6% YoY.
- Asset quality is expected to improve and credit costs are likely to remain benign.
- We expect NIM to contract ~10bp QoQ. Upfront assignment income is estimated at ~INR570m.
- Commentaries on loan growth, margin trajectory, and tech transformation are the key monitorables.

### Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,128	4,259	4,373	4,586	4,797	4,906	5,121	5,377	17,347	20,201
Interest Expenses	1,866	2,036	2,166	2,216	2,352	2,489	2,587	2,749	8,284	10,176
<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>2,418</b>	<b>2,533</b>	<b>2,628</b>	<b>9,063</b>	<b>10,025</b>
YoY Growth (%)	26	18	6	7	8	9	15	11	14	11
Other income	540	716	719	882	628	898	859	962	2,856	3,347
<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>3,316</b>	<b>3,392</b>	<b>3,590</b>	<b>11,919</b>	<b>13,372</b>
YoY Growth (%)	28	16	12	14	10	13	16	10	17	12
Operating Expenses	1,339	1,308	1,349	1,434	1,379	1,368	1,447	1,560	5,430	5,753
YoY Growth (%)	30	14	12	19	3	5	7	9	19	6
<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>1,948</b>	<b>1,945</b>	<b>2,030</b>	<b>6,489</b>	<b>7,619</b>
YoY Growth (%)	27	17	11	10	16	19	23	12	15.6	17.4
Provisions	57	65	80	43	86	48	61	53	245	248
<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>1,900</b>	<b>1,884</b>	<b>1,977</b>	<b>6,244</b>	<b>7,371</b>
Tax Provisions	310	348	331	349	348	421	420	390	1,338	1,579
<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>1,479</b>	<b>1,464</b>	<b>1,588</b>	<b>4,907</b>	<b>5,792</b>
YoY Growth (%)	23	14	9	13	15	22	26	11	14.1	

## Bajaj Finance

Neutral

**CMP INR8,697 | TP: INR9,000 (+3%)**
**EPS CHANGE (%): FY25|26|27: -0.2|-2.0|-2.2**

- BAF reported AUM growth of 26% YoY/5% QoQ.
- Credit costs are expected to decline ~5bp QoQ to ~2.05%.
- Margin is likely to contract ~5bp QoQ to ~9.65%.
- Guidance on NIM trajectory and credit costs are the key monitorable.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	1,08,211	1,17,340	1,25,233	1,32,301	1,40,492	1,49,870	1,57,682	1,65,773	4,83,066	6,13,817
Interest expenses	41,025	45,371	48,680	52,171	56,839	61,493	63,856	67,418	1,87,247	2,49,607
<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>88,377</b>	<b>93,826</b>	<b>98,355</b>	<b>2,95,819</b>	<b>3,64,211</b>
YoY Growth (%)	27.4	30.0	29.3	28.1	24.5	22.8	22.6	22.7	28.7	23.1
Other Operating Income	16,795	16,477	16,436	17,019	20,531	21,084	22,901	23,944	66,759	88,460
<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>1,09,461</b>	<b>1,16,727</b>	<b>1,22,299</b>	<b>3,62,578</b>	<b>4,52,671</b>
YoY Growth (%)	33.3	26.3	25.1	25.0	24.1	23.8	25.5	25.9	25.7	24.8
Operating Expenses	28,544	30,100	31,567	33,028	34,709	36,390	38,670	40,744	1,23,252	1,50,513
<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>73,071</b>	<b>78,057</b>	<b>81,554</b>	<b>2,39,326</b>	<b>3,02,158</b>
YoY Growth (%)	37.0	30.0	26.6	25.3	25.3	25.2	27.1	27.2	27.9	26.3
Provisions and Cont.	9,953	10,771	12,484	13,100	16,847	19,091	20,433	20,997	46,307	77,368
<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>54,015</b>	<b>57,624</b>	<b>60,557</b>	<b>1,93,096</b>	<b>2,24,880</b>
Tax Provisions	11,143	12,070	12,566	12,806	13,534	13,877	14,572	15,357	48,584	57,340
<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>40,137</b>	<b>43,052</b>	<b>45,201</b>	<b>1,44,512</b>	<b>1,67,540</b>
YoY Growth (%)	36.8	27.7	22.4	21.1	13.8	13.0	18.3	18.2	25.5	15.9



## Can Fin Homes

**Neutral**

**CMP INR663 | TP: INR725 (+9%)**

**EPS CHANGE (%): FY25|26|27: -0.8|-0.5|-0.5**

- Estimate loan book to grow ~9% YoY.
- Spreads are expected to contract ~10bp QoQ to ~3%.
- Margin is expected to remain stable QoQ at 3.7%.
- Commentaries on loan growth and outlook on NIM in a declining rate environment are the key monitorables.

### Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	8,181	8,652	8,948	9,117	9,242	9,553	9,803	9,911	34,899	38,509
Interest Expenses	5,330	5,484	5,660	5,839	6,027	6,155	6,356	6,405	22,314	24,943
<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>3,398</b>	<b>3,447</b>	<b>3,506</b>	<b>12,585</b>	<b>13,566</b>
YoY Growth (%)	13.9	26.1	30.6	25.5	12.7	7.3	4.8	7.0	24.0	7.8
Other income	60	58	71	159	70	74	58	98	348	300
<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>3,472</b>	<b>3,506</b>	<b>3,604</b>	<b>12,933</b>	<b>13,866</b>
YoY Growth (%)	13.9	25.7	30.8	25.7	12.8	7.6	4.4	4.9	24.1	7.2
Operating Expenses	435	524	494	720	488	594	593	669	2,173	2,344
YoY Growth (%)	7.4	29.5	12.7	39.3	12.3	13.3	20.0	-7.0	23.1	7.9
<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>2,878</b>	<b>2,913</b>	<b>2,935</b>	<b>10,760</b>	<b>11,521</b>
YoY Growth (%)	15.2	25.0	34.6	22.5	12.9	6.5	1.7	8.0	24.3	7.1
Provisions	137	722	308	18	245	137	221	69	1,185	673
<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>2,741</b>	<b>2,691</b>	<b>2,866</b>	<b>9,575</b>	<b>10,849</b>
Tax Provisions	504	399	556	609	555	626	570	636	2,068	2,387
<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>2,115</b>	<b>2,121</b>	<b>2,230</b>	<b>7,507</b>	<b>8,462</b>
YoY Growth (%)	13.1	11.5	32.1	26.1	8.8	33.8	6.0	6.7	20.8	12.7

## Cholamandalam Inv. & Fin.

**Buy**

**CMP INR1,468 | TP: INR1,690 (+15%)**

**EPS CHANGE (%): FY25|26|27: -|-3.2|-3.4**

- Estimate business AUM to grow ~26% YoY.
- Margin is likely to expand ~10bp QoQ to 6.95%.
- Credit costs are expected to decline ~40bp QoQ to ~1.2%.
- Guidance on margins, loan growth, and credit costs in new businesses will be closely monitored.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	38,492	42,205	46,099	49,341	53,695	57,680	61,587	65,065	1,76,137	2,38,026
Interest Expenses	20,071	22,052	24,390	25,793	27,957	30,551	32,718	34,031	92,306	1,25,256
<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>27,128</b>	<b>28,869</b>	<b>31,034</b>	<b>83,831</b>	<b>1,12,770</b>
YoY Growth (%)	24.3	35.4	35.8	33.4	39.7	34.6	33.0	31.8	32.4	34.5
Other Income	2,845	3,514	4,088	5,580	4,595	5,248	6,537	6,432	16,026	22,811
<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>32,376</b>	<b>35,406</b>	<b>37,466</b>	<b>99,857</b>	<b>1,35,581</b>
YoY Growth (%)	29.7	39.4	40.8	41.4	42.6	36.8	37.2	28.6	38.1	35.8
Operating Expenses	7,867	9,461	10,640	12,850	11,834	13,155	14,130	15,679	40,818	54,798
<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>19,221</b>	<b>21,276</b>	<b>21,787</b>	<b>59,039</b>	<b>80,783</b>
YoY Growth (%)	26.4	37.1	40.4	27.9	38.1	35.3	40.4	33.8	32.7	36.8
Provisions & Loan Losses	3,723	3,998	3,588	1,908	5,814	6,235	6,640	5,239	13,218	23,929
<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>12,986</b>	<b>14,636</b>	<b>16,548</b>	<b>45,821</b>	<b>56,854</b>
Tax Provisions	2,415	2,583	2,807	3,788	3,263	3,355	3,771	4,280	11,593	14,668
<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>9,631</b>	<b>10,865</b>	<b>12,268</b>	<b>34,228</b>	<b>42,186</b>
YoY Growth (%)	28.3	35.3	28.0	24.1	29.8	26.3	24.0	15.9	28.4	23.3

## CreditAccess Grameen

Buy

CMP INR968 | | TP: INR1,150 (+19%)

EPS CHANGE (%): FY25|26|27: 1.5|-15.5|-8.9

- Estimate GLP growth of ~7% QoQ.
- Credit costs are projected to decline ~3pp QoQ to ~9.4%.
- Margin is likely to expand ~35bp QoQ to 14.2%.
- Guidance on credit costs and GLP growth to be monitored.

### CREDAG: Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	11,052	11,874	12,444	13,632	14,372	14,177	13,376	14,059	49,001	55,984
Interest Expenses	3,849	4,239	4,415	4,822	5,103	4,846	4,749	4,974	17,324	19,672
<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>9,331</b>	<b>8,628</b>	<b>9,085</b>	<b>31,677</b>	<b>36,312</b>
YoY Growth (%)	57.8	53.3	48.5	42.3	28.7	22.2	7.5	3.1	49.8	14.6
Other Income	656	602	509	959	754	362	443	610	2,725	2,169
<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>9,693</b>	<b>9,071</b>	<b>9,694</b>	<b>34,402</b>	<b>38,481</b>
YoY Growth (%)	63.8	52.1	43.6	35.6	27.5	17.7	6.2	-0.8	47.1	11.9
Operating Expenses	2,420	2,611	2,520	2,942	2,929	2,972	2,841	2,909	10,493	11,642
<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>6,721</b>	<b>6,229</b>	<b>6,786</b>	<b>23,910</b>	<b>26,839</b>
YoY Growth (%)	88	68	59	36	30	19	4	-1	59	12
Provisions & Loan Losses	764	959	1,262	1,533	1,746	4,202	7,519	5,934	4,518	19,400
<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>2,520</b>	<b>-1,289</b>	<b>852</b>	<b>19,392</b>	<b>7,440</b>
Tax Provisions	1,189	1,197	1,222	1,324	1,371	659	-294	154	4,933	1,890
<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>1,861</b>	<b>-995</b>	<b>698</b>	<b>14,459</b>	<b>5,550</b>
YoY Growth (%)	151.3	96.6	63.7	33.9	14.1	-46.4	-128.2	-82.4	75.0	-61.6

## Five Star Business Finance

Buy

CMP INR698 | | TP: INR900 (+29%)

EPS CHANGE (%): FY25|26|27: -0.1|-0.1|-0.1

- Estimate AUM growth of ~23% YoY.
- Credit costs are projected to rise ~10bp QoQ to ~0.8%.
- Margin is likely to contract ~55bp QoQ to 19%.
- Outlook on asset quality, guidance on loan growth, and credit costs will be closely monitored.

### FIVE STAR BUSINESS: Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,637	5,041	5,495	5,992	6,411	6,793	7,112	7,285	21,166	27,601
Interest Expenses	962	1,059	1,287	1,377	1,582	1,631	1,714	1,802	4,685	6,729
<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>5,161</b>	<b>5,399</b>	<b>5,483</b>	<b>16,481</b>	<b>20,872</b>
YoY Growth (%)	35.9	34.3	31.6	33.4	31.4	29.6	28.3	18.8	33.7	26.6
Other Income	198	183	205	199	283	266	198	285	785	1,032
<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>5,427</b>	<b>5,597</b>	<b>5,769</b>	<b>17,266</b>	<b>21,905</b>
YoY Growth (%)	41.3	38.4	35.5	33.0	32.0	30.3	26.8	19.8	36.7	26.9
Operating Expenses	1,263	1,389	1,412	1,488	1,565	1,627	1,713	1,822	5,553	6,727
<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>3,800</b>	<b>3,884</b>	<b>3,947</b>	<b>11,713</b>	<b>15,178</b>
YoY Growth (%)	40.5	37.9	45.5	43.6	35.9	36.9	29.4	18.7	42.0	29.6
Provisions & Loan Losses	152	106	102	194	185	218	233	280	554	916
<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>3,582</b>	<b>3,651</b>	<b>3,667</b>	<b>11,160</b>	<b>14,262</b>
Tax Provisions	622	676	731	771	846	903	913	904	2,800	3,565
<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>2,679</b>	<b>2,739</b>	<b>2,763</b>	<b>8,359</b>	<b>10,696</b>
YoY Growth (%)	32	38	44	40	37	34	26	17	38.5	28.0



## Fusion Microfinance

**Neutral**

**CMP INR142 | TP: INR155 (+9%)**

**EPS CHANGE (%): FY25|26|27: -|-32.7|-7.7**

- Estimate AUM to decline ~20% YoY/13% QoQ.
- Annualized credit costs are projected at ~14% in 4QFY25.
- Margin is likely to expand ~4pp QoQ to ~13.1%.
- Guidance on credit costs, margins, and disbursement trajectory will be closely monitored.

### Fusion: Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,790	4,968	5,400	5,761	6,213	6,261	4,382	4,777	20,919	21,632
Interest Expenses	1,835	1,910	2,015	2,149	2,234	2,274	2,137	1,879	7,908	8,524
<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>3,987</b>	<b>2,245</b>	<b>2,898</b>	<b>13,011</b>	<b>13,109</b>
YoY Growth (%)	58.7	26.1	34.2	30.6	34.6	30.4	-33.7	-19.8	35.9	0.8
Other Income	738	745	732	991	854	776	443	536	3,205	2,610
<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>4,764</b>	<b>2,688</b>	<b>3,434</b>	<b>16,216</b>	<b>15,719</b>
YoY Growth (%)	70.0	28.9	38.0	32.8	30.9	25.3	-34.7	-25.4	40.1	-3.1
Operating Expenses	1,339	1,385	1,515	1,696	1,855	1,925	2,041	2,111	5,935	7,932
<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>2,838</b>	<b>648</b>	<b>1,323</b>	<b>10,281</b>	<b>7,787</b>
YoY Growth (%)	95.8	29.1	41.6	31.5	26.5	17.4	-75.1	-54.5	44.3	-24.3
Provisions & Loan Losses	759	762	938	1,190	3,485	6,941	5,723	3,168	3,649	19,316
<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>-4,102</b>	<b>-5,075</b>	<b>-1,844</b>	<b>6,633</b>	<b>-11,529</b>
Tax Provisions	390	399	401	390	-151	-1,052	2,118	-466	1,580	450
<b>Net Profit</b>	<b>1,205</b>	<b>1,257</b>	<b>1,265</b>	<b>1,327</b>	<b>-356</b>	<b>-3,050</b>	<b>-7,193</b>	<b>-1,379</b>	<b>5,053</b>	<b>-11,979</b>
YoY Growth (%)	60	32	23	16	-130	-343	-669	-204	31	-337.1

## Home First Finance Company

**Buy**

**CMP INR988| TP: INR1,280 (+30%)**

**EPS CHANGE (%): FY25|26|27: 0.1|1.0|0.5**

- Estimate a robust AUM growth of ~31% YoY/6% QoQ.
- Cost/income ratio to remain largely stable at ~36%.
- Margin is projected to contract ~10bp QoQ in 4QFY25.
- Outlook on margins and credit costs will be key monitorables.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	2,313	2,491	2,646	2,827	3,032	3,322	3,558	3,741	10,277	13,654
Interest expenses	1,068	1,170	1,302	1,459	1,568	1,756	1,926	2,036	4,999	7,285
<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>1,566</b>	<b>1,631</b>	<b>1,706</b>	<b>5,278</b>	<b>6,369</b>
YoY Growth (%)	32.6	30.1	21.4	22.4	17.5	18.6	21.4	24.7	26.3	20.7
Other Income	285	289	364	351	382	421	517	572	1,289	1,891
<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>1,987</b>	<b>2,148</b>	<b>2,278</b>	<b>6,567</b>	<b>8,260</b>
YoY Growth (%)	40.9	36.1	35.7	24.2	20.6	23.4	25.8	32.5	33.7	25.8
Operating Expenses	553	565	611	584	655	726	752	816	2,313	2,949
<b>Operating Profit</b>	<b>977</b>	<b>1,044</b>	<b>1,097</b>	<b>1,135</b>	<b>1,191</b>	<b>1,261</b>	<b>1,396</b>	<b>1,461</b>	<b>4,254</b>	<b>5,310</b>
YoY Growth (%)	39.8	40.9	34.5	24.8	21.9	20.7	27.2	28.8	34.3	24.8
Provisions and Cont.	77	80	70	27	56	57	98	75	254	286
<b>Profit before Tax</b>	<b>900</b>	<b>964</b>	<b>1,027</b>	<b>1,107</b>	<b>1,135</b>	<b>1,204</b>	<b>1,298</b>	<b>1,386</b>	<b>4,000</b>	<b>5,025</b>
Tax Provisions	209	221	239	273	258	281	324	343	942	1,206
<b>Net Profit</b>	<b>691</b>	<b>743</b>	<b>788</b>	<b>835</b>	<b>878</b>	<b>922</b>	<b>974</b>	<b>1,044</b>	<b>3,057</b>	<b>3,819</b>
YoY Growth (%)	34.9	36.9	34.5	30.36	27.0	24.1	23.5	25.02	33.9	24.9

## IIFL Finance

Buy

**CMP INR325 | TP: INR415 (+28%)**
**EPS CHANGE (%): FY25|26|27: 90.0|-11.3|2.0**

- Estimate consol. AUM growth of ~1% YoY to INR800b.
- Credit costs are likely to decline ~70bp QoQ to ~3.5%.
- Cost ratios are expected to decline to ~48% (PQ: 56%).
- Outlook on the gold loan business, loan growth, and margins will be key monitorable.

### IIFL Finance (Consolidated): Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	21,989	23,576	25,630	27,200	24,721	23,181	22,308	23,363	98,386	93,573
Interest Expenses	8,878	9,321	9,885	10,744	10,340	9,788	9,957	10,921	38,829	41,005
<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>13,394</b>	<b>12,352</b>	<b>12,442</b>	<b>59,557</b>	<b>52,568</b>
YoY Growth (%)	48.9	44.7	44.7	38.9	9.7	-6.0	-21.6	-24.4	43.6	-11.7
Other Income	1,306	1,878	1,120	-873	-43	2,467	1,051	3,388	3,342	6,863
<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>15,861</b>	<b>13,402</b>	<b>15,830</b>	<b>62,899</b>	<b>59,431</b>
YoY Growth (%)	20	26	26	10	-1	-2	-21	2	20.4	-5.5
Operating Expenses	6,332	6,772	7,272	7,691	7,461	7,329	7,478	7,520	28,067	29,788
<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>8,532</b>	<b>5,925</b>	<b>8,309</b>	<b>34,832</b>	<b>29,643</b>
YoY Growth (%)	18.4	29.0	24.9	-1.6	-14.9	-8.9	-38.2	5.3	16.9	-14.9
Provisions & Loan Losses	1,901	2,526	2,430	2,356	2,516	4,063	4,914	4,621	9,113	16,114
<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>4,468</b>	<b>1,011</b>	<b>3,688</b>	<b>25,719</b>	<b>7,664</b>
Exceptional items		0				-5,865				
Tax Provisions	1,455	1,580	1,711	1,231	980	-466	193	1,018	5,977	1,725
<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>-931</b>	<b>818</b>	<b>2,670</b>	<b>19,742</b>	<b>5,939</b>
NCI	475	513	548	572	501	646	410	443	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>-1,577</b>	<b>408</b>	<b>2,227</b>	<b>17,635</b>	<b>3,939</b>
YoY Growth (%)	29	25	30	-10	-32	-133	-92	-40	18	-78

## L&T Finance

Buy

**CMP INR151 | TP: INR190 (+26%)**
**EPS CHANGE (%): FY25|26|27: -0.3|-2.7|-4.0**

- Expect consolidated loan book growth of 3% QoQ.
- Anticipate credit costs to decline to ~2.6% (annualized) in 4QFY25 (vs. ~2.8% in 3QFY25).
- NIM is expected to contract ~15bp QoQ to ~10.5%.
- Outlook on the MFI business is the key monitorable.

### Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	31,165	31,685	33,063	33,226	34,526	36,544	38,064	38,411	1,29,139	1,47,545
Interest Expenses	13,638	13,249	13,534	13,351	13,514	14,763	15,692	15,856	53,772	59,826
<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>21,781</b>	<b>22,371</b>	<b>22,555</b>	<b>75,367</b>	<b>87,720</b>
Change YoY (%)	14.3	11.9	7.2	12.6	19.9	18.1	14.6	13.5	11.4	16.4
Other Operating Income	1,068	453	2,277	3,492	3,318	3,649	2,912	2,959	6,667	12,838
<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>25,431</b>	<b>25,283</b>	<b>25,514</b>	<b>82,034</b>	<b>1,00,558</b>
Change YoY (%)	11.7	7.5	12.9	31.9	30.8	34.6	16.0	9.2	15.1	22.6
Other income	1,535	2,682	473	56	2	47	76	113	4,745	237
<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>25,477</b>	<b>25,359</b>	<b>25,627</b>	<b>86,779</b>	<b>1,00,795</b>
Change YoY (%)	11.1	15.0	11.9	18.7	20.9	18.1	13.8	9.4	13.4	16.2
Operating Expenses	7,782	8,598	8,896	9,803	9,656	9,578	10,578	11,383	35,079	41,195
Change YoY (%)	18.3	25.2	19.9	24.6	24.1	11.4	18.9	16.1	22.1	17.4
<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>15,899</b>	<b>14,781</b>	<b>14,244</b>	<b>51,701</b>	<b>59,600</b>
Change YoY (%)	6.9	9.1	7.2	7.3	18.9	22.5	10.5	4.6	6.3	15.3
Provisions	5,212	5,000	5,142	6,679	5,453	6,504	6,542	6,165	21,410	24,664
<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>9,396</b>	<b>8,239</b>	<b>8,079</b>	<b>30,290</b>	<b>34,936</b>
Tax Provisions	1,831	2,032	1,847	1,410	2,370	2,429	1,983	1,708	7,119	8,490
<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>6,967</b>	<b>6,257</b>	<b>6,371</b>	<b>23,171</b>	<b>26,447</b>
Change YoY (%)	103	47	41	11	29	17	-2	15	43	14

## LIC Housing Finance

Buy

**CMP INR561 | TP: INR670 (+19%)**
**EPS CHANGE (%): FY25|26|27: 0.3|-0.3|-0.5**

- Expect loan growth of ~7% YoY with a fairly stable mix.
- Estimate annualized credit costs of ~25bp in 4QFY25
- Yields and margins are expected to remain largely stable on a sequential basis.
- Commentaries on mortgage demand and guidance on margins and loan growth are the key monitorables.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	67,037	67,066	67,437	68,875	67,391	68,534	69,516	71,077	2,70,416	2,76,519
Interest Expenses	44,942	46,000	46,465	46,499	47,501	48,796	49,515	50,557	1,83,907	1,96,369
<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>19,739</b>	<b>20,001</b>	<b>20,520</b>	<b>86,509</b>	<b>80,150</b>
YoY Growth (%)	37.2	81.2	30.6	12.4	-10.0	-6.3	-4.6	-8.3	36.7	-7.4
Fees and other income	429	521	488	493	446	784	1,057	742	1,931	3,024
<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>20,522</b>	<b>21,059</b>	<b>21,262</b>	<b>88,440</b>	<b>83,174</b>
YoY Growth (%)	36.4	79.1	30.6	12.8	-9.7	-4.9	-1.9	-7.0	36.3	-6.0
Operating Expenses	2,425	2,595	2,615	3,829	2,621	3,105	3,564	3,941	11,463	13,232
<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>17,417</b>	<b>17,495</b>	<b>17,320</b>	<b>76,976</b>	<b>69,942</b>
YoY Growth (%)	38.8	101.1	39.0	8.7	-11.9	-8.3	-7.2	-9.0	40.0	-9.1
Provisions and Cont.	3,608	4,192	4,358	4,279	1,431	773	-440	1,716	16,437	3,481
<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>16,644</b>	<b>17,934</b>	<b>15,604</b>	<b>60,539</b>	<b>66,461</b>
Tax Provisions	3,253	2,920	2,858	3,854	3,282	3,355	3,615	2,841	12,885	13,093
<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>13,289</b>	<b>14,320</b>	<b>12,763</b>	<b>47,654</b>	<b>53,368</b>
YoY Growth (%)	43	290	142	-8	-2	12	23	17	65	12

## Mahindra Financial Services

Buy

**CMP INR276 | TP: INR340 (+23%)**
**EPS CHANGE (%): FY25|26|27: -3.9|0.4|-0.6**

- MMFS reported disbursements of ~INR155b, leading to AUM of ~INR1.19t (up 16% YoY/ ~4% QoQ).
- We expect margins to remain stable QoQ.
- Estimate credit costs of ~1.7% in 4QFY25.
- Commentaries on margins, credit costs, and loan growth are the key monitorables.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest income	30,349	31,535	33,733	35,471	36,122	37,448	39,572	40,955	1,31,088	1,54,097
Interest Expenses	14,505	15,665	16,750	17,351	18,286	19,343	20,459	21,225	64,269	79,312
<b>NII</b>	<b>15,844</b>	<b>15,870</b>	<b>16,983</b>	<b>18,121</b>	<b>17,836</b>	<b>18,106</b>	<b>19,113</b>	<b>19,730</b>	<b>66,818</b>	<b>74,785</b>
YoY Growth (%)	5.3	9.6	9.4	13.2	12.6	14.1	12.5	8.9	9.4	11.9
Other income	905	870	1,172	1,590	1,480	1,802	1,872	2,343	4,537	7,498
<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>19,908</b>	<b>20,985</b>	<b>22,074</b>	<b>71,355</b>	<b>82,283</b>
YoY Growth (%)	6.9	8.7	10.1	14.4	15.3	18.9	15.6	12.0	10.1	15.3
Operating Expenses	6,750	7,312	7,530	7,980	7,970	7,947	8,768	9,268	29,572	33,953
<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>11,961</b>	<b>12,217</b>	<b>12,806</b>	<b>41,783</b>	<b>48,329</b>
YoY Growth (%)	5.7	9.2	6.4	24.2	13.5	26.9	15.0	9.2	11.4	15.7
Provisions	5,264	6,266	3,284	3,415	4,482	7,035	91	5,119	18,228	16,727
<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>4,927</b>	<b>12,126</b>	<b>7,686</b>	<b>23,555</b>	<b>31,602</b>
Tax Provisions	1,209	811	1,813	2,126	1,734	1,232	3,131	1,962	5,959	8,059
<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>3,695</b>	<b>8,995</b>	<b>5,725</b>	<b>17,596</b>	<b>23,544</b>
YoY Growth (%)	58.2	-47.5	-12.1	-9.5	45.5	57.1	62.7	-7.5	-11.3	33.8

## Manappuram Finance

Neutral

**CMP INR232 | TP: INR240 (+3%)**
**EPS CHANGE (%): FY25|26|27: -10.9|-3.6|-2.7**

- Expect gold AUM/consolidated AUM to grow ~4%/1% on a sequential basis.
- Expect credit costs to increase ~115bp QoQ to ~6.1%.
- Expect margin to expand ~15bp QoQ and spreads to decline ~15bp in the consolidated loan book.
- Commentaries on gold loan growth and asset quality in the MFI and PL segments are the key monitorables.

### MGFL - Quarterly Performance (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	19,363	20,438	22,011	22,734	23,861	25,411	25,163	24,698	84,546	99,132
Interest Expenses	6,484	6,894	7,487	7,792	8,483	9,057	9,253	8,816	28,657	35,610
<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>16,354</b>	<b>15,909</b>	<b>15,882</b>	<b>55,889</b>	<b>63,523</b>
YoY Growth (%)	34.6	25.5	33.0	32.83	19.4	20.8	9.5	6.29	31.4	13.7
Other income	1,209	1,303	1,256	888	1,259	961	464	925	4,655	3,608
<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>17,314</b>	<b>16,373</b>	<b>16,807</b>	<b>60,544</b>	<b>67,131</b>
Operating Expenses	6,068	6,182	6,419	6,497	6,823	6,984	7,066	7,212	25,165	28,084
<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>10,331</b>	<b>9,307</b>	<b>9,595</b>	<b>35,379</b>	<b>39,047</b>
YoY Growth (%)	57.5	36.8	58.1	52.0	22.4	19.2	-0.6	2.8	50.7	10.4
Provisions	1,212	1,197	1,496	1,878	2,286	2,604	5,546	6,764	5,783	17,200
<b>PBT</b>	<b>6,808</b>	<b>7,467</b>	<b>7,864</b>	<b>7,455</b>	<b>7,528</b>	<b>7,727</b>	<b>3,761</b>	<b>2,832</b>	<b>29,595</b>	<b>21,847</b>
Tax Provisions	1,828	1,861	2,111	1,820	1,963	2,006	976	735	7,621	5,680
<b>PAT</b>	<b>4,980</b>	<b>5,607</b>	<b>5,753</b>	<b>5,635</b>	<b>5,565</b>	<b>5,721</b>	<b>2,785</b>	<b>2,096</b>	<b>21,974</b>	<b>16,167</b>
YoY Growth (%)	77	37	46	36	12	2	-52	-63	46	-26

## MAS Financial

Buy

**CMP INR258 | TP: INR325 (+26%)**
**EPS CHANGE (%): FY25|26|27: -0.1|-0.2|-**

- Standalone AUM is likely to grow ~5% QoQ/~21% YoY.
- Margin is expected to contract ~5bp QoQ to ~7.2%.
- We expect credit costs to decline ~10bp to ~1.1%.
- Commentary on branch expansions and increase in the direct business will be the key monitorables.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	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>3,670</b>	<b>3,901</b>	<b>4,142</b>	<b>12,246</b>	<b>15,178</b>
Interest Income	2,362	2,490	2,651	2,757	2,952	3,078	3,332	3,500	10,223	12,862
Gain on assignments	242	272	319	336	304	375	356	381	1,170	1,415
Other operating Income	196	219	236	202	210	217	213	262	853	901
Interest expenses	1,428	1,461	1,638	1,615	1,714	1,754	1,845	1,993	6,142	7,307
<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>1,916</b>	<b>2,056</b>	<b>2,149</b>	<b>6,104</b>	<b>7,871</b>
Growth Y-o-Y (%)	30	28	27	33	27	26	31	28	29	29
Operating Expenses	427	484	467	555	567	632	673	712	1,894	2,583
<b>Operating Profits</b>	<b>946</b>	<b>1,036</b>	<b>1,102</b>	<b>1,125</b>	<b>1,183</b>	<b>1,284</b>	<b>1,383</b>	<b>1,437</b>	<b>4,210</b>	<b>5,287</b>
Growth Y-o-Y (%)	34	34	35	27	25	24	25	28	33	26
Provisions	188	236	257	214	239	263	332	318	896	1,152
<b>Profit before tax</b>	<b>758</b>	<b>800</b>	<b>845</b>	<b>911</b>	<b>944</b>	<b>1,021</b>	<b>1,051</b>	<b>1,119</b>	<b>3,314</b>	<b>4,135</b>
Growth Y-o-Y (%)	22	22	25	29	25	28	24	23	25	25
Tax Provisions	186	200	221	230	240	255	270	282	837	1,046
<b>Net Profit</b>	<b>573</b>	<b>600</b>	<b>624</b>	<b>681</b>	<b>704</b>	<b>766</b>	<b>781</b>	<b>838</b>	<b>2,478</b>	<b>3,089</b>
Growth Y-o-Y (%)	23	22	24	23	23	28	25	23	23	25

## Muthoot Finance

Neutral

**CMP INR 2,336 | TP: INR2,500 (+7%)**
**EPS CHANGE (%): FY25|26|27: -0.3|6.6|6.7**

- Estimate gold AUM growth of ~40% YoY.
- We expect credit costs of ~70bp in 4QFY25 as compared to ~90bp in 3QFY25.
- Margin is likely to contract 15bp to ~11.7%.
- Commentaries on gold loan growth and margin guidance are the key monitorables.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	29,577	30,147	31,176	33,575	36,560	40,685	43,690	47,706	1,24,476	1,68,641
Other operating income	410	450	501	514	478	489	545	606	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>41,174</b>	<b>44,235</b>	<b>48,312</b>	<b>1,26,350</b>	<b>1,70,759</b>
YoY Growth (%)	19.8	22.5	19.1	19.5	23.5	34.6	39.6	41.7	20.2	35.1
Other income	276	139	80	95	63	88	77	97	590	325
<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>41,262</b>	<b>44,312</b>	<b>48,409</b>	<b>1,26,940</b>	<b>1,71,084</b>
YoY Growth (%)	20.6	22.8	19.1	19.4	22.6	34.2	39.5	41.6	20.4	34.8
Interest Expenses	10,638	11,563	12,119	12,228	13,511	15,505	16,476	18,429	46,548	63,921
<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>25,758</b>	<b>27,836</b>	<b>29,980</b>	<b>80,393</b>	<b>1,07,163</b>
Operating Expenses	5,620	5,751	5,696	6,861	6,437	6,608	7,243	8,493	23,927	28,781
<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>19,150</b>	<b>20,593</b>	<b>21,486</b>	<b>56,466</b>	<b>78,382</b>
YoY Growth (%)	36.8	16.9	10.4	16.9	22.5	42.7	47.7	42.3	19.5	38.8
Provisions	860	120	137	860	2,236	2,070	2,088	1,789	1,978	8,182
<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>17,080</b>	<b>18,505</b>	<b>19,698</b>	<b>54,488</b>	<b>70,200</b>
Tax Provisions	3,394	3,392	3,532	3,673	4,130	4,568	4,874	4,539	13,991	18,112
<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>12,511</b>	<b>13,631</b>	<b>15,159</b>	<b>40,497</b>	<b>52,088</b>
YoY Growth (%)	21.6	14.3	13.9	17.0	10.6	26.3	32.7	43.5	16.6	28.6

## PNB Housing Finance

Buy

**CMP INR875 | TP: INR1,150 (31%)**
**EPS CHANGE (%): FY25|26|27|:-|-0.6|-0.4**

- Total loan growth of ~15% YoY and Retail Loan growth of ~18% YoY.
- NIM is expected to contract ~5bp QoQ.
- Expect provision write-backs from recoveries in both Retail and Corporate written-off pools.
- Commentaries on the asset quality of the retail loan book, NIM, and credit costs are the key monitorables.

### Quarterly performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	16,669	17,029	16,795	16,929	17,391	17,803	18,484	19,313	67,422	72,991
Interest Expenses	10,475	10,573	10,866	10,697	10,969	11,185	11,579	12,304	42,611	46,037
<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>6,618</b>	<b>6,905</b>	<b>7,009</b>	<b>24,811</b>	<b>26,953</b>
YoY Growth (%)	68.1	1.9	-17.3	7.23	3.7	2.5	16.5	12.47	7.8	8.6
Other income	408	765	765	1,211	930	994	947	1,234	3,149	4,104
<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>7,612</b>	<b>7,852</b>	<b>8,242</b>	<b>27,960</b>	<b>31,057</b>
YoY Growth (%)	37.3	0.2	-16.3	18.2	11.3	5.4	17.3	10.7	6.3	11.1
Operating Expenses	1,530	1,702	1,700	1,778	1,929	2,020	2,057	2,157	6,710	8,164
YoY Growth (%)	26.0	24.4	34.7	21.1	26.1	18.7	21.0	21.3	26.3	21.7
<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>5,591</b>	<b>5,795</b>	<b>6,085</b>	<b>21,250</b>	<b>22,894</b>
YoY Growth (%)	41.1	-5.4	-25.9	17.3	6.9	1.3	16.0	7.4	1.2	7.7
Provisions	606	448	591	66	-120	-456	-361	-388	1,711	-1,325
<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>6,047</b>	<b>6,157</b>	<b>6,473</b>	<b>19,539</b>	<b>24,219</b>
Tax Provisions	994	1,241	1,019	1,206	1,214	1,351	1,324	1,440	4,459	5,328
<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>4,697</b>	<b>4,833</b>	<b>5,033</b>	<b>15,080</b>	<b>18,891</b>
YoY Growth (%)	47.8	45.8	25.8	57.3	24.6	22.6	42.8	14.6	44.2	25.3

## Power Finance Corporation

Buy

**CMP INR405 | TP: INR505 (+25%)**
**EPS CHANGE (%): FY25|26|27: -0.8|0.3|1.0**

- Expect AUM/Disbursement growth of ~14%/11% YoY.
- Expect margin to contract ~10bp to ~3.7%.
- Expect credit costs to remain benign, aided by stressed asset resolutions.
- Commentaries on growth in loan book, margins, and asset quality/credit costs are the key monitorables.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
Particulars	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	1,01,241	1,06,921	1,13,313	1,14,937	1,18,270	1,19,090	1,24,172	1,26,322	4,36,411	4,87,854
Interest Expenses	66,207	69,631	71,735	72,564	74,990	75,007	77,231	79,972	2,80,138	3,07,199
<b>Net Interest Income</b>	<b>35,034</b>	<b>37,289</b>	<b>41,578</b>	<b>42,373</b>	<b>43,280</b>	<b>44,083</b>	<b>46,942</b>	<b>46,350</b>	<b>1,56,274</b>	<b>1,80,655</b>
YoY Gr %	1.0	-3.1	16.4	21.9	23.5	18.2	12.9	9.4	8.8	15.6
Other Income	-2,111	11,904	5,875	7,165	3,160	14,655	5,971	10,814	22,832	34,601
<b>Net Operational Income</b>	<b>32,923</b>	<b>49,193</b>	<b>47,452</b>	<b>49,538</b>	<b>46,440</b>	<b>58,738</b>	<b>52,913</b>	<b>57,164</b>	<b>1,79,106</b>	<b>2,15,256</b>
YoY Gr %	-8.9	7.6	20.6	14.3	41.1	19.4	11.5	15.4	8.9	20.2
Exchange gain/(loss)	4,827	-1,188	-2,231	723	589	-3,100	457	-346	2,131	-2,400
<b>Total Net Income</b>	<b>37,750</b>	<b>48,005</b>	<b>45,221</b>	<b>50,261</b>	<b>47,029</b>	<b>55,639</b>	<b>53,370</b>	<b>56,818</b>	<b>1,81,237</b>	<b>2,12,856</b>
YoY Gr %	32.6	22.5	23.2	24.3	24.6	15.9	18.0	13.0	25.2	17.4
Operating Expenses	1,018	1,143	1,100	3,431	1,016	2,355	1,832	2,166	6,691	7,369
<b>Operating Profit</b>	<b>36,732</b>	<b>46,863</b>	<b>44,121</b>	<b>46,830</b>	<b>46,013</b>	<b>53,284</b>	<b>51,538</b>	<b>54,652</b>	<b>1,74,545</b>	<b>2,05,487</b>
YoY Gr %	35.5	22.6	24.1	23.7	25.3	13.7	16.8	16.7	25.8	17.7
Provisions	22	-989	2,626	-3,370	620	-1,241	745	955	-1,712	1,079
<b>PBT</b>	<b>36,710</b>	<b>47,852</b>	<b>41,495</b>	<b>50,200</b>	<b>45,393</b>	<b>54,525</b>	<b>50,793</b>	<b>53,697</b>	<b>1,76,257</b>	<b>2,04,408</b>
Tax	6,641	9,377	7,723	8,845	8,214	10,821	9,244	9,946	32,587	38,224
Tax Rate %	18.1	19.6	18.6	17.6	18.1	19.8	18.2	18.5	18.5	18.7
<b>PAT</b>	<b>30,069</b>	<b>38,474</b>	<b>33,772</b>	<b>41,355</b>	<b>37,179</b>	<b>43,704</b>	<b>41,549</b>	<b>43,751</b>	<b>1,43,670</b>	<b>1,66,184</b>
YoY Gr %	42.5	28.3	12.4	18.4	23.6	13.6	23.0	5.8	23.5	15.3

## Poonawalla Fincorp

Buy

**CMP INR349 | TP: INR425 (+22%)**
**EPS CHANGE (%): FY25|26|27: 28.0|8.4|19.9**

- PFL reported AUM growth of ~42% YoY/15% QoQ.
- Expect credit costs to decline ~220bp QoQ to 2.5%.
- Expect cost ratios to decline to ~42% in 4QFY25 (PQ: ~45% and PY: ~36%).
- Commentaries on growth in personal loans, margin, and asset quality/credit costs are the key monitorables.

### Quarterly Performance (Standalone)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	6,560	6,901	7,144	8,436	8,962	9,107	9,991	11,507	29,061	39,567
Interest Expenses	2,348	2,155	2,237	2,811	3,201	3,516	3,850	4,541	9,503	15,109
<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>5,592</b>	<b>6,141</b>	<b>6,965</b>	<b>19,558</b>	<b>24,458</b>
YoY Growth (%)	77.8	73.3	62.9	48.1	36.8	17.8	25.1	23.8	58.9	25.1
Other Income	563	539	594	782	997	858	581	779	2,478	3,214
<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>6,449</b>	<b>6,722</b>	<b>7,744</b>	<b>22,036</b>	<b>27,672</b>
YoY Growth (%)	70.3	57.1	52.8	57.0	35.1	22.0	22.2	20.9	54.7	25.6
Operating Expenses	1,834	1,929	1,998	2,313	2,436	3,657	2,991	3,227	8,074	12,312
<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>2,792</b>	<b>3,731</b>	<b>4,517</b>	<b>13,962</b>	<b>15,361</b>
YoY Growth (%)	185.0	167.0	124.8	103.09	46.9	-16.8	6.5	10.34	128.8	10.0
Provisions & Loan Losses	266	281	-65	239	425	9,096	3,479	2,079	720	15,079
<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>-6,305</b>	<b>252</b>	<b>2,438</b>	<b>13,242</b>	<b>282</b>
Exceptional items		6,560				0			6,560	0
Tax Provisions	674	775	916	538	980	-1,594	65	614	2,907	65
<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>-4,710</b>	<b>187</b>	<b>1,824</b>	<b>10,335</b>	<b>217</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>-4,710</b>	<b>187</b>	<b>1,824</b>	<b>16,896</b>	<b>217</b>
YoY Growth (%)	86.0	76.7	76.3	83.6	45.7	-	-92.9	-45.0	73.9	-97.9



## Rural Electrification Corporation

Buy

CMP INR417 | TP: INR530 (27%)

EPS CHANGE (%): FY25|26|27: -6.5|-2.0|-4.3

- Disbursements/AUM expected to grow ~16%/13% YoY.
- Expect credit costs to remain benign, aided by stress assets' resolutions.
- Margin is likely to contract ~5bp QoQ to ~3.6%.
- Commentaries around margins and guidance on disbursements/AUM growth are the key monitorables.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	1,06,895	1,13,930	1,19,440	1,23,836	1,26,904	1,34,744	1,39,704	1,42,318	4,64,101	5,43,669
Interest Expenses	70,498	73,500	76,533	78,961	80,212	85,065	88,373	90,256	2,99,493	3,43,907
<b>Net Interest Income</b>	<b>36,397</b>	<b>40,430</b>	<b>42,907</b>	<b>44,875</b>	<b>46,692</b>	<b>49,678</b>	<b>51,331</b>	<b>52,061</b>	<b>1,64,608</b>	<b>1,99,762</b>
YoY Gr (%)	-8.9	2.1	17.7	28.3	28.3	22.9	19.6	16.0	9	21
Other Operational Income	195	546	531	924	469	483	757	2,328	7,198	8,494
<b>Net Operational Income</b>	<b>36,592</b>	<b>40,976</b>	<b>43,438</b>	<b>45,799</b>	<b>47,161</b>	<b>50,161</b>	<b>52,088</b>	<b>54,390</b>	<b>1,70,141</b>	<b>2,05,956</b>
YoY Gr (%)	-9.7	2.6	17.2	26.1	28.9	22.4	19.9	18.8	19	21
Other Income	2,553	1,425	29	1,674	2,998	731	1,266	310	679	848
<b>Total Net Income</b>	<b>39,144</b>	<b>42,401</b>	<b>43,467</b>	<b>47,473</b>	<b>50,159</b>	<b>50,892</b>	<b>53,354</b>	<b>54,700</b>	<b>1,70,819</b>	<b>2,06,804</b>
YoY Gr (%)	-4.3	0.5	21.5	30.9	28.1	20.0	22.7	15.2	19	21
<b>Operating Expenses</b>	<b>1,445</b>	<b>1,938</b>	<b>1,766</b>	<b>3,114</b>	<b>2,175</b>	<b>1,936</b>	<b>3,147</b>	<b>3,123</b>	<b>6,597</b>	<b>8,082</b>
YoY Gr (%)	-77.7	-65.8	-43.3	130.6	50.6	-0.1	78.2	0.3	21	23
% to Income	3.7	4.6	4.1	6.6	4.3	3.8	5.9	5.7	4	4
<b>Operating Profit</b>	<b>37,700</b>	<b>40,463</b>	<b>41,701</b>	<b>44,359</b>	<b>47,984</b>	<b>48,955</b>	<b>50,206</b>	<b>51,577</b>	<b>1,64,223</b>	<b>1,98,722</b>
YoY Gr %	9.5	10.8	27.7	27.0	27.3	21.0	20.4	16.3	19	21
Provisions	580	-7,604	559	-7,119	4,726	-1,441	-890	7,040	(13,584)	9,434
<b>PBT</b>	<b>37,120</b>	<b>48,067</b>	<b>41,143</b>	<b>51,478</b>	<b>43,258</b>	<b>50,396</b>	<b>51,097</b>	<b>44,537</b>	<b>1,77,806</b>	<b>1,89,289</b>
YoY Gr (%)	26.3	40.2	15.6	35.1	16.5	4.8	24.2	-13.5	29	6
<b>Tax</b>	<b>7,512</b>	<b>10,338</b>	<b>8,449</b>	<b>11,315</b>	<b>8,834</b>	<b>10,342</b>	<b>10,806</b>	<b>9,391</b>	<b>37,614</b>	<b>39,372</b>
Tax Rate (%)	20.2	21.5	20.5	22.0	17.6	20.5	21.1	21.1	21	21
<b>PAT</b>	<b>29,607</b>	<b>37,729</b>	<b>32,693</b>	<b>40,163</b>	<b>34,425</b>	<b>40,055</b>	<b>40,291</b>	<b>35,146</b>	<b>1,40,192</b>	<b>1,49,917</b>
YoY Gr (%)	21.0	38.3	13.6	33.8	16.3	6.2	23.2	-12.5	26.8	6.9

## Repco Home Finance

Neutral

CMP INR342 | TP: INR380 (11%)

EPS CHANGE (%): FY25|26|27: 0|0.1|-0.4

- Disbursements/AUM expected to grow ~5%/7% YoY.
- Expect asset quality to continue to improve, resulting in provision write-backs in the quarter.
- Margins are likely to expand ~10bp QoQ to ~5.7%.
- Commentaries around asset quality and guidance on disbursements/AUM growth are the key monitorables.

### Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	3,572	3,770	3,787	3,831	4,007	4,051	4,258	4,303	14,960	16,619
Interest Expenses	2,026	2,075	2,153	2,203	2,330	2,396	2,475	2,472	8,456	9,673
<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>1,656</b>	<b>1,783</b>	<b>1,831</b>	<b>6,504</b>	<b>6,947</b>
YoY Growth (%)	16.5	23.6	17.8	10.5	8.5	-2.3	9.0	12.5	17.0	6.8
Other income	93	69	145	141	155	229	196	218	448	798
<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>1,884</b>	<b>1,978</b>	<b>2,050</b>	<b>6,952</b>	<b>7,744</b>
YoY Growth (%)	15.7	18.9	18.7	11.9	11.8	6.8	11.2	15.8	16.2	11.4
Operating Expenses	392	426	410	483	452	517	535	554	1,710	2,057
YoY Growth (%)	15.7	24.4	2.9	27.58	15.4	21.2	30.5	14.76	17.3	20.3
<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>1,367</b>	<b>1,443</b>	<b>1,496</b>	<b>5,242</b>	<b>5,687</b>
YoY Growth (%)	15.7	17.3	24.5	6.9	10.7	2.2	5.4	16.2	15.9	8.5
Provisions	50	16	29	-100	14	-160	3	-37	-5	-179
<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>1,528</b>	<b>1,440</b>	<b>1,532</b>	<b>5,247</b>	<b>5,866</b>
Tax Provisions	307	341	346	306	312	403	375	378	1,300	1,467
<b>Profit after tax</b>	<b>891</b>	<b>981</b>	<b>994</b>	<b>1,081</b>	<b>1,054</b>	<b>1,125</b>	<b>1,066</b>	<b>1,155</b>	<b>3,947</b>	<b>4,400</b>
YoY Growth (%)	43.5	37.9	23.1	31.6	18.4	14.7	7.2	6.8	33.3	11.5

## Shriram Finance

Buy

CMP INR638 | TP: INR775 (+21%)

EPS CHANGE (%): FY25 | 26 | 27: 1.3 | -0.1 | -1.4

- Estimate disbursements of ~INR453b, leading to AUM of ~INR2.65t (up 18% YoY/ ~4% QoQ).
- Margin is expected to contract ~10bp QoQ to 8.9%.
- Credit cost is likely to remain stable QoQ at 2.2%.
- Commentaries on loan growth in CV and on asset quality in 2W and PL segments are the key monitorables.

### Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	76,880	82,166	86,179	90,773	93,628	98,145	1,03,408	1,07,774	3,35,997	4,02,955
Interest Expenses	34,875	36,219	37,069	39,898	41,289	43,504	47,513	49,928	1,48,061	1,82,233
<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>54,641</b>	<b>55,896</b>	<b>57,847</b>	<b>1,87,935</b>	<b>2,20,722</b>
YoY Growth (%)	20.0	21.6	17.1	21.7	24.6	18.9	13.8	13.7	17.0	17.4
Other Income	3,167	3,479	3,094	4,206	2,343	2,805	3,646	4,264	13,980	13,058
<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>57,446</b>	<b>59,542</b>	<b>62,111</b>	<b>2,01,915</b>	<b>2,33,780</b>
YoY Growth (%)	22.0	17.9	16.2	21.7	21.1	16.2	14.1	12.8	17.0	15.8
Operating Expenses	13,908	14,618	15,311	16,024	16,140	17,597	18,692	19,309	59,895	71,739
<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>39,848</b>	<b>40,850</b>	<b>42,802</b>	<b>1,42,020</b>	<b>1,62,041</b>
YoY Growth (%)	17.3	16.3	11.7	26.8	23.3	14.5	10.7	9.6	15.1	14.1
Provisions & Loan Losses	8,786	11,286	12,497	12,615	11,876	12,350	13,258	13,991	45,183	51,475
<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>27,498</b>	<b>27,592</b>	<b>28,811</b>	<b>96,836</b>	<b>1,10,566</b>
Tax Provisions	5,722	6,014	6,213	6,983	6,860	6,803	6,788	7,191	24,932	27,642
<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>20,696</b>	<b>20,804</b>	<b>21,619</b>	<b>71,905</b>	<b>82,925</b>
YoY Growth (%)	30.8	12.6	2.3	48.7	18.2	18.2	14.4	11.1	20.3	15.3
Exceptional gain (Post tax)							14,894			
<b>PAT (including exceptional gains/loss)</b>							<b>35,698</b>			

## Spandana Sphoorty

Buy

CMP INR245 | TP: INR285 (+16%)

EPS CHANGE (%): FY25 | 26 | 27: - | -54.6 | -39.6

- Estimate disbursements of ~INR4.8b, leading to AUM of ~INR68b (AUM declined ~43% YoY/24% QoQ).
- Margin is likely to expand ~20bp QoQ to ~13.3%.
- Annualized credit costs to increase to ~34% (PQ: ~32%).
- Guidance on credit costs, margins, and AUM growth to be closely monitored.

### SPANDANA: Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,929	5,436	5,663	6,352	6,935	6,071	5,029	4,042	22,381	22,078
Interest Expenses	1,995	2,277	2,502	2,493	2,594	2,584	2,290	1,735	9,268	9,203
<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>3,487</b>	<b>2,739</b>	<b>2,307</b>	<b>13,113</b>	<b>12,875</b>
YoY Growth (%)	99.3	70.6	45.7	42.8	48.0	10.4	-13.4	-40.2	60.0	-1.8
Other Income	344	966	905	744	435	994	697	790	2,959	2,916
<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>4,481</b>	<b>3,436</b>	<b>3,097</b>	<b>16,072</b>	<b>15,790</b>
YoY Growth (%)	102.2	88.5	59.9	19.9	45.7	8.6	-15.5	-32.7	57.7	-1.8
Operating Expenses	1,386	1,549	1,662	1,943	1,908	2,203	2,651	2,697	6,540	9,459
<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>2,278</b>	<b>784</b>	<b>400</b>	<b>9,532</b>	<b>6,331</b>
YoY Growth (%)	273.5	134.1	71.0	2.0	51.7	-11.6	-67.4	-84.9	69.6	-33.6
Provisions & Loan Losses	286	901	701	938	2,118	5,164	6,661	5,940	2,826	19,883
<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>-2,886</b>	<b>-5,876</b>	<b>-5,540</b>	<b>6,706</b>	<b>-13,552</b>
Tax Provisions	411	423	429	435	193	-723	-1,474	-1,398	1,699	-3,401
<b>Net Profit</b>	<b>1,195</b>	<b>1,252</b>	<b>1,274</b>	<b>1,287</b>	<b>557</b>	<b>-2,163</b>	<b>-4,402</b>	<b>-4,142</b>	<b>5,007</b>	<b>-10,150</b>
YoY Growth (%)	-154	127	79	22	-53	-273	-446	-422	3,940	-303

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