

# Cholamandalam Investment and Finance Co. | REDUCE

## Weak quarter; growth remains key monitorable



CIFC reported a weak quarter, missing PAT estimates (-3% JMFe). NII grew +25%/+6% YoY/QoQ, in line with estimates, with calc. NIM improving +15bps QoQ. Opex was higher than expected leading to a slight miss in PPOP (-2% JMFe). Credit costs stood at 1.8%. Disbursement growth was weak at +1% YoY/QoQ, resulting in moderated AUM growth of +21%/+4% YoY/QoQ. Mgmt. highlighted certain procedural changes in the registration process in some key markets impacting HL/LAP disbursements. Mgmt. continues to guide for ~20% AUM growth for FY26 with NIM expansion of ~10-15bps in 2H and credit costs trending towards ~1.6%. Given the weak disbursements run-rate over last few quarters, we believe CIFC may struggle to meet 20% AUM growth in FY26E. However, inch up in NIMs and moderation in credit cost should lead to EPS growth being higher than AUM growth. We build in ~19%/24% AUM/EPs CAGR during FY25-27E. Current valuation of 4.2x 1 Year fwd. BVPS (~20%/70% higher than 5/10 year historical averages) captures this growth/RoE profile. We downgrade CIFC to REDUCE (as per our new rating system) with revised TP of INR 1700, valuing it at 3.5x Sep'27 BVPS.

- **PAT miss led by higher opex:** CIFC reported in-line NII (+25%/+6% YoY/QoQ), while its calc. NIMs increased by 15bps QoQ led by a -16bps decline in CoFs. Yields (calc.) moderated -2bps QoQ to ~14.1%. Higher than expected opex at INR 16.2bn (+23%/+11% YoY/QoQ, +4% JMFe) led to a slight miss in PPOP at INR 24.6bn (+28%/+2% YoY/QoQ, -2% JMFe). Consequently, the cost-to-income ratio increased by 209bps QoQ to 39.7%. Credit costs moderated to 1.83% (vs. 1.87% QoQ). Overall PAT was a miss at INR 11.6bn (+20%/+2% YoY/QoQ, -3% JMFe). Mgmt. guided towards ~10-15bps NIM expansion in 2H, supported MCLR pass through and CCD conversions. **We build an EPS CAGR of 24% over FY25-27E.**
- **Growth moderation amid weak disbursements:** Disbursements were weak this quarter, growing just +1% YoY/QoQ, primarily impacted by HLs (-7%/-4% YoY/QoQ) and new businesses (-22%/+11% YoY/QoQ). As a result, AUM growth moderated to +21%/+4% YoY/QoQ (vs. +24% YoY in 1Q). By segment, LAP grew +33%/+5% YoY/QoQ, HL grew +28%/+5% YoY/QoQ, VF grew ~17%/+3% YoY/QoQ, and new businesses grew 14%/+3% YoY/QoQ. Gold loans AUM surged ~370% QoQ. Mgmt. maintained AUM growth guidance of 20% for FY26 but expressed concerns about achieving the 10% FY26 disbursement target. **We expect an AUM CAGR of 19% over FY25-27E.**
- **Broad based asset quality deterioration:** GS3/NS3 ratios increased sequentially to 3.35%/1.90% (+19bps/+12bps QoQ). GS3 ratios for VF moved up +22bps QoQ, LAP - +14bps QoQ, HL - +17bps QoQ, SME - +21bps QoQ, SBPL - +93bps QoQ, and CSEL - +11bps. Net Slippages (annualised) moderated sequentially, but remain elevated at 2.65% (-32bps QoQ). Mgmt. attributed stress to unsecured BLs, which saw higher delinquencies, but remains confident that this has peaked and will improve. Mgmt. expects credit costs to trend towards 1.6% by FY26 year-end. **We forecast an average credit cost of ~1.6% over FY26E/FY27E.**
- **Valuation and view:** Given the weak disbursements, we believe CIFC may struggle to meet 20% AUM growth in FY26. We build in ~19%/24% AUM/EPs CAGR during FY25-27E. Current valuation of 4.2x 1 Year Fwd BVPS (~20%/70% higher than 5/10 year historical averages) captures this growth/RoE profile. We downgrade CIFC to REDUCE with revised TP of INR 1700, valuing it at 3.5x Sep'27 BVPS.

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### Recommendation and Price Target

Current Reco.	REDUCE
Previous Reco.	HOLD
Current Price Target (12M)	1,700
Upside/(Downside)	1.0%
Previous Price Target	1,450
Change	17.2%

### Key Data – CIFC IN

Current Market Price	INR1,683
Market cap (bn)	INR1,416.4/US\$16.0
Free Float	50%
Shares in issue (mn)	841.3
Diluted share (mn)	
3-mon avg daily val (mn)	INR2,310.8/US\$26.1
52-week range	1,782/1,168
Sensex/Nifty	83,311/25,510
INR/US\$	88.6

### Price Performance

%	1M	6M	12M
Absolute	3.0	10.0	29.0
Relative*	1.1	6.5	24.5

\* To the BSE Sensex

### Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Profit	34,228	42,585	52,087	66,925	81,196
Net Profit (YoY) (%)	28.4%	24.4%	22.3%	28.5%	21.3%
Assets (YoY) (%)	37.8%	28.9%	17.8%	17.1%	18.0%
ROA (%)	2.5%	2.4%	2.4%	2.6%	2.7%
ROE (%)	20.2%	19.7%	19.5%	20.0%	19.5%
EPS	40.7	50.6	61.3	78.0	94.6
EPS (YoY) (%)	25.6%	24.3%	21.1%	27.2%	21.3%
P/E (x)	41.3	33.2	27.5	21.6	17.8
BV	233	281	349	433	537
BV (YoY) (%)	33.9%	20.7%	24.4%	24.0%	23.9%
P/BV (x)	7.23	5.99	4.82	3.89	3.14

Source: Company data, JM Financial. Note: Valuations as of 06/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## Cholamandalam – 2QFY26 Performance Highlights

### Exhibit 1. CIFIC 2QFY26 Results snapshot

Earnings Table (INR mn.)	2QFY25	1QFY26	2QFY26	YoY (%)	QoQ (%)	2QFY26F	%var
<b>Net Interest Income</b>	<b>27,128</b>	<b>31,838</b>	<b>33,787</b>	<b>25%</b>	<b>6%</b>	<b>33,639</b>	<b>0%</b>
Total Non-Interest income	5,248	6,807	6,959	33%	2%	7,079	-2%
<b>Total Income</b>	<b>32,376</b>	<b>38,645</b>	<b>40,746</b>	<b>26%</b>	<b>5%</b>	<b>40,718</b>	<b>0%</b>
Employee Cost	7,947	9,243	10,632	34%	15%		
Other expenses	5,209	5,285	5,537	6%	5%		
<b>Total Operating Expenses</b>	<b>13,155</b>	<b>14,528</b>	<b>16,169</b>	<b>23%</b>	<b>11%</b>	<b>15,597</b>	<b>4%</b>
<b>Operating Profit (PPP)</b>	<b>19,221</b>	<b>24,117</b>	<b>24,578</b>	<b>28%</b>	<b>2%</b>	<b>25,121</b>	<b>-2%</b>
Total Provisions	6,235	8,821	8,970	44%	2%	9,100	-1%
<b>PBT</b>	<b>12,986</b>	<b>15,296</b>	<b>15,608</b>	<b>20%</b>	<b>2%</b>	<b>16,021</b>	<b>-3%</b>
Tax	3,355	3,937	4,054	21%	3%	4,124	-2%
PAT (Pre-Extraordinaries)	9,631	11,359	11,553	20%	2%	11,897	-3%
<b>Key parameters (INR bn.)</b>							
AUM	1,646	1,921	1,992	21%	4%	2,008	-1%
Disbursements	243	242	244	1%	1%	259	-6%
<b>Ratios Analysis (%) - calc</b>							
Yield on Advances	14.4%	14.1%	14.1%	-32	-2	14.1%	-1
Cost of Funds	7.9%	7.8%	7.6%	-32	-16	7.7%	-7
NIM (NII/AUM)	6.78%	6.76%	6.91%	13	15	6.8%	6
Cost to Income (%)	40.6%	37.6%	39.7%	-95	209	38.3%	138
Credit Cost on AUM	1.56%	1.87%	1.83%	28	-4	1.85%	-2
ROA	2.2%	2.2%	2.2%	0	-4	2.2%	-6
ROE	18.4%	18.8%	18.3%	-13	-54	18.9%	-68
Cost-to-average assets	3.0%	2.8%	3.0%	7	21	2.9%	12
<b>Credit Quality</b>							
Gross S3 (INR Mn.)	47,080	60,400	66,270	40.8%	9.7%		
Net S3 (INR Mn.)	26,130	34,000	37,620	44.0%	10.6%		
Gross S3 (%)	2.83%	3.16%	3.35%	52	19		
Net S3 (%)	1.57%	1.78%	1.90%	33	12		
ECL Coverage	1.8%	2.0%	2.0%	20	6		

Source: Company, JM Financial

### Exhibit 2. Disbursements were weak during the quarter led by HLs and new businesses

CIFIC- INR bn	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26F	A/E (%)
<b>Disbursements</b>	<b>243.1</b>	<b>242.3</b>	<b>244.4</b>	<b>1%</b>	<b>1%</b>	<b>259.1</b>	<b>-6%</b>
Vehicle Finance	123.4	136.5	135.4	10%	-1%	138.2	-2%
LAP	43.0	47.1	46.3	8%	-2%	53.7	-14%
Home loans	18.2	17.6	17.0	-7%	-4%	20.4	-17%
New business	58.6	41.1	45.8	-22%	11%	46.9	-2%
SME	19.6	17.1	15.8	-19%	-7%		
CSEL	35.9	20.5	21.4	-40%	5%		
SBPL	3.1	3.6	3.9	23%	7%		
Gold	NA	NA	4.7	NA	NA		
<b>AUM</b>	<b>1,646</b>	<b>1,921</b>	<b>1,992</b>	<b>21%</b>	<b>4%</b>	<b>2,008</b>	<b>-1%</b>

Source: Company, JM Financial

**Exhibit 3. Asset quality deteriorates sequentially across most segments barring gold**

	2QFY25	1QFY26	2QFY26	YoY	QoQ
<b>GS3</b>	<b>2.7%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>39 bps</b>	<b>4 bps</b>
Vehicle Finance	3.6%	3.9%	4.1%	51 bps	22 bps
LAP	2.3%	2.3%	2.4%	15 bps	14 bps
Home loans	1.2%	1.7%	1.8%	70 bps	17 bps
New business					
CSEL	1.6%	2.3%	2.4%	84 bps	11 bps
SME	2.0%	2.9%	3.1%	113 bps	21 bps
SBPL	1.1%	3.4%	4.3%	322 bps	93 bps
Others	NA	0.1%	0.1%	NA	(3) bps
<b>ECL/ EAD (%)</b>	<b>1.8%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>20 bps</b>	<b>6 bps</b>

Source: Company, JM Financial

## Cholamandalam – Key takeaways from concall

### AUM Mix/Growth

- HL disbursements were affected due to procedural changes in the registration process in some key markets. In LAP also a lot of registrations got pushed out due to the same. The registrations in the LAP segment from Sep quarter that got delayed will move in to the Dec quarter. This along with the new gold disbursements, and GST reforms etc. should provide impetus to the disbursements for FY26.
- 7-8% CSEL mix will remain steady as per management.
- In the SBPL book mgmt. plans to continue the growth. But focus would be only on the geographies where the firm is already well placed. More than 30% growth planned in the long-term.
- There has been no pickup in volumes yet from the OEMs side. But there should be improvement from 2H. Improvement would be seen first in small CV segment, then light CV, and then later for heavy commercial vehicles. For HCV the growth is expected sometime later, but improvement is visible here as per mgmt.
- In the tractor segment, there has been a supply side rush, and so the rate/yields have moderated. That yield is not enough to generate the RoA that would be required for CIFC. For 2 years, there was a monsoon deficit as well. Also, from govt. side, there is not much support for NBFCs in this business. CIFC has completely revamped the tractor vertical, and there would be improvement in the tractor business as well going forward.
- Slight de-growth was seen in Southern states in 1H, but should pick up in 2H.
- Maruti has increased its guidance for FY27. CIFC is in the top 4 in-terms of financial metrics and is quite aggressive in this segment. In Hyundai, the initial focus was to increase the market share and numbers, which has been at a good level now.
- In the MHCV, buses primarily drove the growth numbers, and have gained market share here.

### Guidance

- FY26 disbursement target was earlier guided at 10%. But however, mgmt. is not completely confident on meeting this guidance currently.
- AUM growth target of 20% reiterated, as business generally witnesses stronger traction during the second half.
- FY27- growth guidance of ~20-25%. Mortgage business growth is expected at ~30% and non-mortgage business at around ~20% leading to overall 20-25% growth.
- Credit cost for 2Q stands at 1.8%, and the guidance for FY26 is ~1.6% but this will depend on improvement in 2H.
- 10-15bps improvement in NIMs is expected in 2H.
- NCL improved from 1.8% to 1.7% should see further improvement in 2H. For the full year it is expected to be around 1.6% range.

### Asset Quality

- Unsecured CSEL (unsecured business loans) witnessed higher delinquencies but mgmt. expects this to have peaked out. Business loans irrespective of the geography, ticket size, stress is visible primarily due to over leveraging of customers. The overall partnership book (which showed higher delinquencies) has been running down with the end of the partnerships business. Strong preference to keep total control over underwriting, collections, originations etc.
- Write offs for 2Q stood at INR 6390mn (vs. INR 5140mn in 1Q).
- Net increase in stage-3 (slippages) has gone down in 2Q vs. in 1Q. (Net slippage numbers at 2.5% in 2Q vs. 2.8% in 1Q). Also there has been stabilization in stage-2. In individual businesses as well, there has been some moderation as per mgmt.
- From Q1 to Q2, stage 2 has been flat in vehicle finance. The absolute value increase in stage 3, also from 1Q to 2Q, there has been some improvement. Overall there has been an impact on capacity utilization etc. due to monsoon, but going forward in 2H, it should see some improvement especially in December to May/June.
- In TN, the portfolio has improved and there are no concerns here as per mgmt. In KA, due to rains etc. led to mining delays which have had some impact.

### Margins

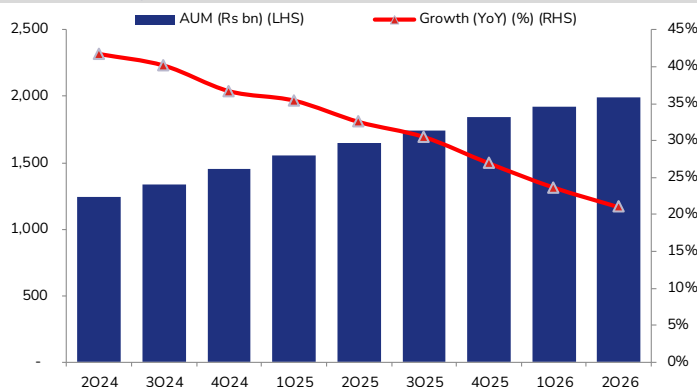
- Full MCLR pass through from banks are still to be received. CCD conversion would also have some impact (~INR 20bn) spread over the next 3 quarters, which would also give some slight benefit on the CoFs. This should enable some improvement in NIMs.
- In gold loans, yields for CIFC are not lower than industry peers (on par), and there is no plan to dilute yields here.
- In the HL/LAP book there was a 15bps PLR cut that was carried out.

### Other Highlights

- Liquidity stands at INR 175.2bn including G-Secs and T-bills.
- Opex impact during this period due to salary increments and incentive payments. Also new businesses like gold and consumer durables are also being expanded which would also impact opex numbers. But as these businesses grow, opex would further moderate.

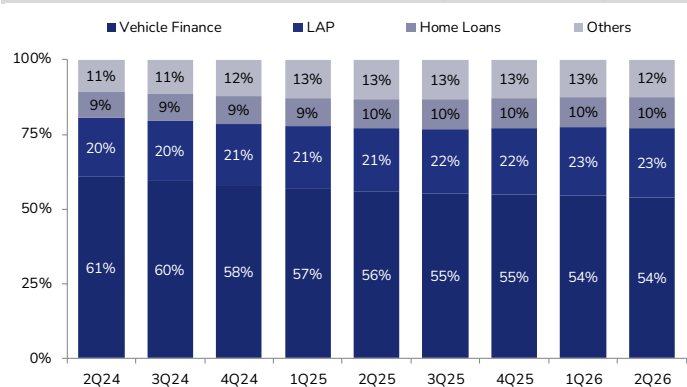
## CIFIC – Quarterly Trends

Exhibit 4. AUM growth continues to moderate and stood at 21% YoY



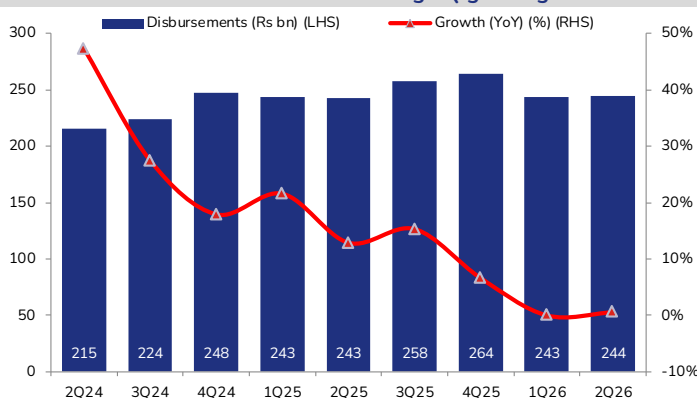
Source: Company, JM Financial

Exhibit 5. Share of LAP in the mix has been gradually inching up



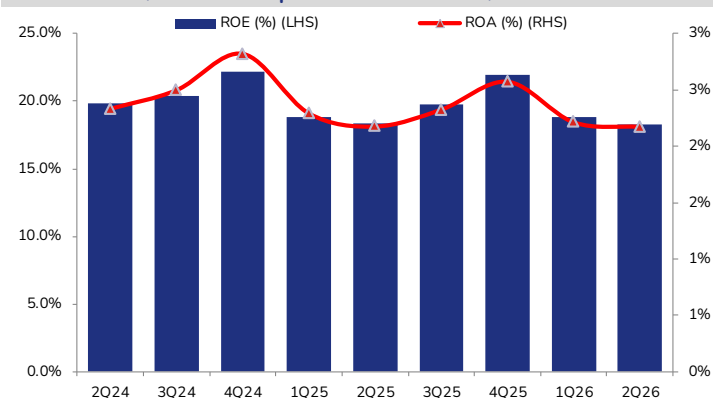
Source: Company, JM Financial

Exhibit 6. Disbursements were muted during 2Q growing 1% YoY



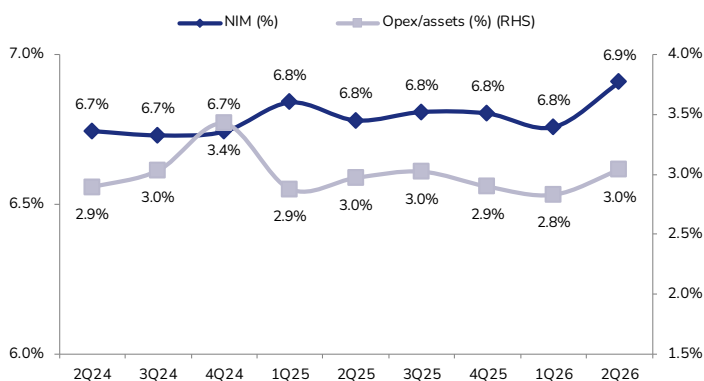
Source: Company, JM Financial

Exhibit 7. RoA/RoE for the quarter stood at 2.2%/18.3%



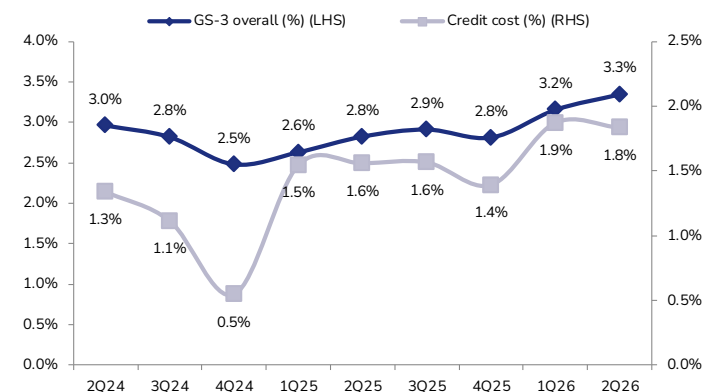
Source: Company, JM Financial

Exhibit 8. Opex ratios increased during the quarter led by salary increments/incentive payments



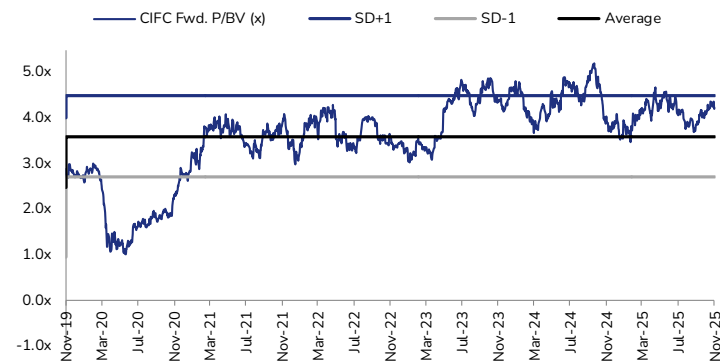
Source: Company, JM Financial

Exhibit 9. Asset quality indicators inched up sequentially; while credit costs moderated sequentially



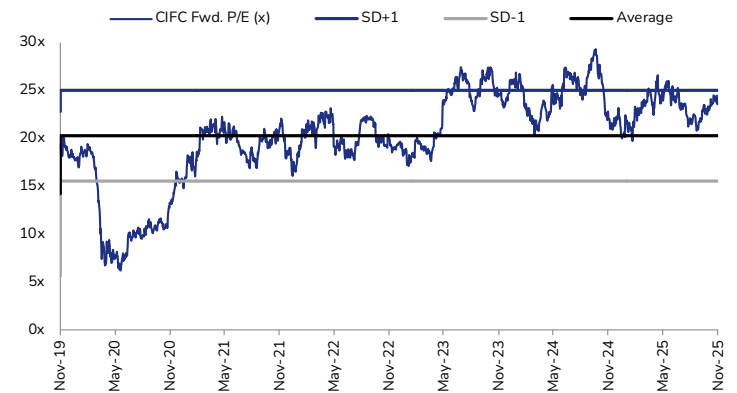
Source: Company, JM Financial

Exhibit 10. CIFC: 1 year fwd P/BV



Source: Company, JM Financial, Bloomberg  
 Note: Priced as of 6th Nov, 2025

Exhibit 11. CIFC: 1 year fwd P/E



Source: Company, JM Financial, Bloomberg  
 Note: Priced as of 6th Nov, 2025

Exhibit 12. Change in estimates

Particulars	New estimates			Old estimates			Change in estimates		
	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F
<b>Recommendation</b>	<b>REDUCE</b>			<b>HOLD</b>					
<b>Target price (INR)</b>	<b>1,700</b>			<b>1,450</b>			<b>17%</b>		
<b>Assumptions</b>									
AUM (INR bn)	2,196	2,600	3,044	2,225	2,638	3,077	-1%	-1%	-1%
YoY growth	19%	18%	17%	20%	19%	17%	-159bps	-12bps	40bps
Net interest margins (calculated) (%)	6.9%	7.0%	7.0%	6.8%	7.0%	7.0%	7bps	0bps	0bps
Opex as a % of AUM	3.2%	3.2%	3.1%	3.1%	3.1%	3.0%	4bps	8bps	10bps
<b>Credit cost (%)</b>	<b>1.7%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>2bps</b>	<b>-1bps</b>	<b>0bps</b>
<b>Output</b>									
Net revenues (INR bn)	139.72	168.02	196.84	139.30	170.36	199.30	0.3%	-1.4%	-1.2%
Operating profit (INR bn)	104.59	126.84	149.93	104.52	129.98	154.14	0.1%	-2.4%	-2.7%
Profit after tax (INR bn)	52.09	66.92	81.20	52.15	68.78	83.92	-0.1%	-2.7%	-3.2%
<b>Diluted EPS (INR)</b>	<b>61.3</b>	<b>78.0</b>	<b>94.6</b>	<b>61.4</b>	<b>80.1</b>	<b>97.8</b>	<b>-0.1%</b>	<b>-2.7%</b>	<b>-3.2%</b>
Adjusted BVPS (INR)	349	433	537	349	435	542	0.0%	-0.5%	-1.0%
<b>RoA (%)</b>	<b>2.4%</b>	<b>2.6%</b>	<b>2.7%</b>	<b>2.4%</b>	<b>2.6%</b>	<b>2.7%</b>	<b>1bps</b>	<b>-4bps</b>	<b>-6bps</b>
<b>RoE (%)</b>	<b>19.5%</b>	<b>20.0%</b>	<b>19.5%</b>	<b>19.6%</b>	<b>20.5%</b>	<b>20.0%</b>	<b>-2bps</b>	<b>-50bps</b>	<b>-50bps</b>

Source: Company, JM Financial

## Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Interest Income (NII)	83,831	1,12,351	1,39,717	1,68,018	1,96,842
Non Interest Income	16,026	23,348	29,030	34,651	40,760
<b>Total Income</b>	<b>99,857</b>	<b>1,35,699</b>	<b>1,68,747</b>	<b>2,02,669</b>	<b>2,37,602</b>
Operating Expenses	40,818	53,388	64,155	75,826	87,673
<b>Pre-provisioning Profits</b>	<b>59,039</b>	<b>82,311</b>	<b>1,04,592</b>	<b>1,26,844</b>	<b>1,49,929</b>
Loan-Loss Provisions	13,218	24,943	34,957	37,372	41,378
Others Provisions	0	0	0	0	0
<b>Total Provisions</b>	<b>13,218</b>	<b>24,943</b>	<b>34,957</b>	<b>37,372</b>	<b>41,378</b>
<b>PBT</b>	<b>45,821</b>	<b>57,369</b>	<b>69,635</b>	<b>89,472</b>	<b>1,08,551</b>
Tax	11,593	14,783	17,548	22,547	27,355
<b>PAT (Pre-Extra ordinaries)</b>	<b>34,228</b>	<b>42,585</b>	<b>52,087</b>	<b>66,925</b>	<b>81,196</b>
Extra ordinaries (Net of Tax)	0	0	0	0	0
<b>Reported Profits</b>	<b>34,228</b>	<b>42,585</b>	<b>52,087</b>	<b>66,925</b>	<b>81,196</b>
Dividend	1,681	1,683	1,563	2,008	2,436
<b>Retained Profits</b>	<b>32,547</b>	<b>40,903</b>	<b>50,525</b>	<b>64,917</b>	<b>78,760</b>

Source: Company, JM Financial

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Growth (YoY) (%)</b>					
Borrowed funds	38.1%	30.1%	16.7%	15.9%	17.1%
Advances	37.9%	26.0%	17.6%	18.4%	17.1%
Total Assets	37.8%	28.9%	17.8%	17.1%	18.0%
NII	32.4%	34.0%	24.4%	20.3%	17.2%
Non-interest Income	78.9%	45.7%	24.3%	19.4%	17.6%
Operating Expenses	46.8%	30.8%	20.2%	18.2%	15.6%
Operating Profits	32.7%	39.4%	27.1%	21.3%	18.2%
Core Operating profit	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions	55.6%	88.7%	40.1%	6.9%	10.7%
Reported PAT	28.4%	24.4%	22.3%	28.5%	21.3%
<b>Yields / Margins (%)</b>					
Interest Spread	6.01%	6.29%	6.44%	6.40%	6.30%
NIM	6.65%	6.80%	6.91%	7.01%	6.98%
<b>Profitability (%)</b>					
ROA	2.54%	2.38%	2.37%	2.59%	2.68%
ROE	20.2%	19.7%	19.5%	20.0%	19.5%
Cost to Income	40.9%	39.3%	38.0%	37.4%	36.9%
<b>Asset quality (%)</b>					
Gross NPA	3.01%	2.48%	2.81%	3.27%	3.20%
LLP	0.89%	1.05%	1.51%	1.73%	1.56%
<b>Capital Adequacy (%)</b>					
Tier I	15.10%	14.41%	15.39%	16.48%	17.31%
CAR	18.57%	19.75%	19.89%	20.48%	21.31%

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Equity Capital	1,681	1,683	1,699	1,716	1,716
Reserves & Surplus	1,93,885	2,34,592	2,95,099	3,69,999	4,58,759
Borrowed Funds	13,44,736	17,49,461	20,42,343	23,66,118	27,70,111
Current Liabilities & Provisions	24,207	30,741	36,889	44,267	53,120
<b>Total Liabilities</b>	<b>15,64,508</b>	<b>20,16,476</b>	<b>23,76,031</b>	<b>27,82,100</b>	<b>32,83,707</b>
Net Advances	14,44,243	18,19,299	21,39,692	25,33,381	29,65,932
Investments	41,002	63,904	65,882	78,004	91,322
Cash & Bank Balances	43,202	94,007	87,843	78,004	91,322
Loans and Advances	0	0	0	0	0
Other Current Assets	20,597	21,689	63,279	71,443	1,11,734
Fixed Assets	15,465	17,578	19,335	21,269	23,396
<b>Total Assets</b>	<b>15,64,508</b>	<b>20,16,476</b>	<b>23,76,031</b>	<b>27,82,100</b>	<b>32,83,707</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
NII / Assets	6.21%	6.27%	6.36%	6.51%	6.49%
Other Income / Assets	1.19%	1.30%	1.32%	1.34%	1.34%
Total Income / Assets	7.40%	7.58%	7.68%	7.86%	7.83%
Cost / Assets	3.02%	2.98%	2.92%	2.94%	2.89%
PPP / Assets	4.37%	4.60%	4.76%	4.92%	4.94%
Provisions / Assets	0.98%	1.39%	1.59%	1.45%	1.36%
PBT / Assets	3.39%	3.20%	3.17%	3.47%	3.58%
Tax rate	25.3%	25.8%	25.2%	25.2%	25.2%
ROA	2.54%	2.38%	2.37%	2.59%	2.68%
Leverage	8.0	8.3	8.2	7.7	7.3
ROE	20.2%	19.7%	19.5%	20.0%	19.5%

Source: Company, JM Financial

Valuations					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shares in Issue	840.3	841.3	849.7	858.2	858.2
EPS (INR)	40.7	50.6	61.3	78.0	94.6
EPS (YoY) (%)	25.6%	24.3%	21.1%	27.2%	21.3%
P/E (x)	41.3	33.2	27.5	21.6	17.8
BV (INR)	233	281	349	433	537
BV (YoY) (%)	33.9%	20.7%	24.4%	24.0%	23.9%
P/BV (x)	7.23	5.99	4.82	3.89	3.14
DPS (INR)	2.0	2.0	1.8	2.3	2.8
Div. yield (%)	0.1%	0.1%	0.1%	0.1%	0.2%

Source: Company, JM Financial

## History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
10-May-21	Buy	600	
2-Aug-21	Buy	575	-4.2
1-Nov-21	Buy	700	21.7
3-Feb-22	Buy	700	0.0
8-May-22	Buy	715	2.1
2-Aug-22	Hold	765	7.0
2-Nov-22	Hold	765	0.0
1-Feb-23	Hold	835	9.2
5-May-23	Hold	940	12.6
3-Aug-23	Hold	1,145	21.8
6-Nov-23	Hold	1,120	-2.2
30-Jan-24	Hold	1,300	16.1
11-Mar-24	Buy	1,300	0.0
2-May-24	Buy	1,500	15.4
29-Jul-24	Buy	1,650	10.0
28-Oct-24	Buy	1,530	-7.3
3-Feb-25	Buy	1,550	1.3
8-Apr-25	Buy	1,500	-3.2
28-Apr-25	Hold	1,575	5.0
1-Aug-25	Hold	1,450	-7.9

## Recommendation History

## Cholamandalam Investment and Finance Company





## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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