

NBFC Preview

4QFY25 – Performance moderation to continue

For our coverage universe of 22 NBFCs, we expect AUM/RoE moderation to continue in 4QFY25. AUM growth should fall to ~18% YoY in 4QFY25 (~19%/21% YoY in 3QFY25/4QFY24) with RoE moderating to ~13% in 4QFY25 (~14% in 3QFY25). There should be a moderation in disbursement growth across sub-segments especially for MFI, vehicle financiers and HFCs. NII growth should fall on account of slowing AUM growth. NIMs are likely to be stable across the sector as the benefit of ~25bps rate cut and revised risk weights on bank lending to NBFCs would benefit CoF only gradually in upcoming quarters. Credit cost should also remain stable sequentially for the sector but remain elevated for MFI players and few vehicle financiers. In terms of sub-segments, Diversified financials is expected to deliver relatively strong numbers followed by HFC/MSMEs, VF and then MFI.

For MFI players, 4QFY25 is going to be a washout quarter with most names reporting losses on account of elevated stress and muted growth. For VF players, we expect disb/AUM growth moderation in-line with Industry auto volume/value growth moderation. We expect MMFS collections to be impacted severely leading to steep rise in credit cost, while SHFL and CIFIC should continue to show stable credit costs sequentially. For HFC/MSME lenders, we expect stable credit costs (barring Fedfina due to evident stress in STLAP book) but with growth moderation. For Diversified NBFCs, we expect performance to be better than other sub-segments with strong growth and stable to declining credit cost.

We have reduced our target multiples/prices on NBFC-MFIs (given the impending earnings slowdown) led by overall stress in the system, and re-rating is only expected once MFIN guardrails are completely implemented and a new normal is formed in terms of AUM growth and credit costs. Our preferred plays among NBFCs are: BAF/AB Cap (in diversified NBFCs), SHFL (in VFs), PNB HF/Aadhar Housing (in HFC/AHFCs) and Five-star/SBFC(MSMEs). The coverage stands transferred to Ajit Kumar.

- **Diversified NBFCs – expect strong growth and steady credit costs:** We expect strong growth for diversified NBFCs led by Poonawalla (+42% YoY) and BAF (+26% YoY). We expect steady overall margins except Poonawalla where yields decline is expected on account of secured shift. Credit costs are expected to decline QoQ for most players with BAF to report ~190-195bps credit costs (vs ~210bps in 3Q25). This should lead to pick up in PAT growth to 21% YoY in 4Q25 (vs 18% YoY in 3QFY25) for BAF. Our top pick in the space is BAF followed by AB Capital.
- **Vehicle Financiers – subdued disbursements growth, asset quality to watch out for:** Vehicle financiers (SHFL, CIFIC and MMFS) are expected to witness AUM growth moderation driven by lower disbursement growth, in-line with slowing Industry auto volume/value growth. MMFS has already reported only 1% YoY growth in disbursement and even for CIFIC, we expect disbursement growth of only ~10% YoY (15% in 3QFY25). Credit cost for MMFS is likely to be elevated (~1.7% in 4QFY25) due to its captive business nature and rural focus where collections are impacted whereas for CIFIC/SHFL, we expect credit cost to remain stable sequentially. Our top pick in the space is SHFL.
- **Housing finance – disbursements growth to moderate; credit cost to remain benign:** Disbursements growth should remain under pressure mainly driven by LIC HF (disb. growth: -3% YoY in 4QFY25). Aavas and Aptus should report disbursement growth in single digit while PNBHF/Aadhar/Homefirst should report ~15-20% YoY disbursement growth. Credit cost should continue to remain benign across companies with PNB HF expected to report negative credit cost driven by recoveries. Our top pick in the space are PNBHF and Aadhar Housing.
- **MSME/LAP and others – growth moderation to continue:** We expect Five Star to deliver 24% YoY AUM growth (25% in 3QFY25) while others (SBFC/Fedfina) are expected to show substantial decline in AUM growth. We expect steady credit costs from Five-star and SBFC while Fedfina is expected to continue its weak performance led by stress in STLAP book. Our top pick in the space are Five Star followed by SBFC.



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Name	Reco.	CMP	TP	Up/downside
		(INR)	(INR)	(%)
Diversified Players				
BAF	BUY	8,568	9,350	9%
ABFL	BUY	179	220	23%
LTF	BUY	149	175	18%
POONAWALLA	HOLD	346	370	7%
PEL	HOLD	955	915	-4%
Vehicle Financiers				
CIFIC	BUY	1,386	1,500	8%
SHFL	BUY	614	750	22%
MMFS	HOLD	253	255	1%
Housing Financiers (HFCs)				
LICHF	BUY	544	590	9%
PNBHF	BUY	924	1,150	25%
AADHAR	BUY	430	525	22%
APTUS	BUY	294	360	22%
AAVAS	BUY	1,979	2,350	19%
HFFC	BUY	1,000	1,200	20%
NBFC-MFIs				
CREDAG	HOLD	956	950	-1%
MUTHOOTM	HOLD	129	140	9%
SPANDANA	HOLD	228	240	5%
SATIN	HOLD	140	150	7%
FUSION	SELL	132	120	-9%
MSME/Other lenders				
FIVE-STAR	BUY	669	825	23%
SBFC	BUY	89	105	18%
FEDFINA	BUY	86	100	16%

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

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

- **NBFC-MFIs – stress to persist; expect weakness to continue:** We expect the stress to continue for NBFC-MFIs with building MFN guardrails and collections pressure in Karnataka. We continue to build higher credit costs for all NBFC-MFIs in our coverage and reduce earnings significantly led by higher credit costs and moderation in growth even in FY26. Our revised target prices reflect lower target multiples for the entire space. We expect Satin to be least affected by Karnataka led stress due to lower exposure to the state (~1.4% exposure) and thus expect relatively better performance in the name.

Exhibit 1. JMF estimates for 4QFY25E for NBFCs under coverage

INR mn	NII	%YoY	%QoQ	PPoP	%YoY	%QoQ	PAT	%YoY	%QoQ	AUM	%YoY	%QoQ
Diversified Players												
BAF	98,975	23.5%	5.5%	81,224	26.7%	4.1%	46,276	21.0%	7.4%	4,167,500	26.1%	4.7%
L&T Finance	20,888	9.4%	2.3%	14,497	5.8%	1.9%	6,294	13.6%	0.5%	980,412	14.6%	3.1%
ABFL	16,193	10.9%	5.1%	12,430	8.7%	4.2%	6,310	7.9%	5.2%	1,261,867	19.5%	5.7%
Poonawalla	6,592	17.2%	7.3%	4,139	1.1%	8.5%	1,839	-44.6%	881.6%	355,500	42.2%	14.7%
Piramal Enterprises	9,619	27.4%	2.3%	3,764	28.5%	4.9%	-2,219	-90.1%	-34.9%	815,219	18.4%	4.0%
Housing Financiers (HFCs)												
LIC Housing	20,380	-8.9%	1.9%	17,510	-8.0%	0.1%	12,928	18.5%	-9.7%	3,060,749	6.7%	2.3%
PNB Housing Finance	7,292	17.0%	5.6%	6,468	14.2%	11.6%	5,077	15.6%	5.0%	811,506	13.9%	5.6%
HomeFirst Finance	1,751	28.0%	7.3%	1,452	28.0%	4.0%	1,021	22.4%	4.9%	127,479	31.5%	6.7%
Aadhar Housing	4,291	28.4%	2.9%	3,383	33.0%	3.7%	2,517	24.9%	5.2%	254,850	20.7%	6.3%
Aavas	3,292	12.7%	7.4%	2,055	13.0%	5.7%	1,586	11.2%	8.3%	204,200	17.9%	6.1%
Aptus	3,099	23.2%	6.6%	2,679	19.4%	3.7%	1,956	19.2%	2.7%	109,225	25.2%	6.8%
ABFHL	3,376	56.2%	16.3%	1,263	34.9%	24.9%	848	17.3%	1.2%	309,842	68.2%	16.0%
Vehicle Financiers												
SHFL*	59,592	13.4%	4.1%	42,423	8.6%	3.9%	21,950	12.8%	-38.5%	2,655,289	18.1%	4.3%
MMFS	21,197	10.5%	1.1%	12,261	4.5%	0.4%	5,535	-10.6%	-38.5%	1,193,000	16.3%	3.6%
Cholamandalam	36,490	28.4%	6.2%	22,478	38.1%	5.6%	12,929	22.2%	19.0%	1,849,331	27.0%	5.9%
NBFC-MFIs												
Creditaccess	9,534	-2.2%	5.3%	6,563	-3.9%	5.4%	-226	-105.7%	-77.3%	259,481	-2.9%	4.6%
Fusion Finance	2,567	-36.5%	10.3%	1,449	-50.2%	123.7%	-1,799	-235.6%	-75.0%	103,680	-9.7%	-2.2%
Spandana Sphoorty	3,050	-22.3%	3.0%	758	-69.9%	-6.6%	-3,807	-411.5%	-3.3%	85,267	-28.8%	-4.6%
Satin Creditcare	4,006	9.3%	3.4%	2,318	-2.7%	6.6%	317	-75.3%	122.0%	127,416	7.5%	5.1%
Muthoot Microfin	3,653	10.1%	-5.7%	2,504	2.6%	-0.7%	-1,589	-232.6%	-4280.4%	124,333	2.0%	0.2%
MSME/Other lenders												
Five Star Business	5,629	22.0%	4.3%	3,972	19.4%	2.3%	2,768	17.3%	1.1%	119,150	23.6%	6.6%
Fedfina	2,993	42.2%	5.5%	1,635	50.6%	13.1%	598	-11.6%	218.9%	156,698	28.5%	5.0%
SBFC	2,185	29.1%	8.6%	1,474	33.3%	7.9%	940	28.0%	6.7%	86,274	26.5%	5.9%

Source: Company, JM Financial

Diversified NBFCs - expect strong growth and steady credit costs

Exhibit 2. Largely stable AUM growth across diversified NBFCs

	AUM Growth (%YoY)					Disbursements Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
BAF	34%	31%	29%	28%	26%	NA	NA	NA	NA	NA
ABFL	31%	25%	23%	21%	19%	16%	2%	17%	-8%	-4%
L&T Finance	6%	13%	18%	16%	15%	25%	21%	11%	2%	-3%
Poonawalla	55%	52%	40%	41%	42%	52%	5%	-19%	-18%	-13%
Piramal Enterprises	8%	10%	12%	16%	18%	30%	19%	29%	9%	4%
Overall (wt.avg)	26%	25%	25%	24%	23%	27%	11%	10%	-4%	-4%

Source: Company, JM Financial

Exhibit 3. NII/PPoP growth trends

	NII Growth (%YoY)					PPoP Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
BAF	28%	25%	23%	23%	24%	25%	25%	25%	27%	27%
ABFL	16%	14%	8%	6%	11%	31%	21%	9%	7%	9%
L&T Finance	14%	23%	19%	11%	9%	11%	21%	17%	6%	6%
Poonawalla	48%	37%	18%	25%	17%	93%	48%	-16%	9%	1%
Piramal Enterprises	-19%	18%	17%	13%	27%	-37%	3%	59%	-8%	28%
Overall (wt.avg)	21%	23%	20%	18%	20%	22%	24%	21%	20%	21%

Source: Company, JM Financial

Exhibit 4. Provision growth to moderate leading to pick up in PAT growth for BAF

	Provisions Growth (%YoY)					PAT Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
BAF	52%	69%	77%	64%	48%	21%	14%	13%	18%	21%
ABFL	29%	20%	-3%	11%	11%	29%	20%	15%	5%	8%
L&T Finance	37%	8%	15%	16%	-8%	11%	29%	17%	-2%	14%
Poonawalla	-197%	67%	3076%	-5546%	599%	84%	46%	-1350%	-93%	-45%
Piramal Enterprises	731%	-71%	60%	152%	-84%	-3801%	-119%	29%	-256%	-90%
Overall (wt.avg)	185%	21%	88%	71%	-36%	-30%	29%	3%	-2%	91%

Source: Company, JM Financial

Exhibit 5. Margins to remain largely steady; credit costs to moderate

	Credit costs (%)					NIM (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
BAF	1.7%	2.0%	2.1%	2.2%	1.9%	10.0%	9.8%	9.7%	9.7%	9.7%
ABFL	1.4%	1.4%	1.2%	1.3%	1.3%	5.7%	5.6%	5.3%	5.3%	5.3%
L&T Finance	3.3%	2.4%	2.7%	2.6%	2.7%	9.1%	9.3%	9.0%	8.7%	8.7%
Poonawalla	0.5%	0.8%	15.0%	5.4%	2.3%	9.6%	8.9%	8.1%	8.3%	7.9%
Piramal Enterprises	25.0%	0.9%	2.2%	4.2%	3.4%	4.4%	4.6%	4.9%	4.9%	4.8%
Overall (wt.avg)	4.0%	1.8%	2.5%	2.4%	2.1%	8.5%	8.4%	8.3%	8.3%	8.2%

Source: Company, JM Financial

Exhibit 6. RoA/RoE trajectory across diversified NBFCs

	RoA (%)					RoE (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
BAF	4.3%	4.1%	4.0%	4.0%	4.1%	20%	20%	19%	19%	20%
ABFL	2.2%	2.2%	2.2%	2.0%	2.0%	16%	16%	15%	14%	14%
L&T Finance	2.1%	2.6%	2.5%	2.2%	2.2%	10%	12%	12%	10%	10%
Poonawalla	5.9%	4.6%	-7.1%	0.3%	2.4%	16%	14%	-23%	1%	9%
Piramal Enterprises	-10.8%	0.3%	0.3%	-1.6%	-1.0%	-34%	1%	1%	-5%	-3%
Overall (wt.avg)	1.8%	3.2%	2.7%	2.7%	2.9%	8%	15%	12%	12%	14%

Source: Company, JM Financial

Vehicle Financiers – subdued disbursements growth, Asset quality to watch out for

Exhibit 7. Subdued disbursements growth to lead lower AUM growth

	AUM Growth (%YoY)					Disbursements Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Cholamandalam	37%	35%	33%	30%	27%	18%	22%	13%	15%	10%
SHFL *	21%	21%	20%	19%	18%	27%	24%	16%	16%	16%
MMFS	24%	23%	20%	19%	16%	11%	5%	-1%	7%	1%
Overall (wt.avg)	26%	25%	24%	22%	20%	21%	19%	11%	14%	11%

Source: Company, JM Financial

Exhibit 8. Moderation in loan growth should lead to moderation in NII/PPoP growth

	NII Growth (%YoY)					PPoP Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Cholamandalam	44%	48%	42%	36%	28%	28%	38%	35%	40%	38%
SHFL *	24%	25%	19%	14%	13%	27%	23%	15%	11%	9%
MMFS	16%	16%	19%	18%	10%	24%	13%	27%	15%	5%
Overall (wt.avg)	27%	29%	25%	21%	17%	27%	25%	22%	19%	15%

Source: Company, JM Financial

Exhibit 9. Expect steady credit costs (ex MMFS); PAT growth to be soft

	Provisions Growth (%YoY)					PAT Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Cholamandalam	67%	56%	56%	85%	245%	24%	30%	26%	24%	13%
SHFL *	6%	35%	9%	6%	6%	49%	18%	18%	96%	13%
MMFS	89761%	-15%	12%	-97%	41%	-10%	45%	57%	63%	-11%
Overall (wt.avg)	38%	25%	19%	3%	38%	27%	25%	24%	71%	9%

Source: Company, JM Financial

Exhibit 10. Credit costs to remain steady (ex MMFS); NIMs to remain steady

	Credit costs (%)					NIM (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Cholamandalam	0.6%	1.6%	1.6%	1.6%	1.5%	8.1%	7.9%	7.9%	8.1%	8.1%
SHFL *	2.5%	2.2%	2.2%	2.3%	2.2%	9.6%	9.3%	9.4%	9.2%	9.2%
MMFS	1.4%	1.8%	2.7%	0.0%	1.7%	7.7%	7.3%	7.2%	7.4%	7.2%
Overall (wt.avg)	1.6%	1.9%	2.1%	1.6%	1.9%	8.7%	8.4%	8.4%	8.5%	8.4%

Source: Company, JM Financial

Exhibit 11. RoA/RoE trajectory across vehicle financiers

	RoA (%)					RoE (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Cholamandalam	2.8%	2.3%	2.2%	2.3%	2.4%	22%	19%	18%	20%	21%
SHFL *	3.4%	3.3%	3.3%	5.2%	3.1%	16%	16%	16%	27%	16%
MMFS	2.2%	1.8%	1.2%	2.8%	1.7%	14%	11%	8%	19%	11%
Overall (wt.avg)	2.9%	2.6%	2.5%	3.8%	2.6%	17%	16%	15%	24%	16%

Source: Company, JM Financial

HFCs – disbursements growth to moderate; credit cost to remain benign

Exhibit 12. AUM growth to moderate in-line with disbursement growth moderation

	AUM Growth (%YoY)					Disbursements Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
LIC Housing	4%	4%	6%	6%	7%	14%	19%	12%	-3%	-3%
PNB Housing Finance	7%	8%	11%	12%	14%	24%	19%	28%	30%	20%
Aadhar Housing	23%	21%	21%	21%	21%	11%	4%	18%	20%	14%
Aptus	29%	27%	27%	27%	25%	45%	4%	26%	21%	9%
Aavas	22%	22%	20%	20%	18%	20%	13%	3%	17%	7%
HomeFirst Finance	35%	35%	34%	33%	31%	27%	30%	23%	18%	15%
Overall (wt.avg)	7%	7%	9%	10%	10%	17%	18%	16%	7%	4%

Source: Company, JM Financial

Exhibit 13. NII/PPoP growth trajectory across HFCs

	NII Growth (%YoY)					PPoP Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
LIC Housing	12%	-10%	-6%	-5%	-9%	9%	-12%	-8%	-7%	-8%
PNB Housing Finance	7%	4%	3%	16%	17%	16%	7%	1%	16%	14%
Aadhar Housing	27%	20%	20%	27%	28%	28%	26%	20%	20%	33%
Aptus	18%	23%	21%	21%	23%	20%	21%	26%	20%	19%
Aavas	10%	6%	12%	15%	13%	10%	16%	19%	23%	13%
HomeFirst Finance	22%	18%	19%	21%	28%	25%	22%	21%	27%	28%
Overall (wt.avg)	13%	-1%	1%	6%	3%	13%	-2%	0%	3%	3%

Source: Company, JM Financial

Exhibit 14. Provisions/PAT growth trajectory across HFCs

	Provisions Growth (%YoY)					PAT Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
LIC Housing	39%	-60%	-82%	-110%	-69%	-8%	-2%	12%	23%	19%
PNB Housing Finance	-95%	-120%	-202%	-161%	-581%	57%	25%	23%	43%	16%
Aadhar Housing	-32%	-41%	771%	55%	-378%	43%	37%	15%	18%	25%
Aptus	-5%	46%	71%	29%	17%	21%	21%	23%	21%	19%
Aavas	-32%	51%	-26%	-24%	86%	13%	15%	22%	26%	11%
HomeFirst Finance	-61%	-28%	-28%	40%	248%	30%	27%	24%	24%	22%
Overall (wt.avg)	-5%	-64%	-87%	-106%	-69%	10%	8%	16%	26%	18%

Source: Company, JM Financial

Exhibit 15. Credit costs to remain benign

	Credit costs (%)					NIM (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
LIC Housing	0.6%	0.2%	0.1%	-0.1%	0.2%	3.2%	2.8%	2.7%	2.7%	2.7%
PNB Housing Finance	0.0%	-0.1%	-0.3%	-0.2%	-0.2%	3.6%	3.6%	3.6%	3.6%	3.7%
Aadhar Housing	-0.1%	0.4%	0.3%	0.4%	0.2%	6.5%	6.7%	7.0%	7.1%	6.9%
Aptus	0.5%	0.2%	0.4%	0.5%	0.4%	12.0%	11.7%	11.8%	11.7%	11.7%
Aavas	0.1%	0.2%	0.1%	0.2%	0.2%	7.0%	6.3%	6.6%	6.5%	6.6%
HomeFirst Finance	0.1%	0.3%	0.3%	0.4%	0.4%	5.8%	5.8%	5.8%	5.6%	5.7%
Overall (wt.avg)	0.5%	0.2%	0.1%	0.0%	0.1%	3.8%	3.5%	3.5%	3.5%	3.6%

Source: Company, JM Financial

Exhibit 16. RoA/RoE trajectory across HFCs

	RoA (%)					RoE (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
LIC Housing	1.5%	1.8%	1.8%	1.9%	1.7%	14%	16%	16%	17%	16%
PNB Housing Finance	2.4%	2.4%	2.5%	2.5%	2.5%	12%	11%	12%	12%	12%
Aadhar Housing	4.3%	4.1%	4.4%	4.4%	4.5%	19%	16%	16%	16%	16%
Aptus	7.6%	7.5%	7.4%	7.3%	7.2%	18%	18%	19%	19%	19%
Aavas	3.6%	3.0%	3.5%	3.4%	3.4%	15%	13%	15%	14%	15%
HomeFirst Finance	3.6%	3.6%	3.4%	3.4%	3.4%	16%	16%	16%	17%	17%

Overall (wt.avg)	2.1%	2.2%	2.3%	2.4%	2.2%	14%	15%	15%	16%	15%
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Source: Company, JM Financial

MSME & Others – growth moderation to continue

Exhibit 17. AUM/disbursements growth to moderate

	AUM Growth (%YoY)					Disbursements Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Five Star Business	39%	36%	32%	25%	24%	20%	16%	4%	-22%	5%
SBFC	38%	35%	33%	30%	26%	15%	-18%	-4%	-2%	3%
Fedfina	34%	40%	42%	39%	29%	35%	69%	30%	31%	-5%
Overall (wt.avg)	37%	37%	36%	32%	26%	29%	44%	18%	15%	-2%

Source: Company, JM Financial

Exhibit 18. NII/PPoP growth to be affected by AUM growth moderation

	NII Growth (%YoY)					PPoP Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Five Star Business	33%	31%	30%	28%	22%	44%	36%	37%	29%	19%
SBFC	53%	53%	44%	32%	29%	69%	64%	58%	39%	33%
Fedfina	19%	41%	28%	31%	42%	32%	56%	37%	31%	51%
Overall (wt.avg)	33%	38%	32%	30%	28%	46%	45%	41%	32%	28%

Source: Company, JM Financial

Exhibit 19. Provisions/PAT trajectory across MSME/Others

	Provisions Growth (%YoY)					PAT Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Five Star Business	163%	22%	106%	129%	45%	40%	37%	34%	26%	17%
SBFC	87%	46%	72%	56%	50%	72%	68%	60%	38%	28%
Fedfina	50%	230%	169%	428%	366%	24%	30%	12%	-71%	-12%
Overall (wt.avg)	91%	90%	122%	259%	158%	42%	41%	34%	10%	14%

Source: Company, JM Financial

Exhibit 20. Credit costs to remain steady (ex Fedfina); Margins likely to remain intact

	Credit costs (%)					NIM (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Five Star Business	0.8%	0.7%	0.8%	0.8%	1.0%	19.9%	19.3%	19.4%	19.5%	19.5%
SBFC	1.0%	1.0%	1.2%	1.1%	1.1%	10.3%	10.1%	10.1%	10.1%	10.4%
Fedfina	0.8%	1.4%	1.5%	4.3%	2.8%	7.4%	7.9%	7.7%	7.8%	7.8%
Overall (wt.avg)	0.8%	1.0%	1.2%	2.2%	1.7%	12.3%	12.2%	12.2%	12.2%	12.3%

Source: Company, JM Financial

Exhibit 21. RoA/RoE trajectory across MSME/Others

	RoA (%)					RoE (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Five Star Business	8.4%	8.4%	8.5%	8.3%	8.1%	19%	19%	19%	19%	18%
SBFC	4.3%	4.5%	4.6%	4.5%	4.5%	11%	11%	12%	12%	12%
Fedfina	2.5%	2.4%	2.1%	0.6%	1.8%	12%	12%	11%	3%	10%
Overall (wt.avg)	5.2%	5.2%	5.2%	4.5%	4.9%	15%	15%	15%	13%	15%

Source: Company, JM Financial

NBFC-MFIs – stress to persist; expect weakness to continue

Exhibit 22. AUM to de-grow on account of steep decline in disbursements

	AUM Growth (%YoY)					Disbursements Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Creditaccess	27%	21%	12%	6%	-3%	12%	-6%	-19%	-5%	-21%
Muthoot Microfin	32%	22%	15%	8%	2%	18%	-11%	-1%	-21%	-31%
Spandana Sphoorty	41%	32%	8%	-14%	-29%	30%	37%	-40%	-43%	-87%
Satin Creditcare	30%	23%	16%	10%	8%	22%	0%	9%	-3%	-4%
Fusion Finance	23%	26%	15%	-1%	-10%	24%	31%	-29%	-57%	-73%
Overall (wt.avg)	30%	24%	13%	3%	-6%	19%	6%	-16%	-22%	-40%

Source: Company, JM Financial

Exhibit 23. NII/PPoP growth trajectory across NBFC-MFIs

	NII Growth (%YoY)					PPoP Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Creditaccess	41%	31%	18%	6%	-2%	36%	30%	19%	4%	-4%
Muthoot Microfin	49%	38%	48%	41%	10%	63%	50%	25%	40%	3%
Spandana Sphoorty	24%	45%	10%	-15%	-22%	3%	57%	-9%	-64%	-70%
Satin Creditcare	42%	42%	27%	17%	9%	63%	59%	15%	15%	-3%
Fusion Finance	31%	37%	30%	-37%	-36%	31%	26%	17%	-75%	-50%
Overall (wt.avg)	38%	37%	24%	2%	-8%	35%	39%	14%	-15%	-20%

Source: Company, JM Financial

Exhibit 24. Provisions/PAT growth trajectory across NBFC-MFIs

	Provisions Growth (%YoY)					PAT Growth (% YoY)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Creditaccess	46%	129%	338%	496%	347%	34%	14%	-46%	-128%	-106%
Muthoot Microfin	182%	280%	263%	386%	584%	27%	18%	-44%	-97%	-233%
Spandana Sphoorty	-3%	743%	469%	841%	565%	5%	-54%	-275%	-433%	-412%
Satin Creditcare	354%	344%	348%	445%	179%	30%	20%	-58%	-87%	-75%
Fusion Finance	72%	359%	811%	510%	200%	16%	-130%	-343%	-669%	-236%
Overall (wt.avg)	63%	311%	472%	539%	360%	25%	-17%	-127%	-243%	-179%

Source: Company, JM Financial

Exhibit 25. Credit costs to remain elevated on account of stress in Karnataka

	Credit costs (%)					NIM (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Creditaccess	2.6%	2.8%	7.0%	12.9%	11.6%	15.6%	15.1%	15.1%	14.5%	15.0%
Muthoot Microfin	2.9%	3.2%	6.5%	10.3%	19.5%	11.2%	11.1%	12.2%	12.4%	11.8%
Spandana Sphoorty	3.6%	8.2%	21.9%	29.0%	28.9%	14.0%	14.0%	14.1%	12.2%	14.0%
Satin Creditcare	3.5%	3.5%	6.6%	9.7%	9.0%	12.8%	12.5%	12.8%	13.0%	12.9%
Fusion Finance	4.9%	13.8%	28.6%	26.8%	17.6%	14.6%	14.9%	14.7%	8.4%	9.8%
Overall (wt.avg)	3.3%	5.6%	12.5%	16.4%	15.8%	14.0%	13.8%	14.0%	12.6%	13.1%

Source: Company

Exhibit 26. RoA/RoE trajectory across NBFC-MFIs

	RoA (%)					RoE (%)				
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25F
Creditaccess	5.8%	5.6%	2.7%	-1.5%	-0.3%	24.9%	23.5%	10.7%	-5.7%	-1.3%
Muthoot Microfin	4.2%	3.9%	2.1%	0.1%	-5.4%	5.6%	5.3%	2.9%	0.2%	-7.1%
Spandana Sphoorty	3.9%	1.7%	-7.1%	-14.7%	-14.8%	14.0%	5.7%	-23.2%	-48.8%	-53.6%
Satin Creditcare	5.0%	3.9%	1.6%	0.5%	1.1%	22.5%	17.3%	7.1%	2.2%	4.9%
Fusion Finance	4.6%	-1.2%	-10.3%	-27.6%	-7.5%	19.1%	-5.0%	-45.7%	-132.9%	-41.9%
Overall (wt.avg)	5.0%	3.4%	-1.2%	-6.7%	-4.0%	15.4%	10.5%	-3.6%	-20.4%	-12.4%

Source: Company, JM Financial

Exhibit 27. Valuation summary of coverage companies

Name	MCap	EPS CAGR	AUM CAGR	P/B			P/E			RoA (%)			RoE (%)		
	(USD mn)	FY25-27E	FY25-27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Diversified Players															
BAF	61,365	26.2%	25%	5.7	4.7	3.9	32.0	25.1	20.1	4.0%	4.1%	4.1%	19.6%	20.6%	21.5%
ABFL	5,402	21.2%	21%	1.5	1.3	1.1	10.6	8.9	7.2	2.0%	2.0%	2.0%	15.0%	15.3%	16.2%
LTF	4,283	24.1%	20%	1.5	1.3	1.2	14.0	11.2	9.1	2.4%	2.6%	2.8%	10.8%	12.4%	13.8%
POONAWALLA	3,107	582.5%	30%	3.3	3.1	2.8	1,148.5	30.1	24.7	0.1%	2.5%	2.4%	0.3%	10.6%	11.8%
PEL	2,487	26.0%	16%	0.8	0.8	0.8	41.6	29.5	26.2	0.6%	0.8%	0.8%	1.9%	2.7%	2.9%
Vehicle Financiers															
CIFC	13,468	32.8%	22%	4.9	3.9	3.1	27.8	19.9	15.8	2.3%	2.7%	2.8%	19.3%	22.0%	22.1%
SHFL	13,340	21.7%	15%	2.0	1.8	1.6	13.9	11.3	9.4	3.1%	3.3%	3.5%	15.8%	16.9%	17.9%
MMFS	3,610	8.6%	13%	1.6	1.5	1.4	13.4	12.4	11.4	1.9%	1.8%	1.7%	12.4%	12.4%	12.6%
Housing Financiers (HFCs)															
LICHF	3,456	-0.9%	9%	0.9	0.8	0.7	5.6	6.1	5.7	1.8%	1.5%	1.5%	16.4%	13.6%	13.0%
PNBHF	2,774	17.6%	17%	1.4	1.3	1.1	12.7	10.8	9.2	2.4%	2.5%	2.5%	11.9%	12.4%	12.8%
AADHAR	2,144	20.3%	20%	2.9	2.5	2.1	20.0	16.8	13.8	4.3%	4.3%	4.5%	17.0%	15.8%	16.4%
APTUS	1,700	24.1%	25%	3.5	3.0	2.6	19.9	16.0	12.9	7.3%	7.3%	7.3%	18.5%	20.2%	21.8%
AAVAS	1,810	21.0%	19%	3.6	3.1	2.7	27.0	22.7	18.5	3.2%	3.2%	3.3%	14.3%	14.7%	15.5%
HFFC	1,040	21.5%	31%	3.6	2.4	2.1	23.3	20.6	15.8	3.4%	3.3%	3.5%	16.5%	14.8%	14.4%
NBFC-MFIs															
CREDAG	1,764	64.1%	9%	2.2	2.0	1.6	24.8	17.3	9.2	2.1%	2.9%	5.1%	9.0%	11.9%	19.5%
MUTHOOTM	254	458.9%	14%	0.8	0.7	0.6	111.0	4.3	3.6	0.2%	4.2%	4.5%	0.7%	16.7%	16.9%
SPANDANA	188	NM	17%	0.6	0.6	0.5	-2.3	5.8	3.8	-8.1%	1.6%	2.4%	-30.0%	5.7%	7.9%
SATIN	178	38.2%	17%	0.6	0.5	0.5	7.9	5.4	4.1	1.8%	2.3%	2.7%	7.8%	10.4%	12.2%
FUSION	154	NM	12%	0.8	0.9	0.8	-1.1	21.8	14.5	-11.5%	1.0%	1.3%	-55.6%	4.9%	5.8%
MSME/Other lenders															
FIVE-STAR	2,274	15.3%	25%	3.1	2.6	2.2	18.3	15.6	13.8	8.4%	8.1%	7.5%	18.6%	18.1%	17.2%
SBFC	1,115	25.6%	26%	3.1	2.7	2.3	28.1	22.4	17.8	4.4%	4.4%	4.5%	11.7%	12.8%	14.0%
FEDFINA	370	45.5%	28%	1.3	1.1	1.0	14.9	8.9	7.0	1.7%	2.2%	2.2%	9.0%	13.5%	14.8%

Source: Company, JM Financial

Exhibit 28. Changes in Target prices (INR)

Company	Old TP	New TP	Rating
BAF	9350	9,350	BUY
LTF	180	175	BUY
PEL	1080	915	HOLD
POONAWALLA	285	370	HOLD
LICHF	750	590	BUY
PNBHF	1200	1,150	BUY
HFFC	1200	1,200	BUY
AAVAS	1985	2,350	BUY
APTUS	400	360	BUY
FIVE-STAR	990	825	BUY
SHFL	730	750	BUY
CIFC	1550	1,500	BUY
CREDAG	1130	950	HOLD
FUSION	160	120	SELL
SPANDANA	500	240	HOLD
SATIN	175	150	HOLD
AADHAR	600	525	BUY
ABFL	260	220	BUY
FEDFINA	160	100	BUY
SBFC	115	105	BUY
MUTHOOTM	180	140	HOLD

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

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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.

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