

We upgrade MMFS to ADD from Reduce while elevating Mar-27E TP by 21.4% to Rs340 (from Rs280), implying FY28E standalone P/B of 1.5x. MMFS's Q4FY26 performance was exemplary – PAT came in ahead of consensus' estimates despite creation of Rs2.17bn management overlay to prepare for any challenges from a subpar monsoon. With GS2+GS3 hitting an 8Y-low of 8.2%, management overlay of Rs2.17bn, and tier 1 capital of 16.7%, the company is well positioned to withstand any upcoming challenges that might arise due to the external environment. On the profitability front, the company continues to see gradual progress, with NIM+Fee showing improvement and credit cost contained. Following the sharp 27% correction in the share price in CY26, valuations (FY28E standalone P/B of 1.3x) have become undemanding and the risk-reward has turned favorable and superior on the back of improving profitability and better balance-sheet strength.

#### Healthy core performance despite conservative overlay

Overall, MMFS's Q4FY26 numbers were much ahead of expectations, with PAT growing ~55% YoY to Rs8.73bn despite the Rs2.17bn management overlay. The performance was supported by stable asset quality and meaningful improvement in margins. Credit cost for the quarter stood at ~1.5% on assets (including overlay), while underlying credit cost remained significantly lower (~0.9%), indicating strong portfolio health. Margins expanded sharply, with NIM at ~7.5% in Q4 (and ~7.1% for FY26 as a more sustainable run rate), driven by better asset mix, rising fee income, and moderation in CoFs. Asset quality remained robust, with GS3 improving to ~3.4% and GS2+GS3 declining to ~8.2% (an ~8-year low) alongside a strengthened PCR of ~58.6% post-overlay, reinforcing balance-sheet resilience and the conservative provisioning stance.

#### Guides for mid-teens growth with stable NIM and credit costs

The management outlined a constructive outlook, with a clear pivot toward growth while maintaining discipline on risk and returns. Margins are expected to be stable, with ~7.1% NIM as a sustainable run rate, supported by better asset mix, rising fee income, and improving cost of funds. The mgmt gave guidance for range-bound operating expenses, with near-term investments in MSME, mortgages, and digital expected to be offset by operating leverage as scale builds. On asset quality, GS2+GS3 is expected to be stable, with credit costs guided at ~1.3–1.7% over the cycle. Growth is expected to improve to the mid-teens, led by tractors, used vehicles, PVs, and gradual scaling up of MSME and mortgages. Overall, the mgmt reiterated confidence in sustaining >2% RoA, with steady improvement as growth scales up owing to a stable margin/better risk profile.

#### Upgrade to ADD on improving risk-reward and fundamentals

Factoring in the strong Q4 performance and management commentary, we make marginal revisions to our FY27–28 estimates (Exhibit 2). Following the sharp ~27% correction in CY26, valuations have turned more reasonable (FY28E P/B: ~1.3x), thus improving the risk-reward. Accordingly, we upgrade the stock to ADD (from Reduce) and raise Mar-27E TP to Ra340 (from Rs280), implying ~1.5x FY28E P/B.

#### Mahindra Finance: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	23,450	27,822	36,191	41,954	48,700
AUM growth (%)	16.6	12.1	14.9	15.4	16.1
NII growth (%)	11.2	18.7	14.9	15.8	15.6
NIMs (%)	6.5	7.1	7.3	7.3	7.3
PPOP growth (%)	14.0	28.3	17.2	15.2	15.5
Adj. EPS (Rs)	19.0	20.0	26.0	30.2	35.0
Adj. EPS growth (%)	33.2	5.4	30.1	15.9	16.1
Adj. BV (INR)	160.4	178.2	199.0	223.2	251.2
Adj. BVPS growth (%)	9.1	11.1	11.7	12.1	12.6
RoA (%)	1.9	2.0	2.3	2.3	2.3
RoE (%)	12.4	12.5	13.8	14.3	14.8
P/E (x)	15.5	14.7	11.3	9.8	8.4
P/ABV (x)	1.8	1.7	1.5	1.3	1.2

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	21.4
Current Reco.	ADD
Previous Reco.	REDUCE
Upside/(Downside) (%)	15.6

Stock Data	MMFS IN
52-week High (Rs)	412
52-week Low (Rs)	236
Shares outstanding (mn)	1,390.0
Market-cap (Rs bn)	409
Market-cap (USD mn)	4,341
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	3.3
ADTV-3M (Rs mn)	760.6
ADTV-3M (USD mn)	8.1
Free float (%)	71.1
Nifty-50	23,897.9
INR/USD	94.3

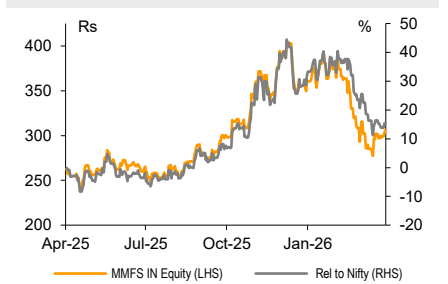
#### Shareholding, Mar-26

Promoters (%)	52.5
FPIs/MFs (%)	9.4/32.1

#### Price Performance

(%)	1M	3M	12M
Absolute	(3.9)	(18.4)	12.6
Rel. to Nifty	(7.8)	(14.4)	14.3

#### 1-Year share price trend (Rs)



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## Exhibit 1: Actual vs estimates

Q4FY26 Rs (mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Chg QoQ	Chg YoY	Q4FY26		Q4FY26	
								Estimate	Variation	Consensus	Variation
Business Assets	1,196,730	1,220,080	1,272,460	1,289,650	1,340,960	4.0%	12.1%	1,338,000	0.2%	1,340,960	
Disbursement	155,300	128,090	135,140	176,120	171,840	-2.4%	10.7%	171,800	0.0%		
NII	19,276	20,122	21,116	23,045	23,913	3.8%	24.1%	22,891	4.5%		
Total Income	21,555	22,853	24,230	26,606	27,393	3.0%	27.1%	26,343	4.0%	25,120	9.1%
PPoP	12,128	13,530	14,989	15,403	17,216	11.8%	42.0%	15,991	7.7%	16,271	5.8%
Provisions	4,571	6,597	7,514	4,699	5,603	19.2%	22.6%	3,857	45.3%	4,738	18.3%
PBT	7,557	6,933	7,475	10,704	11,613	8.5%	53.7%	12,134	-4.3%	11,533	0.7%
PAT	5,631	5,295	5,693	8,104	8,730	7.7%	55.0%	8,992	-2.9%	8,328	4.8%
Credit cost	1.56%	2.18%	2.41%	1.47%	1.70%	24bps	15bps	1.17%	53bps	1.44%	26bps
GS3	3.69%	3.85%	3.94%	3.80%	3.40%	-40bps	-29bps	3.45%	-5bps		
NS3	1.84%	1.91%	1.89%	1.82%	1.40%	-42bps	-44bps	1.67%	-27bps		

Source: Company, Emkay Research

## Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Business Assets	1,538,983	1,540,364	0.1%	1,782,816	1,776,817	-0.3%	NA	2,062,661	NA
Disbursement	702,823	708,969	0.9%	801,218	829,493	3.5%	NA	978,802	NA
Net interest income	101,031	101,375	0.3%	115,316	117,363	1.8%	NA	135,679	NA
PPOP	71,448	71,637	0.3%	82,081	82,513	0.5%	NA	95,272	NA
Provisions	24,336	22,927	-5.8%	27,303	26,047	-4.6%	NA	29,726	NA
PBT	47,112	48,710	3.4%	54,778	56,466	3.1%	NA	65,546	NA
Adj PAT	35,004	36,191	3.4%	40,700	41,954	3.1%	NA	48,700	NA
Adj EPS (Rs)	25.2	26.0	3.4%	29.3	30.2	3.1%	NA	35.0	NA
BVPS (Rs)	199	199	-0.2%	223	223	0.1%	NA	251	NA
Networth	277,148	276,540	-0.22%	309,708	310,104	0.13%	NA	349,064	NA
NIM + Fees	7.19%	7.29%	10bps	7.09%	7.33%	24bps	NA	7.35%	NA
Cost-to-income ratio	38.2%	38.0%	-20bps	37.9%	38.0%	7bps	NA	38.0%	NA
Opex-to-Business Assets	2.59%	3.05%	46bps	2.53%	3.05%	51bps	NA	3.04%	NA
Loan book growth	15.0%	14.9%	-15bps	15.8%	15.4%	-49bps	NA	16.1%	NA
Disbursement growth	15.0%	16.0%	100bps	14.0%	17.0%	300bps	NA	18.0%	NA
Credit costs (bps)	1.69%	1.59%	-10bps	1.64%	1.57%	-7bps	NA	1.55%	NA
RoA	2.18%	2.28%	11bps	2.18%	2.31%	13bps	NA	2.33%	NA
RoE	13.3%	13.8%	51bps	13.9%	14.3%	43bps	NA	14.8%	NA

Source: Company, Emkay Research

## Exhibit 3: Valuation matrix

	CMP/TP (Rs)	Upside	Mkt Cap (Rs bn)	P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			EPS (Rs)		
				FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
At current market price	294	15%	409.2	1.5	1.3	1.2	11.3	9.8	8.4	2.3	2.3	2.3	13.8	14.3	14.8	199	223	251	26.0	30.2	35.0
At target price	340		409.2	1.7	1.5	1.4	13.1	11.3	9.7	2.3	2.3	2.3	13.8	14.3	14.8	199	223	251	26.0	30.2	35.0

Source: Company, Emkay Research

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## Exhibit 4: Quarterly earnings snapshot

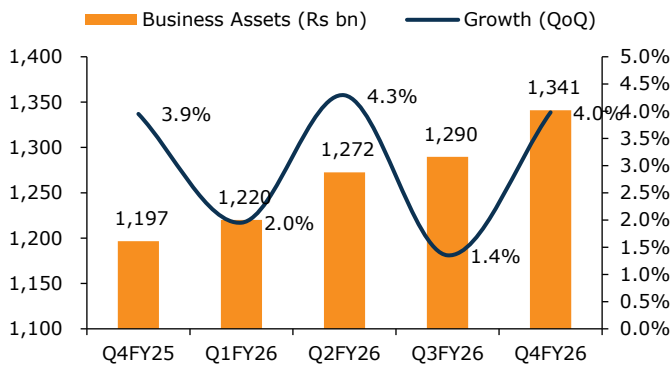
Quarterly Earnings - Summary							
Rs mn	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	% YoY	% QoQ
Interest Income	40,172	41,646	41,779	44,071	44,621	11.1%	1.2%
Interest Expenses	20,896	21,524	20,663	21,026	20,707	-0.9%	-1.5%
<b>Net Interest Income</b>	<b>19,276</b>	<b>20,122</b>	<b>21,116</b>	<b>23,045</b>	<b>23,913</b>	<b>24.1%</b>	<b>3.8%</b>
Other Income	2,279	2,732	3,113	3,561	3,480	52.7%	-2.3%
<b>Income</b>	<b>21,555</b>	<b>22,853</b>	<b>24,230</b>	<b>26,606</b>	<b>27,393</b>	<b>27.1%</b>	<b>3.0%</b>
Operating Expenses	9,427	9,323	9,240	11,203	10,177	8.0%	-9.2%
<b>Operating Profit</b>	<b>12,128</b>	<b>13,530</b>	<b>14,989</b>	<b>15,403</b>	<b>17,216</b>	<b>42.0%</b>	<b>11.8%</b>
Provisions	4,571	6,597	7,514	4,699	5,603	22.6%	19%
<i>Credit cost (on avg Business Assets)</i>	<i>1.6%</i>	<i>2.2%</i>	<i>2.4%</i>	<i>1.5%</i>	<i>1.7%</i>	15bps	24bps
<b>PBT</b>	<b>7,557</b>	<b>6,933</b>	<b>7,475</b>	<b>10,704</b>	<b>11,613</b>	<b>53.7%</b>	<b>8.5%</b>
Tax	1,925	1,638	1,782	2,600	2,884	49.8%	10.9%
<i>Tax rate</i>	<i>25.5%</i>	<i>23.6%</i>	<i>23.8%</i>	<i>24.3%</i>	<i>24.8%</i>		
<b>Reported PAT</b>	<b>5,631</b>	<b>5,295</b>	<b>5,693</b>	<b>8,104</b>	<b>8,730</b>	<b>55.0%</b>	<b>7.7%</b>
Networth	198,120	233,460	230,160	238,280	247,590	25.0%	3.9%
Business assets	1,196,730	1,220,080	1,272,460	1,289,650	1,340,960	12.1%	4.0%
Disbursements	155,300	128,090	135,140	176,120	171,840	10.7%	-2.4%
GS3 (%)	3.69	3.85	3.94	3.80	3.40	-29bps	-40bps
NS3 (%)	1.84	1.91	1.89	1.82	1.40	-44bps	-42bps
PCR (%)	51.77	51.44	53.01	53.01	58.56	680bps	556bps
ROA (calculated; %)	1.71	1.56	1.65	2.29	2.40	70bps	11bps
ROE (calculated; %)	11.54	9.82	9.82	13.84	14.37	283bps	53bps

Source: Company, Emkay Research

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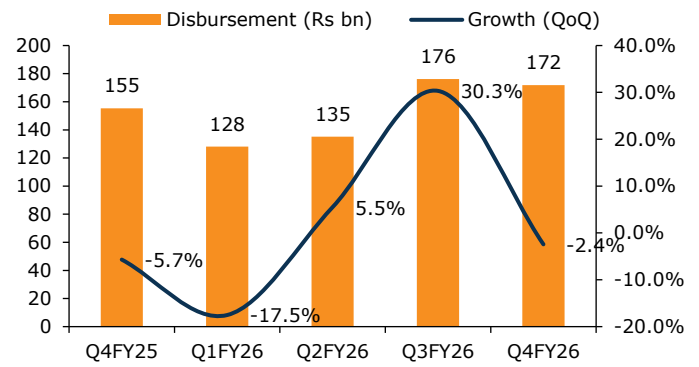
### Results in charts

**Exhibit 5: AUM growth, adjusted for trade finance, was ~4% QoQ**



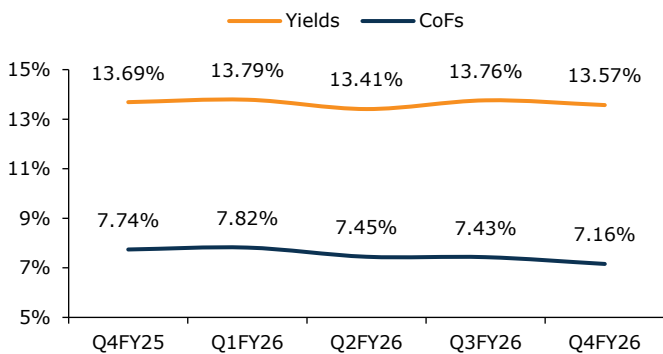
Source: Company, Emkay Research

**Exhibit 6: Disbursement grew ~11% YoY**



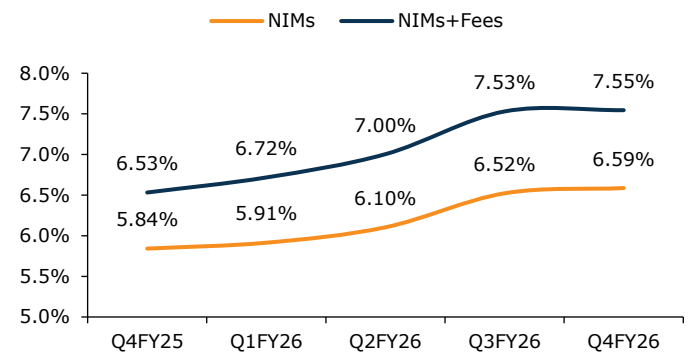
Source: Company, Emkay Research

**Exhibit 7: COFs moderated QoQ, while Yield was steady**



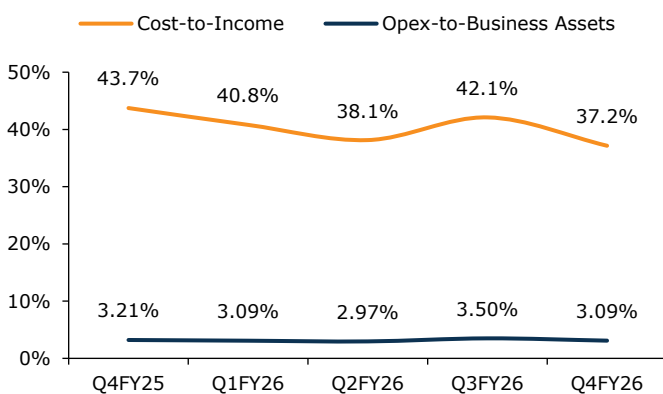
Source: Company, Emkay Research

**Exhibit 8: Margin improvement driven by higher fee income and moderating CoFs**



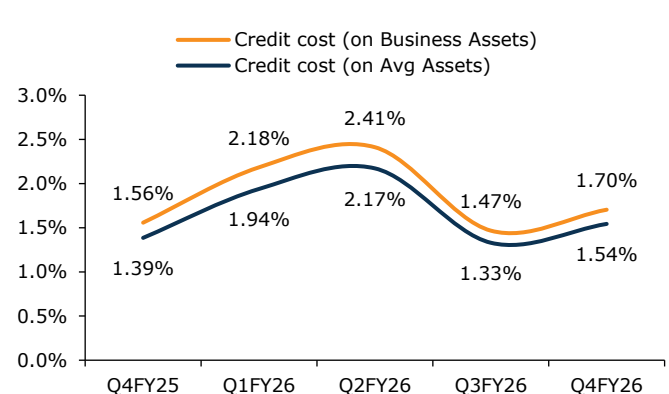
Source: Company, Emkay Research

**Exhibit 9: Opex normalized and is expected to be range-bound**



Source: Company, Emkay Research

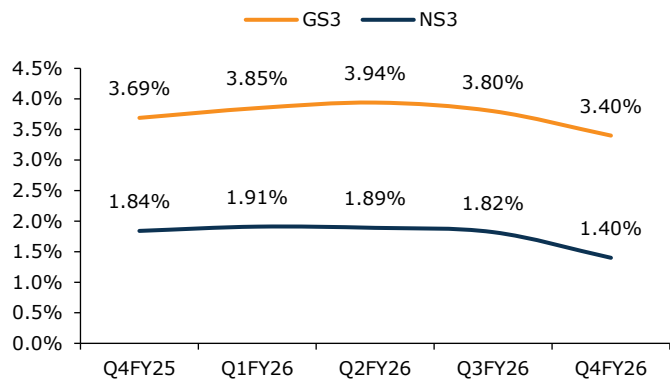
**Exhibit 10: Credit cost, adjusted for management overlay of Rs2.17bn, was 0.9%**



Source: Company, Emkay Research

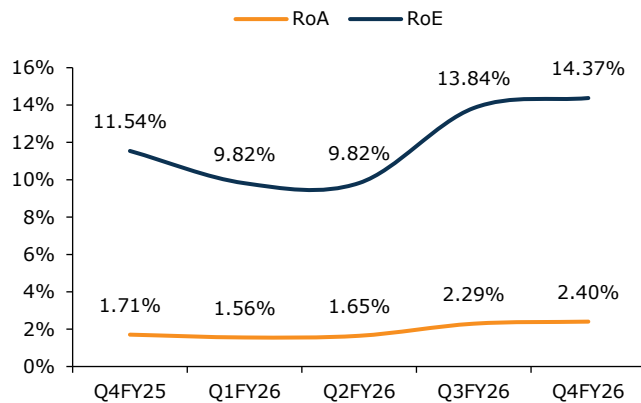
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**Exhibit 11: Asset quality saw significant improvement**



Source: Company, Emkay Research

**Exhibit 12: RoA/RoE expanded on account of better margins**

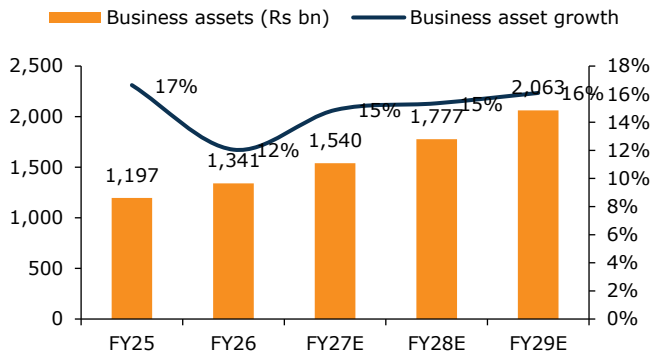


Source: Company, Emkay Research

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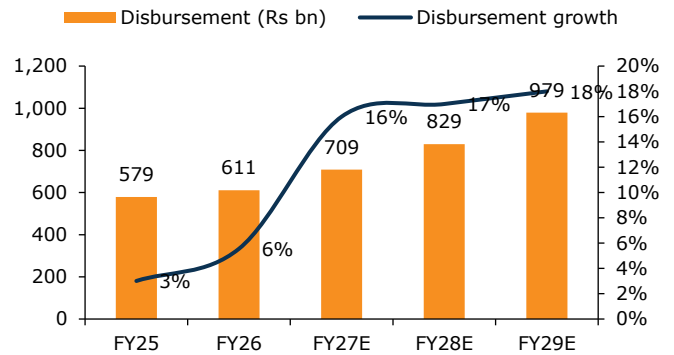
### Story in charts

**Exhibit 13: We expect AUM CAGR at 15% over FY26-29E**



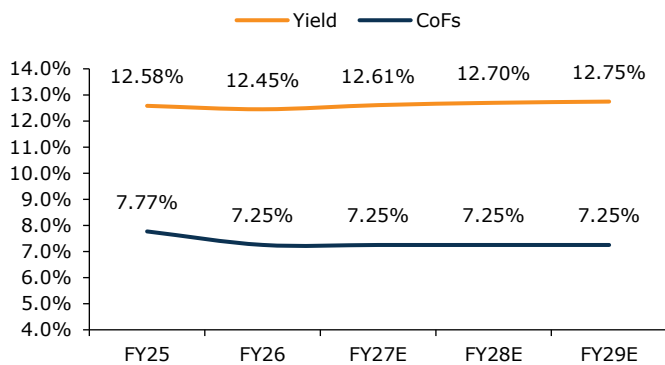
Source: Company, Emkay Research

**Exhibit 14: Disbursement to remain strong across the product segment**



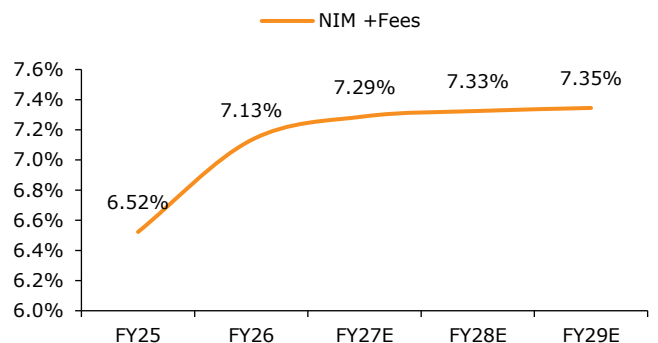
Source: Company, Emkay Research

**Exhibit 15: Yield improvement led by changing asset mix**



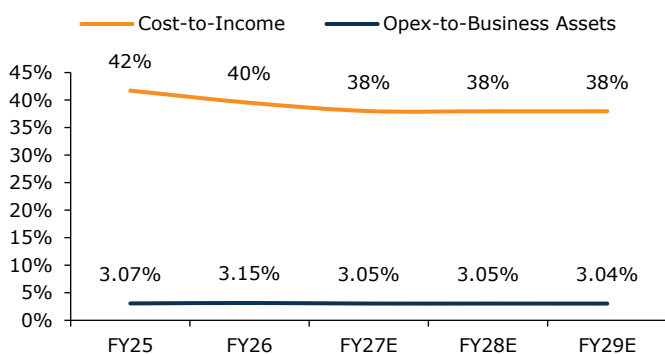
Source: Company, Emkay Research

**Exhibit 16: Margin improvement led by moderating CoFs, changing asset mix, and improving fee income**



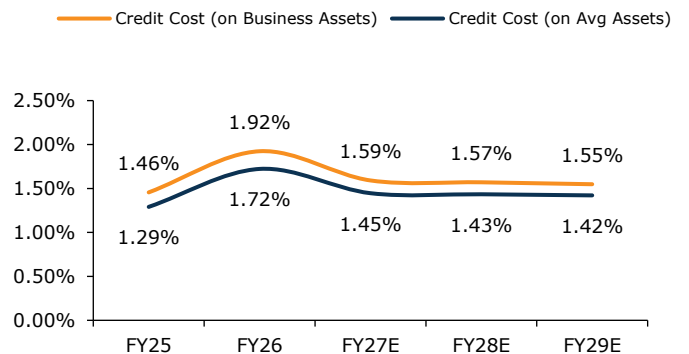
Source: Company, Emkay Research

**Exhibit 17: Broadly stable opex ratio**



Source: Company, Emkay Research

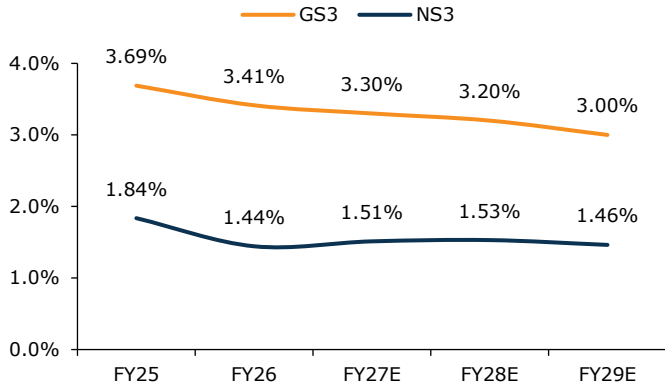
**Exhibit 18: Credit cost to remain range-bound at ~1.6%**



Source: Company, Emkay Research

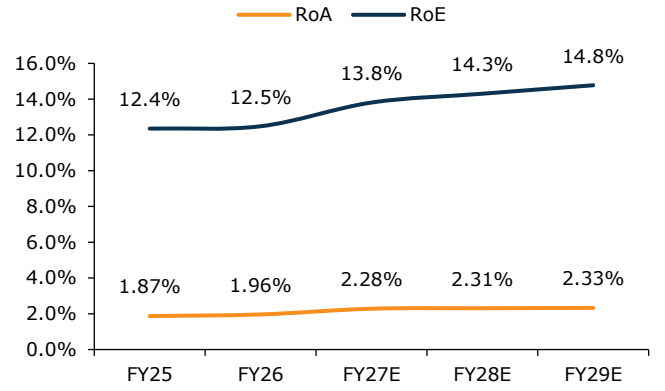
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**Exhibit 19: Asset quality improvement led by prudent underwriting**



Source: Company, Emkay Research

**Exhibit 20: Margin improvement and stable credit cost to result in RoA/RoE expansion**



Source: Company, Emkay Research

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## Management call highlights

- FY26 marked the culmination of a multi-year transformation cycle, with digital and AI-led capability-building now fully embedded across the lending stack. Nearly 50% of the disbursements were routed through the *Udaan* platform, ~40% of applications processed via STP, and AI-led CPC ("SamurAI") enabling ~80% faster turnaround time, while collections efficiency improved ~25% in early buckets.
- Asset quality continues to improve and is structurally stable. GS3 improved to ~3.4%, while GS2+GS3 declined to ~8.2%, marking an ~8-year low. The company has now seen consistency in GS2+GS3 at <10%, reinforcing resilience across cycles and validating tighter underwriting and collections frameworks.
- The management highlighted that the heavy lifting on transformation, systems, and risk calibration is largely complete, and the franchise is now positioned to shift focus toward growth. Momentum has already improved from Q3FY26 onward, with Q4 continuing the trend, indicating early signs of operating leverage kicking in.
- The technology stack transition is effectively complete, with the entire core lending (wheels) business now fully digital. Legacy systems have been retired, enabling paperless onboarding, omnichannel distribution, AI-driven underwriting and collections, and materially improved frontline productivity.
- On business performance, disbursements remained strong (Q4: +11% YoY), supported by rural demand and GST-led tailwinds. Tractor finance continues to stand out, with ~63% YoY growth, thus reinforcing leadership. The PV segment saw steady growth (~15%), while CV growth remained muted due to conscious recalibration toward safer segments (shift to SCV, used CVs, and tighter LTVs). Used vehicles and tractors continue to be key growth engines, while MSME and mortgages are scaling up gradually.
- Profitability trajectory remains firmly positive. Q4 PAT grew ~55% YoY and FY26 PAT was ~19% YoY (despite overlays), with RoA at ~2.4% in Q4 and ~2.0% for FY26. Adjusted profitability (ex-overlay) is meaningfully higher, reinforcing confidence in achieving a sustainable >2% RoA in the near term and gradually progressing toward ~2.5% RoA and ~15% RoE.
- Margins have structurally improved. Q4 NIM stood at ~7.5% (with some one-offs), while FY26 NIM at ~7.1% is seen as the steady-state run rate. Improvement is driven by better asset mix (tractors, used vehicles), rising fee income (1.1% → 1.4%), and more efficient treasury operations lowering incremental cost of funds. The management indicated 7.1% being a more sustainable baseline going forward.
- Operating expenses remain range-bound at ~2.7% of assets. While near-term opex reflects continued investments in new businesses (MSME, mortgage, digital), operating leverage is expected to emerge as these segments scale up and productivity gains from digital investments are realized.
- Credit costs remain well controlled despite conservative provisioning. FY26 credit cost stood at ~1.7% (incl overlays), within the guided range of ~1.3–1.7%. Importantly, underlying credit cost (ex-overlay) is significantly lower (~0.9% in Q4), highlighting underlying portfolio strength.
- The management reiterated a conservative stance via overlays and provisioning. A ~Rs2.17bn management overlay was created in Q4, not due to visible stress but as a proactive buffer against macro uncertainties (including geopolitical risks and monsoon variability).
- The company's diversification strategy is progressing steadily. MSME (a ~Rs80bn book) is still at an early stage, albeit expected to grow ~30–40% given the low base. MMFS's mortgage subsidiary (MRHFL) has stabilized (GS3: ~2.4%; AUM: +21% YoY), and the company is evaluating structural options (including a potential merger) to efficiently scale up the mortgage franchise.
- Growth outlook remains constructive, with the management guiding for mid-teens AUM growth over the medium term. Core drivers include tractors, used vehicles, and PVs, alongside faster scaling up of MSME and mortgages. Over time, the portfolio mix is expected to diversify meaningfully, reducing dependence on wheels.
- The company continues to leverage its ~1,400-branch network and large customer base (~0.12mn customers) to drive cross-selling and productivity gains. The cross-sell metrics (products per customer: ~2.4) are improving, providing a structural lever for fee income and growth.

## Mahindra Finance: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	153,314	172,117	195,210	225,568	261,085
Interest Expense	78,983	83,921	93,835	108,205	125,405
<b>Net interest income</b>	<b>74,331</b>	<b>88,196</b>	<b>101,375</b>	<b>117,363</b>	<b>135,679</b>
NII growth (%)	11.2	18.7	14.9	15.8	15.6
Non interest income	7,433	12,886	14,170	15,665	17,917
<b>Total income</b>	<b>81,764</b>	<b>101,082</b>	<b>115,545</b>	<b>133,028</b>	<b>153,596</b>
Operating expenses	34,113	39,944	43,908	50,515	58,324
<b>PPOP</b>	<b>47,651</b>	<b>61,139</b>	<b>71,637</b>	<b>82,513</b>	<b>95,272</b>
PPOP growth (%)	14.0	28.3	17.2	15.2	15.5
Provisions & contingencies	16,179	24,412	22,927	26,047	29,726
<b>PBT</b>	<b>31,473</b>	<b>36,726</b>	<b>48,710</b>	<b>56,466</b>	<b>65,546</b>
Extraordinary items	0	0	0	0	0
Tax expense	8,022	8,904	12,518	14,512	16,845
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
<b>Reported PAT</b>	<b>23,450</b>	<b>27,822</b>	<b>36,191</b>	<b>41,954</b>	<b>48,700</b>
PAT growth (%)	33.3	18.6	30.1	15.9	16.1
<b>Adjusted PAT</b>	<b>23,450</b>	<b>27,822</b>	<b>36,191</b>	<b>41,954</b>	<b>48,700</b>
<b>Diluted EPS (Rs)</b>	<b>19.0</b>	<b>20.0</b>	<b>26.0</b>	<b>30.2</b>	<b>35.0</b>
Diluted EPS growth (%)	33.2	5.4	30.1	15.9	16.1
<b>DPS (Rs)</b>	<b>6.5</b>	<b>7.5</b>	<b>5.2</b>	<b>6.0</b>	<b>7.0</b>
<b>Dividend payout (%)</b>	<b>34.2</b>	<b>37.5</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>
Effective tax rate (%)	25.5	24.2	25.7	25.7	25.7
Net interest margins (%)	6.5	7.1	7.3	7.3	7.3
Cost-income ratio (%)	41.7	39.5	38.0	38.0	38.0
PAT/PPOP (%)	49.2	45.5	50.5	50.8	51.1
Shares outstanding (mn)	1,235.0	1,389.6	1,389.6	1,389.6	1,389.6

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
<b>Asset quality</b>					
GNPL - Stage 3	44,140	45,780	50,832	56,858	61,880
NNPL - Stage 3	21,560	18,970	22,874	26,723	29,702
GNPL ratio - Stage 3 (%)	3.7	3.4	3.3	3.2	3.0
NNPL ratio - Stage 3 (%)	1.8	1.4	1.5	1.5	1.5
ECL coverage - Stage 3 (%)	51.2	58.6	55.0	53.0	52.0
ECL coverage - 1 & 2 (%)	1.0	1.0	1.0	1.0	1.0
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	1.5	1.5	1.5	1.4	1.4
Total credit costs (%)	1.5	1.9	1.6	1.6	1.5
NNPA to networth (%)	10.9	7.7	8.3	8.6	8.5
<b>Capital adequacy</b>					
Total CAR (%)	18.3	18.9	17.9	17.6	17.3
Tier-1 (%)	15.2	16.7	15.7	15.4	15.1
<b>Miscellaneous</b>					
Total income growth (%)	14.6	23.6	14.3	15.1	15.5
Opex growth (%)	15.4	17.1	9.9	15.0	15.5
PPOP margin (%)	4.3	4.8	5.0	5.0	5.0
Credit costs-to-PPOP (%)	34.0	39.9	32.0	31.6	31.2
Loan-to-Assets (%)	85.7	88.0	88.5	89.1	89.7
Yield on loans (%)	13.8	13.6	13.6	13.6	13.6
Cost of funds (%)	7.8	7.3	7.3	7.3	7.3
Spread (%)	6.0	6.3	6.3	6.4	6.4

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	2,470	2,779	2,779	2,779	2,779
Reserves & surplus	195,650	244,808	273,761	307,325	346,285
<b>Net worth</b>	<b>198,120</b>	<b>247,587</b>	<b>276,540</b>	<b>310,104</b>	<b>349,064</b>
<b>Borrowings</b>	<b>1,110,880</b>	<b>1,203,350</b>	<b>1,385,198</b>	<b>1,599,772</b>	<b>1,859,690</b>
<b>Other liabilities &amp; prov.</b>	<b>46,480</b>	<b>28,116</b>	<b>29,521</b>	<b>30,998</b>	<b>32,547</b>
<b>Total liabilities &amp; equity</b>	<b>1,355,480</b>	<b>1,479,053</b>	<b>1,691,259</b>	<b>1,940,873</b>	<b>2,241,301</b>
Net loans	1,162,140	1,301,601	1,497,511	1,729,483	2,010,476
Investments	104,000	68,204	75,024	82,526	90,779
Cash, other balances	55,360	73,405	80,390	87,789	95,957
<b>Interest earning assets</b>	<b>1,321,500</b>	<b>1,443,210</b>	<b>1,652,925</b>	<b>1,899,798</b>	<b>2,197,212</b>
Fixed assets	8,770	9,393	10,332	11,366	12,502
Other assets	25,210	26,450	28,002	29,709	31,588
<b>Total assets</b>	<b>1,355,480</b>	<b>1,479,053</b>	<b>1,691,259</b>	<b>1,940,873</b>	<b>2,241,301</b>
BVPS (Rs)	160.4	178.2	199.0	223.2	251.2
Adj. BVPS (INR)	160.4	178.2	199.0	223.2	251.2
Gross loans	1,196,730	1,340,960	1,540,364	1,776,817	2,062,661
<b>Total AUM</b>	<b>1,196,730</b>	<b>1,340,960</b>	<b>1,540,364</b>	<b>1,776,817</b>	<b>2,062,661</b>
On balance sheet	1,196,730	1,340,960	1,540,364	1,776,817	2,062,661
Off balance sheet	0	0	0	0	0
Disbursements	579,000	611,180	708,969	829,493	978,802
Disbursements growth (%)	3.0	5.6	16.0	17.0	18.0
Loan growth (%)	17.2	12.0	15.1	15.5	16.2
AUM growth (%)	16.6	12.1	14.9	15.4	16.1
Borrowings growth (%)	20.5	8.3	15.1	15.5	16.2
Book value growth (%)	9.1	11.1	11.7	12.1	12.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	15.5	14.7	11.3	9.8	8.4
P/B (x)	1.8	1.7	1.5	1.3	1.2
P/ABV (x)	1.8	1.7	1.5	1.3	1.2
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	2.2	2.5	1.8	2.1	2.4
<b>Dupont-RoE split (%)</b>					
NII/avg AUM	6.7	7.0	7.0	7.1	7.1
Other income	0.7	1.0	1.0	0.9	0.9
Securitization income	0	0	0	0	0
Opex	1.4	1.4	1.4	1.4	1.4
Employee expense	1.7	1.7	1.7	1.7	1.6
<b>PPOP</b>	<b>4.3</b>	<b>4.8</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
Provisions	1.5	1.9	1.6	1.6	1.5
Tax expense	0.7	0.7	0.9	0.9	0.9
<b>RoAUM (%)</b>	<b>2.1</b>	<b>2.2</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>
Leverage ratio (x)	5.9	5.7	5.5	5.7	5.8
<b>RoE (%)</b>	<b>12.4</b>	<b>12.5</b>	<b>13.8</b>	<b>14.3</b>	<b>14.8</b>

Quarterly data				
Rs mn, Y/E Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	20,122	21,116	23,045	23,913
NIM (%)	6.7	7.0	7.5	7.5
PPOP	13,530	14,989	15,403	17,216
PAT	5,295	5,693	8,104	8,730
EPS (Rs)	3.81	4.10	5.83	6.28

Source: Company, Emkay Research

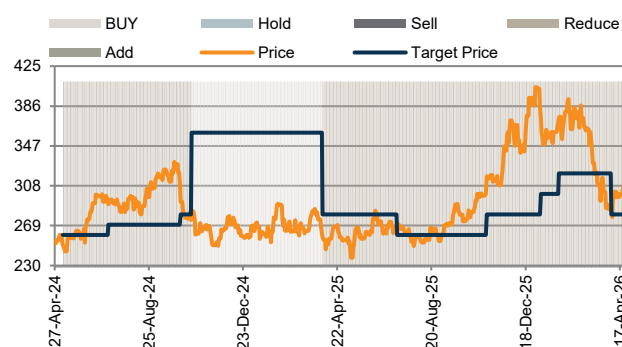
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**RECOMMENDATION HISTORY - DETAILS**

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
06-Apr-26	281	280	Reduce	Avinash Singh
17-Mar-26	320	320	Reduce	Avinash Singh
29-Jan-26	374	320	Reduce	Avinash Singh
06-Jan-26	374	300	Reduce	Avinash Singh
29-Oct-25	317	280	Reduce	Avinash Singh
06-Oct-25	284	260	Reduce	Avinash Singh
23-Jul-25	259	260	Reduce	Avinash Singh
07-Jul-25	268	260	Reduce	Avinash Singh
20-Jun-25	263	280	Reduce	Avinash Singh
05-Jun-25	263	280	Reduce	Avinash Singh
23-Apr-25	263	280	Reduce	Avinash Singh
10-Apr-25	251	280	Reduce	Avinash Singh
03-Apr-25	258	280	Reduce	Avinash Singh
27-Feb-25	274	360	Buy	Avinash Singh
29-Jan-25	263	360	Buy	Avinash Singh
06-Jan-25	264	360	Buy	Avinash Singh
05-Dec-24	279	360	Buy	Avinash Singh
23-Oct-24	260	360	Buy	Avinash Singh
18-Oct-24	283	360	Buy	Avinash Singh
04-Oct-24	292	280	Reduce	Avinash Singh

Source: Company, Emkay Research

**RECOMMENDATION HISTORY - TREND**



Source: Company, Bloomberg, Emkay Research

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<b>SELL</b>	>15% downside

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