RATING HOLD | CMP INR 495 | TP INR 520

# LIC Housing Finance (LICHF IN)

**Q2FY27 Result Update**

November 02, 2026

☑ Estimate Change | ■ Target | ■ Reco.

**Change in Estimates**

| | Current | | Previous | |
|---|---|---|---|---|
| | FY28E | FY29E | FY28E | FY29E |
| Rating | HOLD | | HOLD | |
| Target Price | 520 | | 520 | |
| NII (INR. mn) | 87,317 | 92,341 | 93,938 | 96,288 |
| *% Chng.* | *(7.0)* | *(4.1)* | | |
| PPoP (INR mn) | 75,713 | 80,559 | 80,219 | 82,896 |
| *% Chng.* | *(5.6)* | *(2.8)* | | |
| EPS (INR) | 101.2 | 107.9 | 106.1 | 107.2 |
| *% Chng.* | *(4.6)* | *0.7* | | |

| Key Data | LICH.BO \| LICHF IN |
|---|---|
| BSE Code | 500253 |
| NSE Code | LICHSGFIN |
| 52-W High / Low | INR 598 / INR 458 |
| Face Value | 2 |
| Sensex / Nifty | 75,693 / 23,441 |
| Market Cap | INR 272 bn / $ 2,871 mn |
| Shares Outstanding | 550.06 mn |
| 3M Avg. Daily Value | INR 1,799.22 mn |

**Shareholding Pattern (%)**

| | |
|---|---|
| Promoters | 45.24 |
| FIIs | 18.93 |
| MF | 18.18 |
| DII | 3.46 |
| Public & Others | 14.19 |
| Promoter's Pledge | - |

**Stock Performance (%)**

| | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| Absolute | (2.7) | (5.3) | (10.7) | (13.2) |
| Relative | (7.6) | (2.3) | (9.3) | (3.8) |

**Key Financials - Standalone**

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| NII (INR mn) | 84,245 | 85,940 | 87,317 | 92,341 |
| *NIM (%)* | *2.7* | *2.6* | *2.5* | *2.5* |
| PPOP (INR mn) | 76,347 | 73,903 | 75,713 | 80,559 |
| PAT (INR mn) | 55,952 | 58,306 | 55,688 | 59,395 |
| EPS (INR) | 101.7 | 105.9 | 101.2 | 107.9 |
| *Gr. (%)* | *3.0* | *4.2* | *(4.5)* | *6.7* |
| DPS (INR) | 10.0 | 9.5 | 15.9 | 15.2 |
| *Yield (%)* | *2.0* | *1.9* | *3.2* | *3.1* |
| *RoAE (%)* | *14.4* | *13.3* | *11.5* | *11.1* |
| *RoAA (%)* | *1.8* | *1.7* | *1.6* | *1.5* |
| P/BV (x) | 0.7 | 0.6 | 0.5 | 0.5 |
| P/ABV (x) | 0.7 | 0.7 | 0.6 | 0.5 |
| PE (x) | 4.9 | 4.7 | 4.9 | 4.6 |
| *CAR (%)* | *22.1* | *23.2* | *23.9* | *24.2* |

## Growth and margin pressure persists

**Quick Pointers**

- Disbursements growth was steady in Q2 (+11.1%YoY), while loan growth was muted at 5% YoY
- Expect AUM growth of 6%/7% in FY27/28E
- NIM to moderate to 2.6%/ 2.5% in FY27/28E

**Q2 disbursements growth was steady (+11.1% YoY), while higher repayments resulted in muted loan book growth of 5% YoY to INR3,219.6bn. AUM is guided to grow at 8-10% in FY27 with diversification into higher-yielding LAP, LRD, self-employed borrowers and project finance. We build a lower AUM growth of 6%/7% in FY27/28E on account of elevated prepayments (~12%) and intense competition from banks constraining growth. We expect NIM to moderate by 8/20bps in FY27/28E to 2.6%/2.5% as rising CoF and competitive pricing to put pressure on margins. Headline asset quality saw an improvement and we build credit cost of -2/12bps for FY27/28E factoring in strong recoveries in H1FY27. However, the shift towards riskier segments is likely to increase asset quality risks. We tweak our FY27/ FY28E estimates downward factoring in weaker growth and NIM compression expected over FY27/28E. We keep our multiple unchanged to 0.6x on Sep'28E P/ABV, resulting in TP of INR520. Retain 'Hold'.**

- **Expect 6%/7% growth in FY27/ FY28E:** Q2 disbursements came at INR181.3bn (+11.1% YoY), while elevated prepayments (~12% vs 9-10% normally) led to a modest 5% YoY growth in loan book to INR3,219.6bn. Retail and Project loans contributed 97% and 3% of loan book respectively. The AUM mix in terms of salaried/non-salaried borrowers remained stable at 85:15. Management has guided for 12-14% disbursement growth in FY27 with a focus on diversifying its portfolio towards higher-yielding self-employed borrowers, LAP, LRD and project finance. LAP is targeted to contribute 20% of business in FY27. This strategic shift aims to reduce direct competition with banks in the prime salaried housing segment, thereby improving portfolio yields. Additionally, the company is expanding into smaller-ticket project financing of INR0.5-1bn (vs. earlier INR4-6bn), targeting opportunities in tier 2/3/4 cities. While company expects healthy disbursement momentum to translate into 8-10% AUM growth for FY27, intense competition from banks and higher prepayments are likely to constrain loan book expansion. Accordingly, we build loan growth of 6%/7% for FY27/28E.

**Quarter Summary**

| Y/e Mar | Q2'27E | Q2'27A | % Var. | Q2'26A | YoY gr. (%) |
|---|---|---|---|---|---|
| NII (INR mn) | 23,035 | 20,879 | -9.4 | 20,374 | 2.5 |
| PPoP (INR mn) | 19,367 | 18,260 | -5.7 | 17,767 | 2.8 |
| *Margin (%)* | *2.8* | *2.6* | *-23 bps* | *2.6* | *-4 bps* |
| PAT (INR mn) | 14,145 | 15,088 | 6.7 | 13,539 | 11.4 |

*Source: Company, PL*


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- **NIM to moderate over FY27/28E:** Q2 yield improved marginally QoQ to 8.83% (vs. 8.80% in Q1), while CoF increased to 7.15% (vs. 7.08% in Q1). Consequently, reported NIM was stable at 2.58%. Incremental CoF declined in Q2 to 6.91% vs 7.06% QoQ. The company has increased PLR by 25bps across both existing and new loans which is expected to support margins from Q3 onwards. Additionally, lending rates on select products were increased in Q2. Management reiterated its FY27 NIM guidance of 2.5-2.6%, while expecting the recent repo rate hike to increase borrowing costs by ~10bps in FY27. We expect NIM to moderate by 8/20bps in FY27/28E to 2.6%/2.5%, factoring in rising CoF and pricing pressure due to competitive intensity from banks. The shift towards higher-yielding LAP and self-employed loans may provide some cushion, although the benefit could be partly offset by higher credit risk.

- **Headline asset quality improves:** Asset quality improved in Q2 with GNPA/NNPA at 2.05%/1.03% vs. 2.14%/1.11% in Q1. Stage 2 assets improved by 7bps QoQ to 2.53%. Recoveries in Q2FY27 stood at INR5.5bn which includes INR0.8bn from written-off accounts. Management expects a 7-10bps improvement in recoveries over current levels by FY27. GNPA for IHL/ NHIL stood at 1.09%/2.36% respectively, while stage 3 assets remain elevated in the NHC segment due to legacy stressed cases. Further, two loan accounts extended to entities associated with Dr. Subhash Chandra with an exposure of INR13.6bn remain classified as NPAs. While no significant ARC sale was executed during Q2, two projects are lined up for resolution through ARC transactions in H2FY27. Management expects credit cost at 8-10bps for FY27 and we estimate -2bps/12bps for FY27/ FY28E factoring in strong recoveries during H1FY27.

**Exhibit 1: Quarterly Estimates**

| (INR mn) | Q1FY27 | YoY gr. (%) | Q2FY27 | YoY gr. (%) | Q3FY27E | YoY gr. (%) | Q4FY27E | YoY gr. (%) |
|---|---|---|---|---|---|---|---|---|
| NII | 2,076 | 0.5 | 2,088 | 2.5 | 2,232 | 6.2 | 2,199 | (1.0) |
| PPoP | 1,724 | (5.3) | 1,826 | 2.8 | 1,934 | 2.7 | 1,906 | 2.8 |
| NIM (%) | 2.6 | -10 bps | 2.6 | -4 bps | 2.7 | 5 bps | 2.6 | -15 bps |
| PAT | 1,488 | 9.4 | 1,509 | 11.4 | 1,412 | 2.0 | 1,421 | (5.1) |

*Source: Company, PL*

**Exhibit 2: Q2FY27 Result Overview (Rs mn)**

| Y/e March | Q2FY27 | Q2FY26 | YoY gr. (%) | Q2FY27E | % Var | Q1FY27 | QoQ gr. (%) | H1FY27 | H1FY26 | YoY gr.(%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **NII** | **20,879** | **20,374** | **2.5** | **23,035** | **(9.4)** | **20,755** | **0.6** | **41,634** | **41,021** | **1.5** |
| *Spread (%) (calc)* | 2.6 | 2.6 | -4bps | 2.8 | -23bps | 2.6 | -1bps | 2.6 | 2.6 | -7bps |
| Other income | 705 | 469 | 50.5 | 441 | 60.1 | 420 | 68.1 | 1,125 | 1,033 | 8.9 |
| **Net Revenue** | **21,584** | **20,842** | **3.6** | **23,475** | **(8.1)** | **21,175** | **1.9** | **42,759** | **42,053** | **1.7** |
| Opex | 3,324 | 3,075 | 8.1 | 4,108 | (19.1) | 3,933 | (15.5) | 7,257 | 6,079 | 19.4 |
| PPOP | 18,260 | 17,767 | 2.8 | 19,367 | (5.7) | 17,242 | 5.9 | 35,502 | 35,975 | (1.3) |
| Provisions | -926 | 720 | (228.6) | 1,232 | (175.1) | -1,642 | (43.6) | -2,568 | 1,937 | (232.6) |
| **PBT** | **19,186** | **17,047** | **12.5** | **18,135** | **5.8** | **18,884** | **1.6** | **38,070** | **34,038** | **11.8** |
| Tax | 4,098 | 3,508 | 16.8 | 3,990 | 2.7 | 4,001 | 2.4 | 8,099 | 6,901 | 17.4 |
| *ETR (%)* | 21.4 | 20.6 | | 22.0 | | 21.2 | | 21.3 | 20.3 | |
| **PAT** | **15,088** | **13,539** | **11.4** | **14,145** | **6.7** | **14,883** | **1.4** | **29,971** | **27,138** | **10.4** |
| **Business Metrics** | | | | | | | | | | |
| Loan book | 3,219,648 | 3,067,526 | 5.0 | 3,285,400 | (2.0) | 3,220,980 | (0.0) | 3,219,648 | 3,067,526 | 5.0 |
| Borrowings | 2,850,739 | 2,614,635 | 9.0 | 2,856,869 | (0.2) | 2,768,010 | 3.0 | 2,850,739 | 2,614,635 | 9.0 |
| **Asset Quality Metrics** | | | | | | | | | | |
| *GNPA (%)* | 2.05 | 2.51 | 46bps | 2.10 | 5bps | 2.14 | 9bps | 2.05 | 2.51 | 46bps |
| *NNPA (%)* | 1.03 | 1.16 | 12bps | 1.04 | 1bps | 1.11 | 8bps | 1.03 | 1.16 | 12bps |
| *PCR (%)* | 49.0 | 53.0 | -400bps | 50.5 | -151bps | 48.0 | 100bps | 49.0 | 53.0 | -400bps |

*Source: Company, PL*

Exhibit 3: Change in estimates

| | Revised Estimates | | | Earlier Estimates | | | % Revision | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY27E | FY28E | FY29E | FY27E | FY28E | FY29E | FY27E | FY28E | FY29E |
| NII (INR mn) | 85,940 | 87,317 | 92,341 | 88,233 | 93,938 | 96,288 | -2.6 | -7.0 | -4.1 |
| PPOP (INR mn) | 73,903 | 75,713 | 80,559 | 74,228 | 80,219 | 82,896 | -0.4 | -5.6 | -2.8 |
| PAT (INR mn) | 58,306 | 55,688 | 59,395 | 56,728 | 58,411 | 58,994 | 2.8 | -4.7 | 0.7 |
| ABV (INR) | 758 | 838 | 923 | 757 | 842 | 926 | 0.1 | -0.4 | -0.3 |

*Source: Company, PL*

## Q2FY27 Concall Highlights:

### Growth

- FY27 disbursement growth guidance stood at 12-14% with AUM growth target at 8-10%.
- Company commands ~27% market share in individual housing loan disbursements and ~40% in portfolio outstanding.
- Prepayment rate is elevated at ~12% against the historical 9-10%, with monthly EMI principal repayments of INR20-25bn and lumpsum repayments (BT-outs) of ~INR5bn per month.
- Company is increasing the number of people on the street (8,000+ active DSAs and agents) and strengthening its marketing effort.
- The company is targeting 20% of FY27 business from LAP. In project finance, company is moving to smaller tickets of INR0.5-1.0bn instead of INR4-6bn, targeting Tier 2, 3 and 4 cities where demand is seeing strong traction.
- Company expects to enter into pool purchases and direct assignments during H2.

### Operating profitability

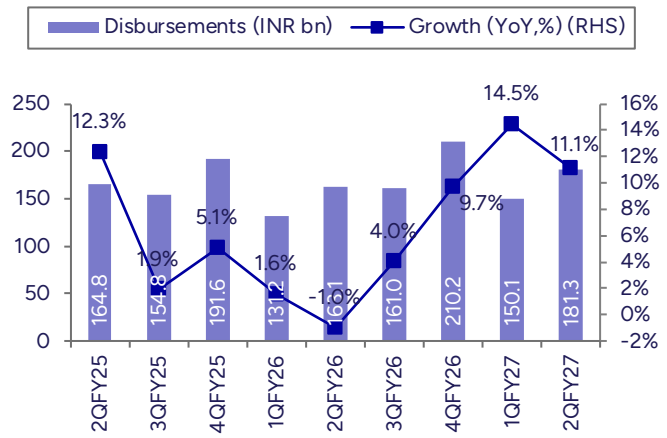
- FY27 margin guidance stood at 2.5-2.6%. Company increased PLR by 25bps for existing and new business during Q2, taking the lending rate from 7.15% to 7.40%.
- Repricing applies to ~1/3rd of the portfolio from Nov'2026 and the remaining ~2/3rd from Jan 2027 and is expected to support margin improvement from Q3 onwards.
- Average yield on incremental disbursements stood at 8.29% while project finance generated a yield of 10.62% as of Sep'2026.
- Salaried HL yield is 7.4% against 9.15% for self-employed, with self-employed loans generating ~150-200bps higher yields than individual housing loans.
- Incremental cost of funds stood at 6.91% v/s 7.06% QoQ.
- Repo rate hike is expected to increase borrowing costs by ~10bps by FY27-end, as ~32-35% of borrowings are repo/EBLR-linked bank loans. Cumulative borrowing cost on bank borrowings stood at 6.93%.

### Asset quality

- Company recovered INR5.5bn in Q2, with INR0.84bn recovered from written-off accounts.

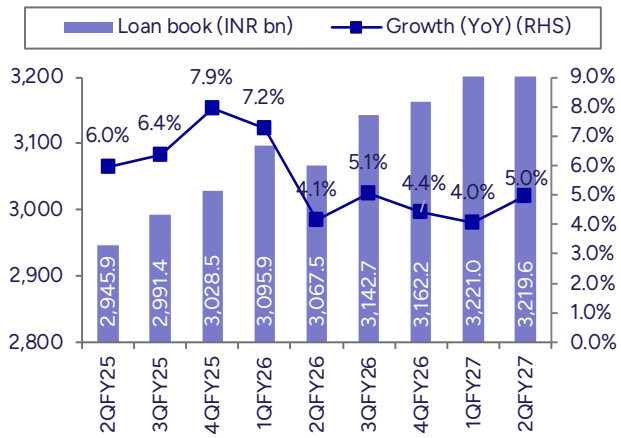
- FY27 credit cost is guided at 8-10bps. Management is confident of achieving a 7-10bps improvement in recoveries over current levels by FY27 end.
- GNPA stands at 1.09% for IHL and 2.36% for NHIL. Stage 3 in the NHC segment is elevated due to certain legacy cases.
- No significant ARC sales were executed in Q2, while two projects are lined up for resolution through ARC transactions to materialize during H2.
- Two loans extended to entities associated with Subhash Chandra are classified as NPAs and have been under recovery proceedings since FY23. Total exposure is ~INR 13.6bn with the first loan account 100% provided and the second 75% provided. Two prominent South Mumbai properties provide sufficient security coverage, with an auction scheduled soon.

**Exhibit 4: Disbursement grew by 11.1% YoY to INR181.3bn**



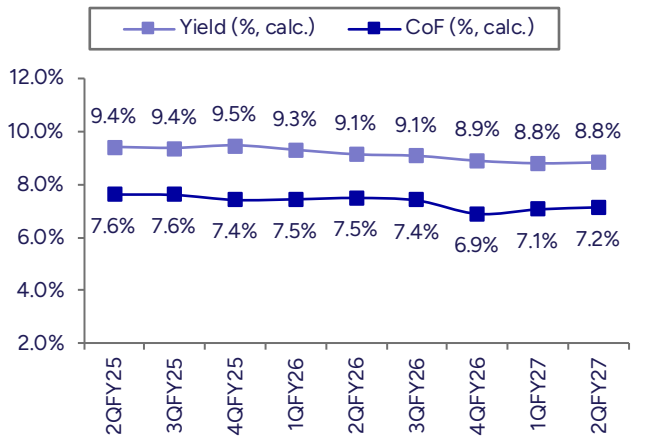

*Source: Company, PL*

**Exhibit 5: Loan book grew 5% to INR3,219.6bn**



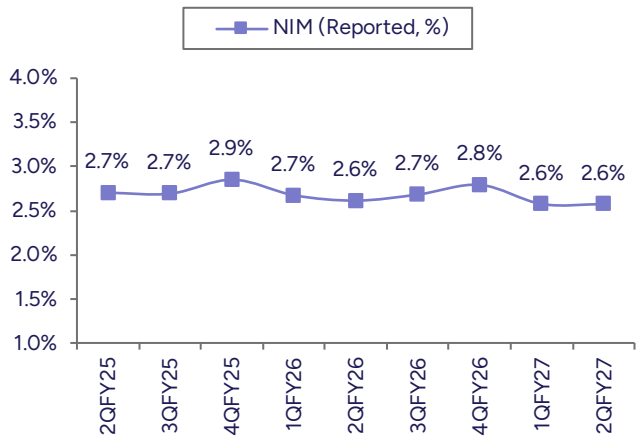

*Source: Company, PL*

**Exhibit 6: Calc. yield / CoF increased by ~3/ 7bps respectively...**



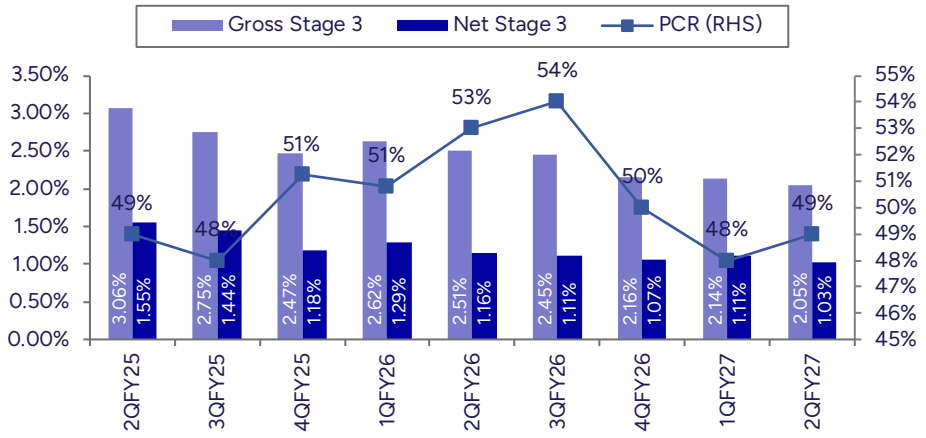

*Source: Company, PL*

**Exhibit 7: ...Consequently, reported NIM stood stable at 2.58%**




*Source: Company, PL*

**Exhibit 8:** GS3 stable QoQ at 2.05%; NS3 at 1.03%; PCR stood at 49%




*Source: Company, PL*

**Exhibit 9:** Liability mix over the quarters; NCDs dominate the mix with 45% share

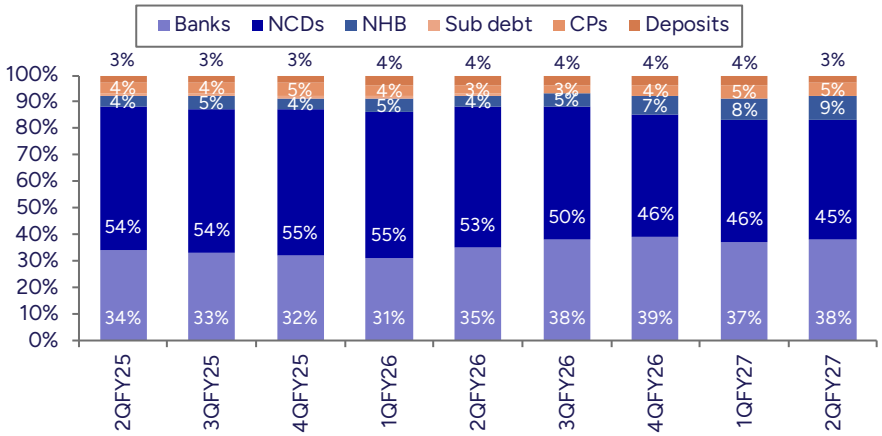
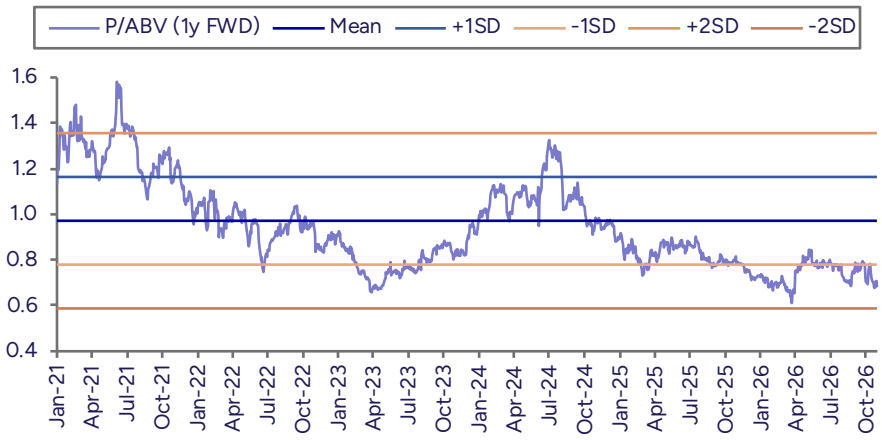



**Exhibit 10:** One-year forward P/ABV of LICHF trades at 0.7x




*Source: Company, PL*

## Quarterly Financials

| Y/e Mar | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | Q1FY27 | Q2FY27 |
|---|---|---|---|---|---|---|---|---|
| **Income statement (INR mn)** | | | | | | | | |
| Interest earned | 69,516 | 71,173 | 71,131 | 70,335 | 70,439 | 70,093 | 70,236 | 71,120 |
| Interest expended | 49,515 | 49,520 | 50,484 | 49,962 | 49,432 | 47,875 | 49,481 | 50,242 |
| **Net interest income** | **20,001** | **21,653** | **20,647** | **20,374** | **21,007** | **22,218** | **20,755** | **20,879** |
| Other income | 1,057 | 1,641 | 564 | 469 | 1,402 | 677 | 420 | 705 |
| Total income | 70,573 | 72,814 | 71,695 | 70,804 | 71,841 | 70,770 | 70,655 | 71,825 |
| **Operating expenses** | **3,564** | **4,569** | **3,003** | **3,075** | **3,580** | **4,350** | **3,933** | **3,324** |
| Employees | 2,044 | 1,761 | 1,595 | 1,429 | 1,763 | 1,624 | 1,840 | 1,367 |
| Others | 1,521 | 2,809 | 1,408 | 1,647 | 1,817 | 2,726 | 2,093 | 1,957 |
| **Operating profit** | **17,494** | **18,725** | **18,208** | **17,767** | **18,828** | **18,545** | **17,242** | **18,260** |
| **Provisions** | **(440)** | **1,029** | **1,217** | **720** | **1,403** | **(798)** | **(1,642)** | **(926)** |
| Profit before tax | 17,934 | 17,696 | 16,991 | 17,047 | 17,425 | 19,342 | 18,884 | 19,186 |
| Tax | 3,615 | 4,016 | 3,392 | 3,508 | 3,586 | 4,368 | 4,001 | 4,098 |
| **Profit after tax** | **14,319** | **13,680** | **13,599** | **13,539** | **13,840** | **14,974** | **14,883** | **15,088** |
| **Balance sheet (INR mn)** | | | | | | | | |
| AUM | 2,991,440 | 3,028,466 | 3,095,870 | 3,067,526 | 3,142,680 | 3,162,217 | 3,220,980 | 3,219,648 |
| *AUM growth (%)* | *6.4* | *7.9* | *7.2* | *4.1* | *5.1* | *4.4* | *4.0* | *5.0* |
| Disbursements | 154,750 | 191,560 | 131,160 | 163,130 | 160,960 | 210,190 | 150,140 | 181,270 |
| *Disbursal growth (%)* | *1.9* | *5.1* | *1.6* | *(1.0)* | *4.0* | *9.7* | *14.5* | *11.1* |
| Borrowings | 2,625,660 | 2,705,972 | 2,709,330 | 2,614,635 | 2,720,520 | 2,825,296 | 2,768,010 | 2,850,739 |
| *Borrowings growth (%)* | *7.1* | *7.2* | *6.8* | *1.6* | *3.6* | *4.4* | *2.2* | *9.0* |
| Debt / Equity (x) | 7.6 | 7.5 | 7.2 | 6.8 | 6.9 | 6.8 | 6.5 | 6.5 |
| Assets / Equity (x) | 8.9 | 8.7 | 8.6 | 8.3 | 8.3 | 7.9 | 7.8 | 7.5 |
| **Capital ratios (%)** | | | | | | | | |
| Total CAR | - | 23.2 | - | 24.2 | - | 25.5 | - | - |
| Tier-1 | - | 21.7 | - | 22.8 | - | 24.2 | - | - |
| Tier-2 | - | 1.5 | - | 1.4 | - | 1.3 | - | - |
| **Profitability ratios (%)** | | | | | | | | |
| Yield on AUM | 9.4 | 9.5 | 9.3 | 9.1 | 9.1 | 8.9 | 8.8 | 8.8 |
| Cost of funds | 7.6 | 7.4 | 7.5 | 7.5 | 7.4 | 6.9 | 7.1 | 7.2 |
| NIM | 2.6 | 2.8 | 2.6 | 2.6 | 2.7 | 2.8 | 2.6 | 2.6 |
| Spread | 1.7 | 2.0 | 1.8 | 1.6 | 1.7 | 2.0 | 1.7 | 1.7 |
| Cost / Income | 16.9 | 19.6 | 14.2 | 14.8 | 16.0 | 19.0 | 18.6 | 15.4 |
| Opex / AUM | 0.4 | 0.5 | 0.4 | 0.3 | 0.4 | 0.5 | 0.5 | 0.4 |
| RoA | 1.9 | 1.8 | 1.7 | 1.7 | 1.7 | 1.8 | 1.8 | 1.8 |
| RoE | 16.8 | 15.4 | 14.8 | 14.3 | 14.2 | 14.8 | 14.2 | 14.0 |
| **Asset quality ratios (%)** | | | | | | | | |
| GNPA | 2.8 | 2.5 | 2.6 | 2.5 | 2.5 | 2.2 | 2.1 | 2.1 |
| NNPA | 1.4 | 1.2 | 1.3 | 1.2 | 1.1 | 1.1 | 1.1 | 1.0 |
| Provision coverage | 48.0 | 51.2 | 50.8 | 53.0 | 54.0 | 50.0 | 48.0 | 49.0 |
| Credit costs | (0.1) | 0.1 | 0.2 | 0.1 | 0.2 | (0.1) | (0.2) | (0.1) |

*Source: Company, PL*

## Financials

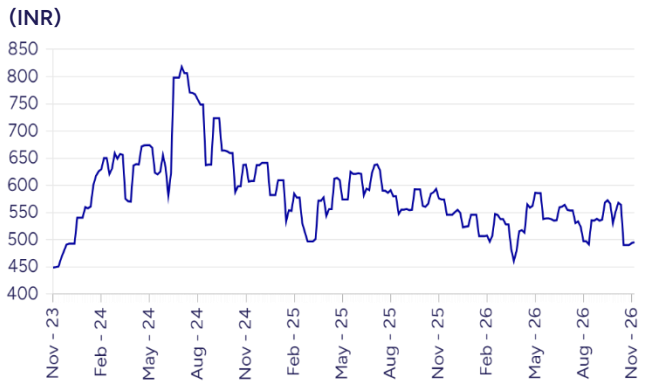
| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| **Profit & Loss (INR mn)** | | | | |
| Interest income | 281,997 | 292,390 | 308,122 | 333,018 |
| Interest expense | 197,752 | 206,451 | 220,804 | 240,677 |
| **NII** | **84,245** | **85,940** | **87,317** | **92,341** |
| Other income | 5,720 | 2,535 | 2,955 | 3,132 |
| Total income | 287,717 | 294,925 | 311,076 | 336,150 |
| Operating expenses | 13,618 | 14,571 | 14,559 | 14,914 |
| Employee | 6,411 | 7,052 | 7,757 | 8,532 |
| Others | 6,032 | 6,226 | 5,379 | 4,817 |
| **PPOP** | **76,347** | **73,903** | **75,713** | **80,559** |
| Provisions | 5,540 | (493) | 4,318 | 4,412 |
| PBT | 70,806 | 74,396 | 71,395 | 76,148 |
| Tax | 14,855 | 16,091 | 15,707 | 16,752 |
| **PAT** | **55,952** | **58,306** | **55,688** | **59,395** |
| **Growth ratios (%)** | | | | |
| AUM | 4.4 | 5.9 | 6.6 | 8.6 |
| Borrowings | 2.5 | 6.9 | 6.6 | 8.6 |
| NII | 3.7 | 2.0 | 1.6 | 5.8 |
| Opex | (2.3) | 7.0 | (0.1) | 2.4 |
| PPoP | 7.3 | (3.2) | 2.4 | 6.4 |
| Provisions | 112.2 | (108.9) | (975.8) | 2.2 |
| PAT | 3.1 | 4.2 | (4.5) | 6.7 |
| **Profitability ratios (%)** | | | | |
| Yield on AUM | 9.1 | 9.0 | 8.9 | 8.9 |
| Cost of funds | 7.2 | 7.2 | 7.2 | 7.3 |
| NIM | 2.7 | 2.6 | 2.5 | 2.5 |
| Spread | 1.9 | 1.8 | 1.7 | 1.6 |
| Other Income/Assets | 0.2 | 0.1 | 0.1 | 0.1 |
| Cost/Income | 16.2 | 17.4 | 18.9 | 19.6 |
| Opex/Assets | 0.4 | 0.4 | 0.4 | 0.4 |
| Tax Rate | 21.0 | 21.6 | 22.0 | 22.0 |
| RoA | 1.8 | 1.7 | 1.6 | 1.5 |
| RoE | 14.4 | 13.3 | 11.5 | 11.1 |
| **DuPont analysis (%)** | | | | |
| Interest income | 8.8 | 8.7 | 8.7 | 8.7 |
| Interest expense | 6.2 | 6.2 | 6.2 | 6.3 |
| NII | 2.6 | 2.6 | 2.5 | 2.4 |
| Other income | 0.2 | 0.1 | 0.1 | 0.1 |
| Total income | 9.0 | 8.8 | 8.8 | 8.8 |
| Operating expenses | 0.4 | 0.4 | 0.4 | 0.4 |
| Employee | 0.2 | 0.2 | 0.2 | 0.2 |
| Others | 0.2 | 0.2 | 0.2 | 0.2 |
| PPOP | 2.2 | 2.1 | 2.0 | 2.0 |
| Provisions | 0.2 | - | 0.1 | 0.1 |
| PBT | 2.2 | 2.2 | 1.9 | 1.9 |
| Tax | 0.5 | 0.5 | 0.4 | 0.4 |
| PAT | 1.7 | 1.7 | 1.6 | 1.5 |

*Source: Company, PL*

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| **Balance sheet (INR mn)** | | | | |
| Cash & Bank | 12,781 | 3,366 | 3,863 | 4,432 |
| Loans | 3,162,217 | 3,349,641 | 3,571,653 | 3,877,107 |
| Investments | 50,503 | 50,239 | 55,998 | 62,416 |
| Fixed Assets | 3,842 | 4,071 | 7,120 | 12,453 |
| Other Assets | 22,253 | 27,515 | 32,188 | 37,656 |
| **Total Assets** | **3,251,638** | **3,434,831** | **3,670,821** | **3,994,064** |
| Borrowings | 2,774,225 | 2,964,284 | 3,160,755 | 3,431,068 |
| Other Liabilities & Provisions | 64,158 | 8,782 | 966 | 3,409 |
| **Total Liabilities** | **2,838,383** | **2,973,066** | **3,161,720** | **3,434,477** |
| Share capital | 1,101 | 1,101 | 1,101 | 1,101 |
| Other equity | 412,155 | 460,665 | 508,000 | 558,486 |
| **Total equity** | **413,255** | **461,766** | **509,101** | **559,587** |
| **Total Liabilities & Equity** | **3,251,638** | **3,434,831** | **3,670,821** | **3,994,064** |
| **Balance Sheet ratios (%)** | | | | |
| Debt/Equity | 6.7 | 6.4 | 6.2 | 6.1 |
| Assets/Equity | 7.9 | 7.4 | 7.2 | 7.1 |
| Cash/Borrowings | - | - | - | - |
| CRAR | 22.1 | 23.2 | 23.9 | 24.2 |
| **Asset quality (%)** | | | | |
| GNPA (INR mn) | 81,986 | 88,262 | 94,881 | 101,998 |
| NNPA (INR mn) | 41,008 | 44,572 | 47,915 | 51,509 |
| GNPA | 2.2 | 2.0 | 2.0 | 1.9 |
| NNPA | 1.1 | 1.0 | 0.9 | 0.8 |
| PCR | 50.0 | 50.4 | 55.0 | 59.0 |
| Credit Cost | 0.2 | -0.0 | 0.1 | 0.1 |
| **Per share (Rs)** | | | | |
| EPS | 101.7 | 105.9 | 101.2 | 107.9 |
| BVPS | 750.8 | 839.0 | 925.0 | 1,016.7 |
| ABVPS | 676.3 | 758.0 | 837.9 | 923.1 |
| **Valuation (x)** | | | | |
| P/E | 4.9 | 4.7 | 4.9 | 4.6 |
| P/ABV | 0.7 | 0.7 | 0.6 | 0.5 |
| P/BV | 0.7 | 0.6 | 0.5 | 0.5 |

*Source: Company, PL*

### Price Chart




### Recommendation History

| No. | Date | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | 06-Oct-26 | HOLD | 520 | 502 |
| 2 | 31-Jul-26 | HOLD | 550 | 523 |
| 3 | 07-Jul-26 | HOLD | 575 | 549 |
| 4 | 14-May-26 | Hold | 575 | 560 |
| 5 | 09-Apr-26 | HOLD | 550 | 530 |
| 6 | 02-Feb-26 | Accumulate | 525 | 496 |
| 7 | 08-Jan-26 | BUY | 645 | 538 |
| 8 | 31-Oct-25 | Hold | 690 | 570 |
| 9 | 08-Oct-25 | BUY | 725 | 567 |
| 10 | 04-Aug-25 | BUY | 725 | 591 |

### Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | AAVAS Financiers | BUY | 1685 | 1126 |
| 2 | Bajaj Finance | BUY | 1150 | 957 |
| 3 | BSE | BUY | 4015 | 3305 |
| 4 | Can Fin Homes | BUY | 1090 | 736 |
| 5 | Cholamandalam Investment and Finance Company | BUY | 2000 | 1545 |
| 6 | HDFC Life Insurance Company | BUY | 765 | 551 |
| 7 | Home First Finance Company India | BUY | 1400 | 1014 |
| 8 | LIC Housing Finance | HOLD | 520 | 502 |
| 9 | Mahindra & Mahindra Financial Services | BUY | 350 | 297 |
| 10 | Max Financial Services | BUY | 2025 | 1231 |
| 11 | National Stock Exchange of India | Accumulate | 1950 | 1750 |
| 12 | SBI Life Insurance Company | BUY | 2200 | 1633 |
| 13 | Shriram Finance | BUY | 1200 | 865 |
| 14 | Sundaram Finance | Accumulate | 4850 | 4363 |

### PL's Recommendation Nomenclature (Absolute Performance)

| | | |
|---|---|---|
| **BUY** | : | > 15% |
| **Accumulate** | : | 5% to 15% |
| **Hold** | : | +5% to -5% |
| **Reduce** | : | -5% to -15% |
| **Sell** | : | < -15% |
| **Not Rated (NR)** | : | No specific call on the stock |
| **Under Review (UR)** | : | Rating likely to change shortly |

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