

Poonawalla continues to deliver strong growth, with AUM reaching ~Rs740bn (~+55% yoy), backed by strong disbursements across products (new businesses contributed ~28% to disbursements). PAT stood at ~Rs3.7bn (up ~22% qoq), while ROA expanded to ~2.18% (vs ~1.98% in 1QFY27), driven by margin expansion, with NIM plus fees improving 16bps qoq to 9.26%, and moderating credit costs. Asset quality improved steadily, with GNPA declining 17bps qoq to 1.20% and 6-MoB 30+ delinquency improving sharply to 0.35% (ex GL). Credit cost in 2Q improved by ~20bps sequentially to 2.2%, supported by robust collection efficiency of ~99.5% and contained slippages. Opex-to-AUM increased marginally to 4.15% due to front loading of investment in tech, collections, and branch infrastructure, while AI-driven productivity gains continued despite ongoing business investments. The management reiterated its focus on calibrated growth, with profitability expected to improve, led by strong pricing power and higher disbursement yields. The management expects potential fee caps from proposed insurance commission regulations to be comfortably absorbed via core lending spreads and cross-sell expansion. We retain REDUCE and Sep-27E TP of Rs410, implying FY28E PBV of 1.8x.

Credit cost and asset quality continue to improve

Poonawalla posted 2Q PAT of ~Rs3.75bn (~21.8% qoq increase), driving ROA to 2.18% (up from 1.98% in 1QFY27 and 0.69% in 2QFY26). This was primarily supported by improving margins (NIM + Fee at 9.26%) and reduced credit costs of 2.19% (down ~21bps qoq). Total AUM surged 55.1% yoy to ~Rs740bn, driven by healthy momentum, with new products contributing 28% to the disbursement mix. Asset quality continued to improve, with GNPA/NNPA settling at 1.20%/0.61%, respectively. The company highlighted that 6-MoB 30+ delinquencies dropped to 0.35% (from 0.67% in 1QFY27).

High growth, stronger yields, and AI-led productivity to drive ROA

The management expects strong growth momentum to continue, targeting a 35-40% AUM CAGR over the medium term, driven by scaling new businesses, aggressive gold loan branch expansion, and deeper digital cross-selling. The focus remains firmly on structural, predictable profitability, which is expected to be supported by margin expansion led by strong pricing power, with incremental disbursement yields ~200bps higher than the portfolio yield. Operating leverage is projected to build over the next two years, balancing front-loaded opex with significant AI-driven productivity gains (84 live enterprise AI projects that are actively lowering acquisition costs and enhancing operational efficiency). Finally, on asset quality, the management expects credit costs to improve, attributing the portfolio's resilience to rigorous, AI-backed cohort calibration, and superior early-vintage performance.

Adjust our estimates marginally; Maintain REDUCE and TP of Rs410

Factoring in 2Q performance, we tweak our FY27-29 estimates marginally; this leads to EPS estimates increasing by 1-2% over FY27-29 (Exhibit 2). We retain REDUCE and maintain Sep-27E TP of Rs410, implying 1.8x FY28E PBV, assuming an equity raise of Rs30bn in FY28E at Rs450/sh.

Poonawalla Fincorp: Financial Snapshot (Standalone)

Y/E 2026 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	(984)	5,419	14,198	20,691	30,008
AUM growth (%)	42.5	69.4	50.0	40.0	35.0
NII growth (%)	21.1	43.0	66.6	43.1	35.5
NIMs (%)	7.8	7.0	7.4	7.4	7.3
PPOP growth (%)	2.0	36.4	84.2	43.1	39.6
Adj. EPS (Rs)	(1.3)	6.7	16.2	21.9	31.8
Adj. EPS growth (%)	0	0	141.9	35.4	45.0
Adj. BV (INR)	105.1	127.1	159.6	230.4	257.4
Adj. BVPS growth (%)	(0.2)	21.0	25.5	44.3	11.7
RoA (%)	(0.3)	1.1	1.9	1.9	2.0
RoE (%)	(1.2)	5.9	11.7	11.6	13.0
P/E (x)	(351.5)	66.9	27.6	20.4	14.1
P/ABV (x)	4.3	3.5	2.8	1.9	1.7

Source: Company, Emkay Research

Target Price – 12M	Sep-27
Change in TP (%)	-
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(8.3)

Stock Data	POONAWAL IN
52-week High (Rs)	545
52-week Low (Rs)	361
Shares outstanding (mn)	880.6
Market-cap (Rs bn)	394
Market-cap (USD mn)	4,072
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	1.9
ADTV-3M (Rs mn)	664.4
ADTV-3M (USD mn)	6.9
Free float (%)	37.4
Nifty-50	22,520.4
INR/USD	96.7

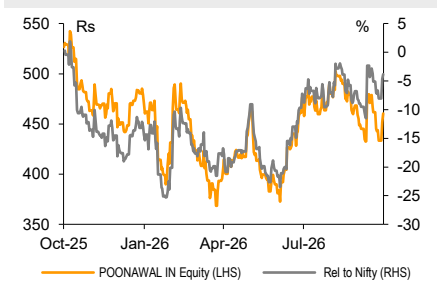
Shareholding, Sep-26

Promoters (%)	59.0
FPIs/MFs (%)	11.6/17.2

Price Performance

(%)	1M	3M	12M
Absolute	(0.3)	(3.6)	(15.7)
Rel. to Nifty	3.7	2.6	(5.8)

1-Year share price trend (Rs)



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Exhibit 1: Actual vs Estimates – 2QFY27 results

Poonawalla Fincorp 2QFY27 results	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	qoq	yoy	1QFY27E (Emkay)	Variance
NII	7,644	9,209	10,495	11,968	13,801	15.3%	80.5%	13,365	3.3%
Total income	9,050	10,798	12,763	14,153	15,894	12.3%	75.6%	15,729	1.0%
Opex	5,184	5,520	5,816	6,307	7,124	13.0%	37.4%	6,814	4.6%
PPOP	3,866	5,278	6,947	7,846	8,770	11.8%	126.9%	8,915	-1.6%
Provision	2,877	3,275	3,536	3,733	3,757	0.6%	30.6%	3,951	-4.9%
PBT	989	2,002	3,411	4,113	5,013	21.9%	406.9%	4,964	1.0%
PAT	742	1,503	2,548	3,077	3,749	21.8%	405.1%	3,713	0.9%
AUM	477,010	550,170	603,480	670,540	740,080	10.4%	55.1%	739,500	0.1%
Credit cost	2.59%	2.55%	2.45%	2.34%	2.13%	-21bps	-46bps	2.24%	-11bps
GS3	1.59%	1.51%	1.44%	1.37%	1.20%	-17bps	-39bps	1.4%	-15bps
NS3	0.81%	0.80%	0.74%	0.70%	0.61%	-9bps	-20bps	0.7%	-9bps
PCR	50%	48%	49%	49%	49%	3bps	-51bps	49%	14bps

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
AUM	905,220	905,220	0.0%	1,267,308	1,267,308	0.0%	1,710,866	1,710,866	0.0%
Net interest income	54,690	56,199	2.8%	78,764	80,393	2.1%	107,424	108,913	1.4%
Operating expenses	64,489	64,620	0.2%	89,798	90,327	0.6%	122,503	122,782	0.2%
PPOP	29,005	29,005	0.0%	39,377	39,377	0.0%	51,672	51,672	0.0%
Credit cost	35,483	35,615	0.4%	50,420	50,950	1.0%	70,832	71,111	0.4%
PAT	16,685	16,685	0.0%	23,362	23,362	0.0%	31,101	31,101	0.0%
Adj PAT	14,099	14,198	0.7%	20,294	20,691	2.0%	29,798	30,008	0.7%
Adj EPS (Rs)	14,099	14,198	0.7%	20,294	20,691	2.0%	29,798	30,008	0.7%
Networth	16.1	16.2	0.7%	21.5	21.9	2.0%	31.6	31.8	0.7%
BVPS (Rs)	139,964	140,048	0.1%	217,081	217,502	0.2%	242,409	243,009	0.2%
	159.5	159.6	0.1%	229.9	230.4	0.2%	256.8	257.4	0.2%
AUM growth									
NIM	50.0%	50.0%	0bps	40.0%	40.0%	0bps	35.0%	35.0%	0bps
NIM+Fees	7.2%	7.4%	20bps	7.3%	7.4%	15bps	7.2%	7.3%	10bps
Opex-to-AUM ratio	8.5%	8.6%	2bps	8.3%	8.3%	5bps	8.2%	8.2%	2bps
Cost-to-Income ratio	3.8%	3.8%	0bps	3.6%	3.6%	0bps	3.5%	3.5%	0bps
Credit cost	45.0%	44.9%	-9bps	43.9%	43.6%	-26bps	42.2%	42.1%	-10bps
ROA	2.21%	2.21%	0bps	2.2%	2.2%	0bps	2.1%	2.1%	0bps
ROE	1.9%	1.9%	1bps	1.9%	1.9%	4bps	2.0%	2.0%	1bps

Source: Company, Emkay Research

Exhibit 3: Valuation metrics

	CMP/TP (Rs)	Upside	Mkt Cap (Rs bn)	PBV (x)			PER (x)			ROA (%)			ROE (%)			Book Value (Rs/sh)			Adj EPS (Rs)		
				FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
At current market price	447	-8.3%	394	2.8	1.9	1.7	27.6	20.4	14.1	1.9	1.9	2.0	11.7	11.6	13.0	160	230	257	16.2	21.9	31.8
At target price	410			2.6	1.8	1.6	25.3	18.7	12.9	1.9	1.9	2.0	11.7	11.6	13.0	160	230	257	16.2	21.9	31.8

Source: Company, Emkay Research

Exhibit 4: Quarterly earnings snapshot

Particulars (Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	qoq chg	yoy chg
Interest income	14,022	16,597	18,936	21,184	24,155	14.0%	72.3%
Interest expenses	6,378	7,387	8,441	9,217	10,355	12.3%	62.3%
NII	7,644	9,209	10,495	11,968	13,801	15.3%	80.5%
Other income	1,405	1,589	2,268	2,185	2,093	-4.2%	48.9%
Net operating income	9,050	10,798	12,763	14,153	15,894	12.3%	75.6%
Operating expenses	5,184	5,520	5,816	6,307	7,124	13.0%	37.4%
PPOP	3,866	5,278	6,947	7,846	8,770	11.8%	126.9%
Provisions	2,877	3,275	3,536	3,733	3,757	0.6%	30.6%
Credit costs	2.59%	2.55%	2.45%	2.34%	2.13%	-21bps	-46bps
Extraordinary items	-	-	-	-	-		
Profit before tax	989	2,002	3,411	4,113	5,013	21.9%	406.9%
Tax	247	500	863	1,036	1,265	22.1%	412.2%
Tax rate	25.0%	25.0%	25.3%	25.2%	25.2%		
PAT	742	1,503	2,548	3,077	3,749	21.8%	405.1%
Adj PAT	742	1,503	2,548	3,077	3,749	21.8%	405.1%
GS3	1.59%	1.51%	1.44%	1.37%	1.20%	-17bps	-39bps
NS3	0.81%	0.80%	0.74%	0.70%	0.61%	-9bps	-20bps
PCR	49.7%	47.8%	49.0%	49.1%	49.1%	3bps	-51bps
AUM	477,010	550,170	603,480	670,540	740,080	10.4%	55.1%
Networth	98,220	99,960	103,482	130,602	137,031	4.9%	39.5%

Source: Company, Emkay Research

Exhibit 5: AUM trend

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
AUM (Rs bn)	284	310	356	413	477	550	603	671	740
Growth, qoq	5.3%	9.1%	15.0%	15.8%	15.6%	15.3%	9.7%	11.1%	10.4%
Growth, yoy	40.5%	41.2%	42.5%	53.0%	68.0%	77.6%	69.4%	62.5%	55.1%

Source: Company, Emkay Research

Exhibit 6: Provision break-up

(Rs mn)	2QFY25	3QFY25	4QY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Total provision	9,144	3,479	2,526	2,411	2,877	3,275	3,536	3,733	3,757
Incremental provision	7,370	-3,000	-1,710	-480	-960	80	185	495	560
Write-off	1,774	6,479	4,236	2,891	3,837	3,195	3,351	3,238	3,197
W/o as % of opening gross assets (annualized)	2.9%	9.9%	5.8%	3.4%	4.0%	2.9%	2.6%	2.3%	2.0%

Source: Company, Emkay Research

Exhibit 7: PCR movement across stages

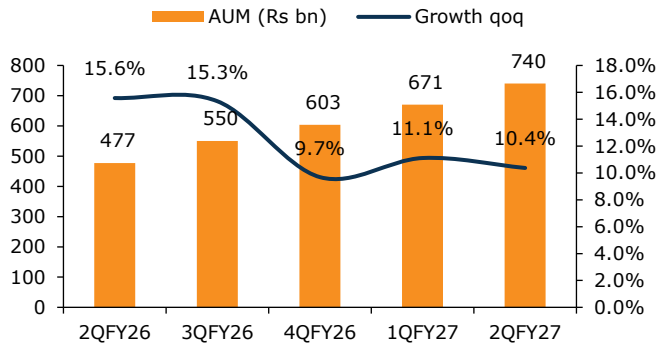
	2QFY25	3QFY25	4QY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Stage 1	2.80%	2.10%	1.30%	1.00%	0.70%	0.60%	0.60%	0.57%	0.63%
Stage 2	34.3%	30.4%	27.3%	23.7%	23.6%	22.9%	19.0%	17.9%	14.6%
Stage 3	84.47%	56.79%	54.47%	53.93%	49.65%	47.75%	49.00%	49.11%	49.14%

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

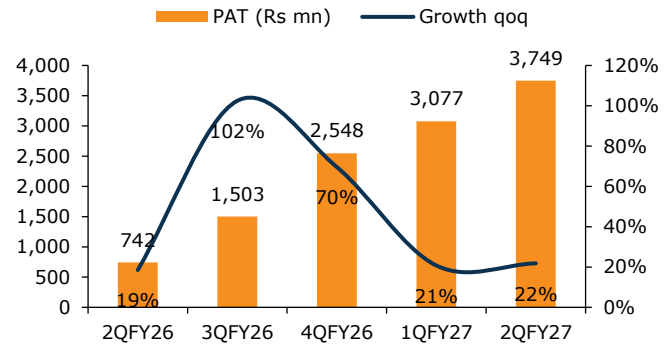
Results in charts

Exhibit 8: Strong AUM growth led by improving disbursement share of new product



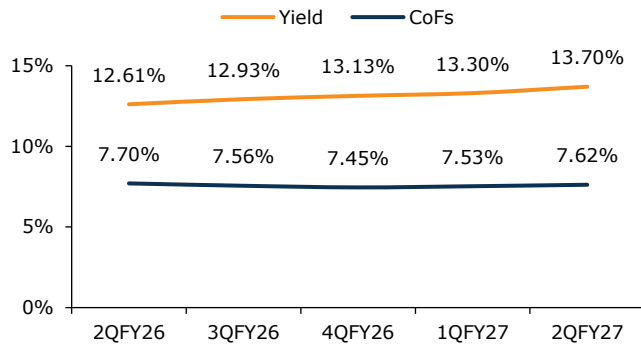
Source: Company, Emkay Research

Exhibit 9: Improving profitability led by improving credit cost and margin



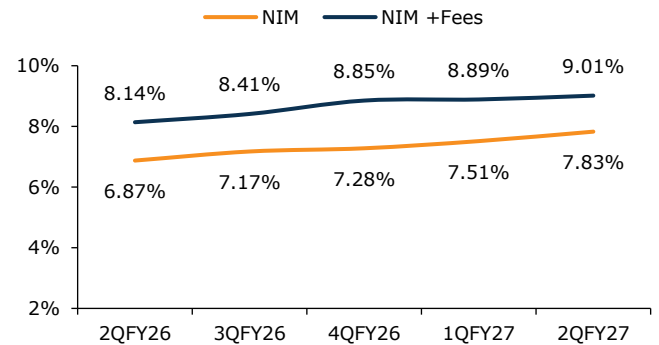
Source: Company, Emkay Research

Exhibit 10: Yield improves as asset mix changes



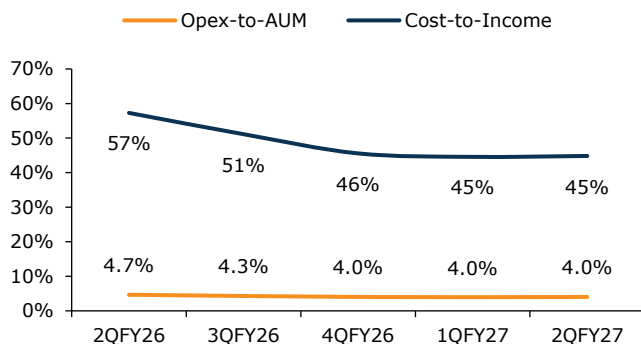
Source: Company, Emkay Research

Exhibit 11: Margins to improve as share of new products increases



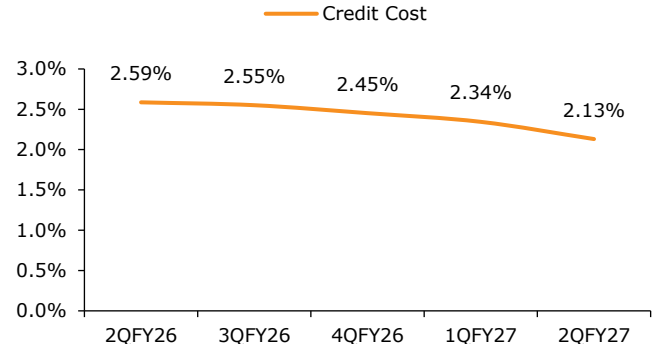
Source: Company, Emkay Research

Exhibit 12: Investments in tech have started yielding returns



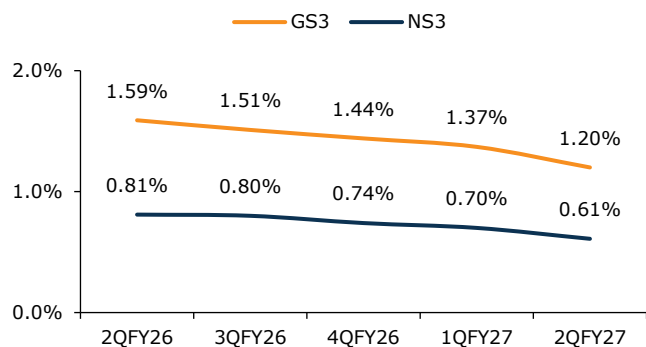
Source: Company, Emkay Research

Exhibit 13: Credit cost improvement led by improving collection underwriting

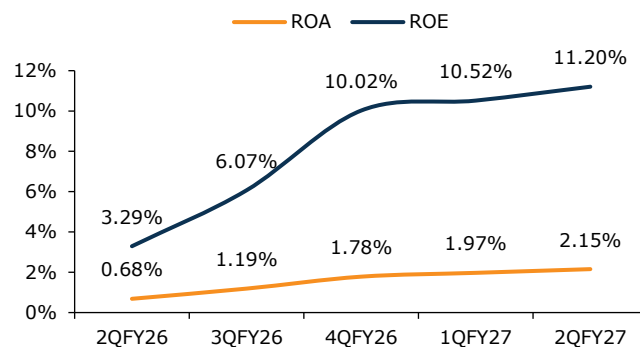


Source: Company, Emkay Research

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Exhibit 14: Improving asset quality


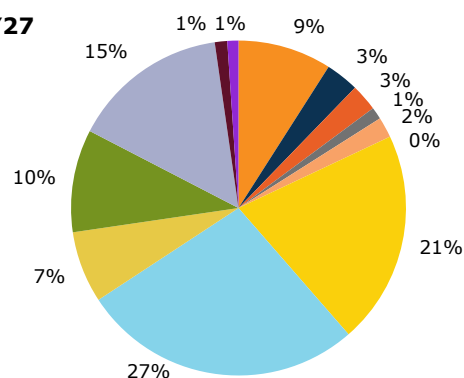
Source: Company, Emkay Research

Exhibit 15: Profitability improves sequentially


Source: Company, Emkay Research

Exhibit 16: AUM mix

- Prime Personal Loan
- Gold Loan
- Education Loan
- Consumer Durable Loan
- Commercial Vehicle Loan
- Shopkeeper Loan
- Instant Consumer Loan
- Loan against Property
- Pre-owned Car Loan
- Business Loan
- Mid-market
- Machinery & Medical Equip Loan
- Professional Loan

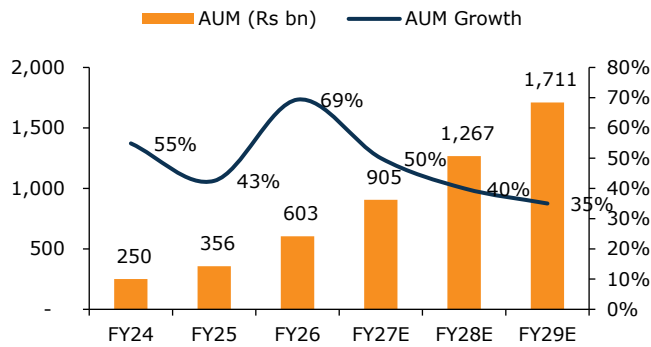
2QFY27


Source: Company, Emkay Research

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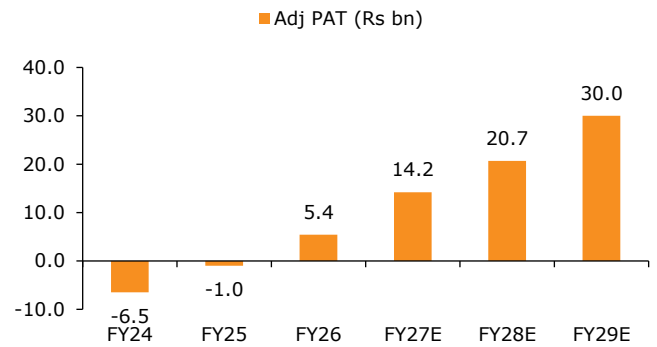
Story in charts

Exhibit 17: Strong growth momentum to continue over the medium term



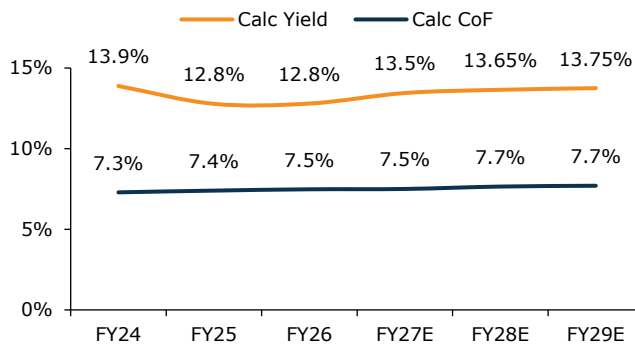
Source: Company, Emkay Research

Exhibit 18: PAT CAGR of ~77% over FY26-29E



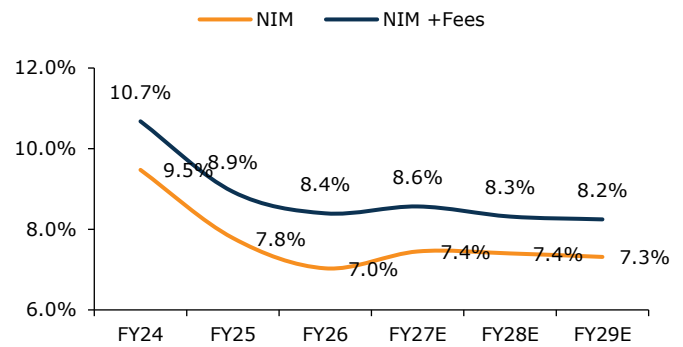
Source: Company, Emkay Research

Exhibit 19: Yield and COFs to improve, as asset mix changes



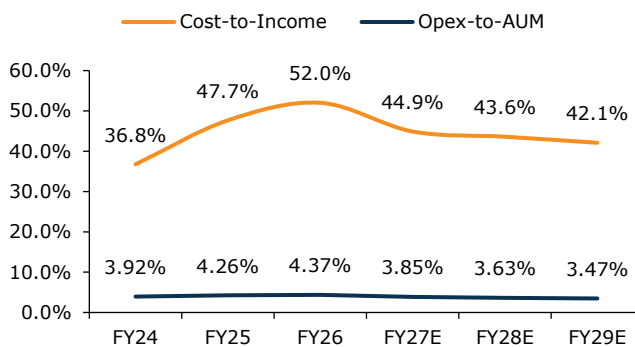
Source: Company, Emkay Research

Exhibit 20: Fee income impact due to new insurance regulation



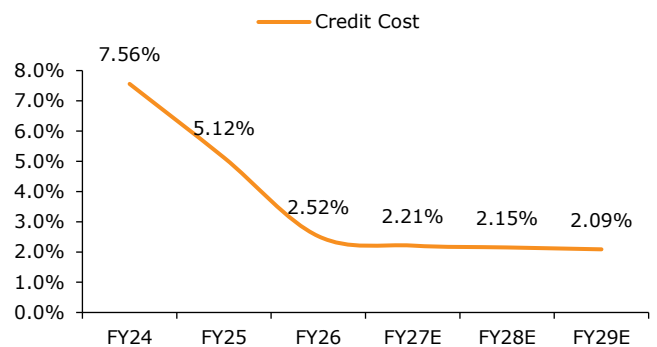
Source: Company, Emkay Research

Exhibit 21: Opex to moderate as efficiency improves



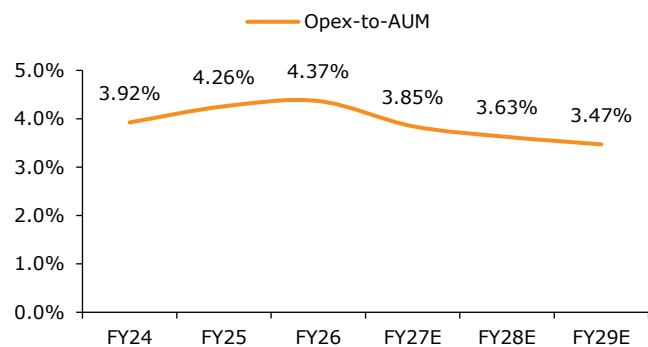
Source: Company, Emkay Research

Exhibit 22: Credit cost to be range-bound

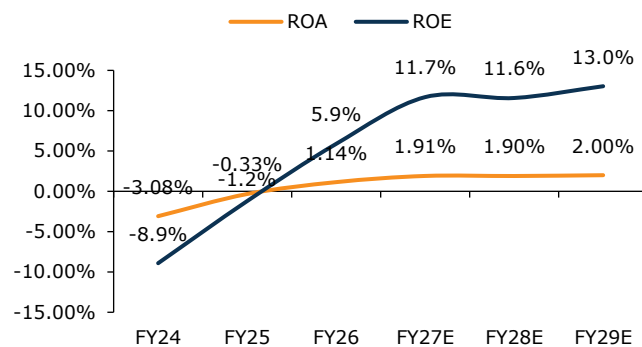


Source: Company, Emkay Research

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Exhibit 23: Asset quality to be stable


Source: Company, Emkay Research

Exhibit 24: ROA/ROE expansion led by improving operating metrics


Source: Company, Emkay Research

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Earnings call highlights

- The management stated that 2Q marks an inflection point in establishing a self-sustaining earnings engine, translating into a structural lift in profitability. ROA strengthened significantly to 2.18% (vs 1.98% in 1QFY27 and 0.69% in 2QFY26), highlighting enhanced efficiency, disciplined execution, and superior capital allocation.
- Business momentum remained strong, with AUM reaching Rs740bn, growing 55.1% yoy and 10.4% qoq. Newly launched products have achieved the required scale and contributed 28% to total disbursements in 2Q (vs 26% in 1QFY27 and 24% in 4QFY26), reflecting steady scaling and increasing predictability of future earnings.
- NIM+Fee expanded by 16bps qoq to 9.26% (vs 9.10% in 1QFY27), sustaining above 9% over the last three quarters. Portfolio yield increased by ~45bps to 14.08%, led by higher disbursement yields (~200bps) vs Portfolio yields
- Credit metrics showed steady improvement, with credit costs declining by 21bps qoq to 2.19% (vs 2.40% in 1QFY27 and 2.51% in 4QFY26). GNPA improved to 1.20% (vs 1.37% in 1QFY27), while NNPA declined to 0.61% (vs 0.70% in 1QFY27), reflecting solid portfolio quality, precise credit calibration, and high-efficiency collections.
- Early risk indicators also improved significantly, with 6-MoB 30+ delinquency dropping to 0.35% (excluding Gold Loans), down 32bps from 0.67% in 1Q. Additionally, 12-MoB 90+ for originations post-September 2024 showed an improvement of over 53% compared with the prior year's cohort.
- Operating efficiency remained resilient, with Opex-to-AUM at 4.15%. The management noted this reflects front-loaded pre-investments in collection capacity.
- In the prime personal loan segment, the digital PL 24x7 straight-through journey gained further traction, now contributing ~42% of PL disbursements (vs ~38% in 1Q). Average monthly disbursements reached ~Rs5.77bn, representing an 8% qoq growth.
- The Gold Loan business scaled up significantly, with operations live across 550 branches (adding 90 branches in 2Q alone) and monthly average disbursements reaching ~Rs3.55bn (total 2Q disbursements of Rs10.66bn vs Rs8.35bn in 1Q). The company remains on track to add ~400 new branches during FY27 with the management highlighting that new branches typically achieve breakeven in around 13 months.
- The consumer durables financing business demonstrated aggressive expansion, scaling to 20,000+ dealer points across 360 locations, delivering average monthly disbursements of ~Rs2.02bn (total 2Q disbursements of Rs6.06bn vs Rs4.33bn in 1Q). The management highlighted a strategic focus on consumer durables to potentially double the customer franchise this year, leveraging this low-cost customer acquisition funnel to drive high-margin cross-sell opportunities.
- In commercial segments, the company continues calibrated expansion, with CV disbursements averaging ~Rs1.27bn monthly and the distribution network scaling up to over 1,250 channel partners across 90+ locations in 13 states.
- Education loans scaled steadily, with average monthly disbursements reaching ~Rs2.18bn (peaking at Rs2.63bn in Aug-26). The network expanded to 700 consultant partners across 50 locations, with instant digital-sanction platforms processing ~35% of cases fully digitally.
- Digital and AI adoption continues to deepen, with total AI projects expanding from 101 to 143, of which 84 are live in production (34 delivered in 2Q alone). The transition has shifted toward platformization, allowing agents and components to be reused across departments.
- AI-led platforms are driving measurable revenue and efficiency gains; conversational agents and voice-bot dialers are actively influencing monthly disbursement growth. The AI marketing factory (14 specialized creative agents) generated over 2,200 assets

delivering 1.5x–2x higher click-through rates at 60% lower costs than traditional agency models.

- The multi-product cross-sell engine has been set up and is beginning to deliver results. The management emphasized that since customer acquisition costs are paid upfront, every additional product taken by the customer will act as a continuous multiplier for unit economics and operating leverage.
- The funding profile remained stable, with long-term borrowings accounting for 88.92% of total borrowings. Cost of borrowing saw an uptick to 7.76% (vs 7.72% in 1QFY27). The management expressed full confidence in containing borrowing costs and passing on interest rate hikes, supported by a fixed-rate NCD profile (~31%) and a ~200bps differential between disbursement yields and portfolio yields.
- Capital adequacy remains strong, with CAR at 18.68% (Tier 1 at 17.15%), providing sufficient headroom for growth. Following the QIP capital raise of Rs25bn in Apr-26, debt-to-equity leverage stands comfortably at 4.30x, while LCR stands at a robust 194%.
- Addressing potential regulatory changes on insurance commission structures and fee compression, the management expressed strong confidence in absorbing any impact. They emphasized that robust core lending spreads, expanding operating leverage, and accelerating cross-sell capabilities position the company in a sweet spot to fully absorb fee impact without affecting overall profitability

■ **Guidance/Outlook**

- The company maintains a target of 35-40% AUM CAGR over the next couple of years while expanding margins.
- Operating leverage is expected to continue playing out, structurally aided by rising cross-sell penetration and highly efficient digital distribution.
- Credit cost is anticipated to stabilize/improve structurally, supported by front-loaded investments in collections and lower-risk, and diversified asset mixes.
- Sustained ROA expansion is projected, driven by positive momentum across core lending spreads, optimizing Opex-to-AUM over a two-year window, and improving asset quality.

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Poonawalla Fincorp: Standalone Financials and Valuations

Profit & Loss					
Y/E 2026 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	38,745	61,408	101,460	148,275	204,749
Interest Expense	15,151	27,667	45,261	67,882	95,836
Net interest income	23,594	33,741	56,199	80,393	108,913
NII growth (%)	21.1	43.0	66.6	43.1	35.5
Non interest income	3,483	6,548	8,421	9,934	13,869
Total income	27,078	40,290	64,620	90,327	122,782
Operating expenses	12,906	20,954	29,005	39,377	51,672
PPOP	14,172	19,336	35,615	50,950	71,111
PPOP growth (%)	2.0	36.4	84.2	43.1	39.6
Provisions & contingencies	15,526	12,099	16,685	23,362	31,101
PBT	(1,354)	7,237	18,930	27,588	40,010
Extraordinary items	0	0	0	0	0
Tax expense	(371)	1,818	4,733	6,897	10,003
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	(984)	5,419	14,198	20,691	30,008
PAT growth (%)	0	0	162.0	45.7	45.0
Adjusted PAT	(984)	5,419	14,198	20,691	30,008
Diluted EPS (Rs)	(1.3)	6.7	16.2	21.9	31.8
Diluted EPS growth (%)	0	0	141.9	35.4	45.0
DPS (Rs)	0	0	2.4	3.3	4.8
Dividend payout (%)	0	0	15.0	15.0	15.0
Effective tax rate (%)	27.4	25.1	25.0	25.0	25.0
Net interest margins (%)	7.8	7.0	7.4	7.4	7.3
Cost-income ratio (%)	47.7	52.0	44.9	43.6	42.1
PAT/PPOP (%)	(6.9)	28.0	39.9	40.6	42.2
Shares outstanding (mn)	772.9	810.0	877.4	944.1	944.1

Source: Company, Emkay Research

Balance Sheet					
Y/E 2026 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	1,546	1,620	1,755	1,888	1,888
Reserves & surplus	79,690	101,360	138,293	215,614	241,120
Net worth	81,236	102,980	140,048	217,502	243,009
Borrowings	258,810	480,980	725,986	1,048,697	1,440,549
Other liabilities & prov.	8,890	18,250	20,988	24,136	27,756
Total liabilities & equity	348,936	602,210	887,022	1,290,335	1,711,314
Net loans	326,950	559,510	838,785	1,173,257	1,581,525
Investments	13,410	24,900	26,145	27,452	28,825
Cash, other balances	320	2,940	6,560	72,945	83,039
Interest earning assets	340,680	587,350	871,490	1,273,654	1,693,389
Fixed assets	1,850	6,770	7,447	8,192	9,011
Other assets	6,406	8,090	8,085	8,489	8,914
Total assets	348,936	602,210	887,022	1,290,335	1,711,314
BVPS (Rs)	105.1	127.1	159.6	230.4	257.4
Adj. BVPS (INR)	105.1	127.1	159.6	230.4	257.4
Gross loans	336,600	567,990	851,985	1,192,779	1,610,252
Total AUM	356,310	603,480	905,220	1,267,308	1,710,866
On balance sheet	336,600	567,990	851,985	1,192,779	1,610,252
Off balance sheet	19,710	35,490	53,235	74,529	100,614
Disbursements	302,410	0	0	0	0
Disbursements growth (%)	(9.2)	0	0	0	0
Loan growth (%)	48.3	71.1	49.9	39.9	34.8
AUM growth (%)	42.5	69.4	50.0	40.0	35.0
Borrowings growth (%)	71.6	85.8	50.9	44.5	37.4
Book value growth (%)	(0.2)	21.0	25.5	44.3	11.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E 2026 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
GNPL - Stage 3	6,190	8,180	11,502	16,699	25,764
NNPL - Stage 3	2,820	4,170	5,866	8,349	12,882
GNPL ratio - Stage 3 (%)	1.8	1.4	1.4	1.4	1.6
NNPL ratio - Stage 3 (%)	0.9	0.7	0.7	0.7	0.8
ECL coverage - Stage 3 (%)	54.4	49.0	49.0	50.0	50.0
ECL coverage - 1 & 2 (%)	1.9	0.8	0.9	1.0	1.0
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	0	0	1.1	1.4	1.4
Total credit costs (%)	5.1	2.5	2.2	2.2	2.1
NNPA to networth (%)	3.5	4.0	4.2	3.8	5.3
Capital adequacy					
Total CAR (%)	22.9	16.8	15.3	16.9	14.2
Tier-1 (%)	21.7	15.9	14.4	16.0	13.2
Miscellaneous					
Total income growth (%)	23.3	48.8	60.4	39.8	35.9
Opex growth (%)	59.9	62.4	38.4	35.8	31.2
PPOP margin (%)	4.7	4.0	4.7	4.7	4.8
Credit costs-to-PPOP (%)	109.6	62.6	46.8	45.9	43.7
Loan-to-Assets (%)	93.7	92.9	94.6	90.9	92.4
Yield on loans (%)	12.8	12.8	13.5	13.7	13.8
Cost of funds (%)	7.4	7.5	7.5	7.7	7.7
Spread (%)	5.4	5.3	6.0	6.0	6.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E 2026	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	(351.5)	66.9	27.6	20.4	14.1
P/B (x)	4.3	3.5	2.8	1.9	1.7
P/ABV (x)	4.3	3.5	2.8	1.9	1.7
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0	0	0.5	0.7	1.1
Dupont-RoE split (%)					
NII/avg AUM	7.8	7.0	7.4	7.4	7.3
Other income	0.8	0.9	0.9	0.8	0.8
Securitization income	-	-	-	-	-
Opex	2.2	2.2	2.1	2.1	2.1
Employee expense	2.1	2.1	1.7	1.5	1.4
PPOP	4.7	4.0	4.7	4.7	4.8
Provisions	5.1	2.5	2.2	2.2	2.1
Tax expense	(0.1)	0.4	0.6	0.6	0.7
RoAUM (%)	(0.3)	1.1	1.9	1.9	2.0
Leverage ratio (x)	3.7	5.2	6.2	6.1	6.5
RoE (%)	(1.2)	5.9	11.7	11.6	13.0

Quarterly data					
Rs mn, Y/E Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
NII	7,644	9,209	10,495	11,968	13,801
NIM (%)	6.9	7.2	7.3	7.5	7.8
PPOP	3,866	5,278	6,947	7,846	8,770
PAT	742	1,503	2,548	3,077	3,749
EPS (Rs)	0.92	1.85	3.15	3.51	4.26

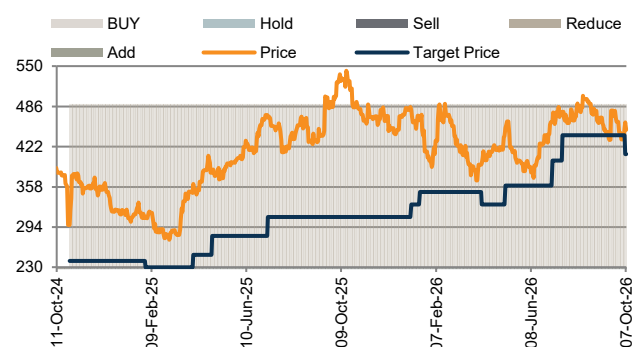
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
06-Oct-26	460	410	Reduce	Avinash Singh
18-Jul-26	477	440	Reduce	Avinash Singh
05-Jul-26	461	400	Reduce	Avinash Singh
06-May-26	452	360	Reduce	Avinash Singh
06-Apr-26	396	330	Reduce	Avinash Singh
17-Mar-26	406	350	Reduce	Avinash Singh
17-Jan-26	464	350	Reduce	Avinash Singh
06-Jan-26	479	330	Reduce	Avinash Singh
18-Oct-25	526	310	Reduce	Avinash Singh
06-Oct-25	531	310	Reduce	Avinash Singh
27-Jul-25	413	310	Reduce	Avinash Singh
07-Jul-25	468	310	Reduce	Avinash Singh
20-Jun-25	415	280	Reduce	Avinash Singh
05-Jun-25	405	280	Reduce	Avinash Singh
27-Apr-25	380	280	Reduce	Avinash Singh
10-Apr-25	352	250	Reduce	Avinash Singh
03-Apr-25	363	250	Reduce	Avinash Singh
27-Feb-25	283	230	Reduce	Avinash Singh
01-Feb-25	309	230	Reduce	Avinash Singh
06-Jan-25	313	240	Reduce	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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