

Strong quarter; confident on growth and profitability

BFSI - NBFCs ▶ Result Update ▶ October 16, 2026

CMP (Rs): 254 | TP (Rs): 330

LTF reported another strong quarter, with its highest-ever PAT of Rs9.7bn (+33% yoy) and AUM of Rs1.37trn (+28% yoy), led by robust disbursements in Gold Loans, Personal Loans, and SME. Credit costs declined 8bps qoq to 2.46%, aided by better collections and AI-led tools (Cyclops, Nostradamus). The management remains confident of >20% AUM growth, NIM+fees at 10–10.5%, and credit costs of ~2–2.2% by FY27 exit. It expects ROA to reach ~2.8–3.0% by FY27 exit and 3.0–3.2% by FY31. While monitoring the West Asia conflict and drought in some pockets, it sees no stress build-up, given limited exposure to affected areas (Rs10.3bn, ~3.3% of rural group loans/MFI book). On the IRDAI draft, the management expects a softer landing via FIDC, with offsets through payments/PPI fees, AI-led opex savings, and Hercules-led cross-sell. Strong growth in Gold Loans, Micro LAP, and Personal Loans, along with Hercules-led cross-sell, should support growth and margins. The record-low COF of 6.95% provides a cushion against further repo hikes. Factoring in the recent performance and outlook, we adjust our estimates marginally, while maintaining BUY and Sep-27E TP of Rs330, implying an FY28E PBV 2.4x.

Strong quarter; lower COF drives profitability

LTF reported a strong quarter, with PAT of Rs9.7bn (+6%/33% qoq/yoy), beating our estimates, mainly due to lower-than-expected COF. AUM grew 5%/28% qoq/yoy, led by healthy retail disbursements (~Rs240bn, +27% yoy). NIM+fees was stable at 10.48%, as ~34bps qoq NIM expansion to 8.88% was offset by lower fee and other income (1.60% vs 1.93%). The NIM gain came from a 25bps qoq fall in COF to a record-low 6.95%. Opex-to-AUM rose slightly to 4.08% on branch and tech investments, while credit cost declined 8bps qoq to 2.46%. Asset quality improved, with GS3/NS3 at 2.75%/0.85%, and ROA/ROE stood at 2.60%/13.56%.

Lakshya 2031 intact; 2H momentum to strengthen further

LTF expects business momentum to strengthen in 3Q on festive demand and a calibrated rural pickup, with RBF collection efficiency steady at 99.7–99.8%. It remains confident of its Lakshya 2031 targets, with credit costs expected to fall to ~2–2.2% by 4QFY27 (≤2% over the medium term), supported by Cyclops-led underwriting, a prime-focused book, and CGFMU/CGTMSE cover. Despite further repo hikes, NIM+fees should stay around the middle of the 10–10.5% range, aided by a record-low COF of 6.95%, locked-in funding (for the next 3–4 quarters), and HL repricing. LTF expects a softer landing on insurance fee income and is diversifying into payments/PPI and Hercules-led cross-sell. It plans ~800 gold loan branches by FY27 end and targets gold loan AUM of Rs400–450bn by FY31 (~14–15% of AUM). In personal loans, it expects the monthly run-rate to rise to Rs17–18bn from Rs14–15bn as Cyclops integration nears completion. Improving credit costs and operating leverage should drive ROA to ~2.8–3.0% by FY27 exit.

Marginally adjust estimates, reiterate BUY

Reflecting 2Q performance and developments, we marginally adjust our estimates and reiterate BUY with a Sep-27E TP of Rs330, implying 2.4x FY28E PBV. Key monitorables: IRDAI guidelines, rural asset quality, PL ramp-up, and COF trajectory amid repo hikes.

L&T Finance: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	26,434	29,829	39,614	44,149	57,976
AUM growth (%)	14.3	24.5	25.8	22.7	21.6
NII growth (%)	15.0	14.2	22.8	22.1	20.1
NIMs (%)	10.8	10.2	9.9	9.2	9.1
PPOP growth (%)	15.3	13.2	25.1	15.3	25.6
Adj. EPS (Rs)	10.7	11.9	15.9	17.7	23.2
Adj. EPS growth (%)	15.0	11.4	33.6	11.4	31.1
Adj. BV (INR)	102.5	111.7	123.7	137.0	154.4
Adj. BVPS growth (%)	8.8	9.0	10.7	10.7	12.7
RoA (%)	2.4	2.3	2.5	2.3	2.6
RoE (%)	10.9	11.1	13.5	13.6	16.0
P/E (x)	23.7	21.3	15.9	14.3	10.9
P/ABV (x)	2.5	2.3	2.0	1.9	1.6

Source: Company, Emkay Research

Target Price – 12M	Sep-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	29.9

Stock Data	LTF IN
52-week High (Rs)	339
52-week Low (Rs)	235
Shares outstanding (mn)	2,506.5
Market-cap (Rs bn)	635
Market-cap (USD mn)	6,691
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	6.1
ADTV-3M (Rs mn)	1,687.8
ADTV-3M (USD mn)	17.8
Free float (%)	32.2
Nifty-50	23,146.2
INR/USD	95.0

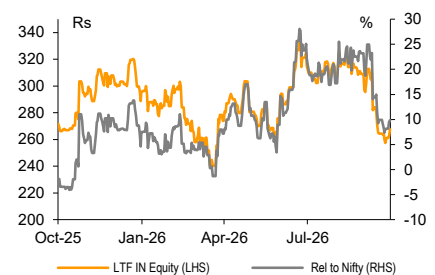
Shareholding, Sep-26

Promoters (%)	65.9
FPIs/MFs (%)	7.4/15.8

Price Performance

(%)	1M	3M	12M
Absolute	(14.2)	(18.1)	(5.8)
Rel. to Nifty	(13.9)	(14.8)	4.1

1-Year share price trend (Rs)



Avinash Singh

avinash.singh@emkayglobal.com
+91-22-66121327

Kishan Rungta

kishan.rungta@emkayglobal.com
+91-22-66242490

Harsh Saxena

harsh.saxena@emkayglobal.com
+91-22-66121284

Exhibit 1: LTF 2QFY27 results – Actual vs estimates

LTFH 2QFY27						Change		Emkay Estimate			
Results update	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	qoq	yoy	2QFY27	Variation	Consensus	Variation
NII	24,031	25,371	26,770	29,248	31,874	9.0%	32.6%	30,405	4.8%		
Net income	27,015	28,785	30,241	32,732	35,138	7.3%	30.1%	34,065	3.1%	33,796	4.0%
Opex	10,680	11,466	12,207	13,207	14,416	9.2%	35.0%	13,966	3.2%	12,779	12.8%
PPOP	16,335	17,319	18,034	19,525	20,722	6.1%	26.9%	20,099	3.1%	21,017	-1.4%
Provision	6,446	7,397	7,295	7,163	7,533	5.2%	16.9%	7,438	1.3%	7,973	-5.5%
PBT	9,889	9,922	10,739	12,363	13,188	6.7%	33.4%	12,661	4.2%	13,044	1.1%
PAT	7,349	7,380	8,092	9,160	9,728	6.2%	32.4%	9,407	3.4%	9,757	-0.3%
AUM	1,070,960	1,142,850	1,217,290	1,296,340	1,366,350	5.4%	27.6%	1,365,500	0.1%		
Disbursement	188,970	227,010	241,080	238,530	240,270	0.7%	27.1%	240,000	0.1%		
Retail AUM	1,046,070	1,119,900	1,195,090	1,275,360	1,345,990	5.5%	28.7%	1,345,000	0.1%		
Retail disbursement	188,840	227,010	241,080	238,530	240,270	0.7%	27.2%	240,000	0.1%		
Credit cost (calculated)	2.46%	2.67%	2.47%	2.28%	2.26%	-2bps	-20bps	2.2%	3bps		
Credit cost (reported)	2.41%	2.83%	2.64%	2.54%	2.46%	-8bps	5bps				
GS3	3.29%	3.19%	2.88%	2.86%	2.75%	-11bps	-54bps	2.85%	-10bps		
NS3	1.00%	0.92%	0.96%	0.90%	0.85%	-5bps	-15bps	0.90%	-5bps		

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	1,523,795	1,530,752	0.5%	1,860,226	1,878,095	1.0%	2,252,638	2,283,775	1.4%
Disbursement	1,043,519	1,050,476	0.7%	1,280,422	1,296,155	1.2%	1,548,852	1,574,783	1.7%
AUM growth (%)	25.2	25.8	57bps	22.1	22.7	61bps	21.1	21.6	51bps
Disbursement growth (%)	25.4	26.2	84bps	22.7	23.4	69bps	21.0	21.5	53bps
Net worth	310,067	309,729	-0.1%	343,535	343,024	-0.1%	387,523	386,690	-0.2%
Net interest income	121,833	121,521	-0.3%	148,434	148,423	0.0%	178,439	178,184	-0.1%
Total income	136,839	136,582	-0.2%	156,568	156,637	0.0%	189,049	188,950	-0.1%
Operating expense	51,457	52,193	1.4%	58,771	59,314	0.9%	66,569	66,757	0.3%
PPOP	85,382	84,389	-1.2%	97,797	97,322	-0.5%	122,480	122,193	-0.2%
Provision	31,460	31,073	-1.2%	38,066	37,903	-0.4%	43,871	44,163	0.7%
PBT	53,922	53,317	-1.1%	59,731	59,419	-0.5%	78,609	78,030	-0.7%
PAT	40,064	39,614	-1.1%	44,380	44,149	-0.5%	58,406	57,976	-0.7%
EPS (Rs)	16.1	15.9	-1.1%	17.8	17.7	-0.5%	23.4	23.2	-0.7%
BV (Rs)	123.8	123.7	-0.1%	137.2	137.0	-0.1%	154.7	154.4	-0.2%
NIM (%)	8.89	8.84	-5bps	8.77	8.71	-6bps	8.68	8.56	-11bps
NIMs + fees (%)	9.98	9.94	-4bps	9.25	9.19	-6bps	9.19	9.08	-11bps
Cost-to-income ratio (%)	37.60	38.21	61bps	37.54	37.87	33bps	35.21	35.33	12bps
Opex-to-AUM	3.75	3.80	4bps	3.47	3.48	1bps	3.24	3.21	-3bps
Credit costs (%)	2.30	2.26	-3bps	2.25	2.22	-3bps	2.13	2.12	-1bps
ROA (%)	2.55	2.52	-3bps	2.36	2.34	-3bps	2.61	2.57	-4bps
ROE (%)	13.67	13.52	-14bps	13.66	13.60	-5bps	16.05	15.96	-9bps

Source: Company, Emkay Research

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

Exhibit 3: Valuation metrics

				PABV (x)			PER (x)			ROA (%)			ROE (%)			Book value (Rs/sh)			Adj EPS (Rs)		
	CMP/ TP (Rs/sh)	Upside	Mkt Cap (Rs bn)	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
At current market price	253.5	30.2%	635.4	2.0	1.9	1.6	15.9	14.3	10.9	2.5	2.3	2.6	13.5	13.6	16.0	124	137	154	15.9	17.7	23.2
At target price	330.0			2.7	2.4	2.1	20.7	18.6	14.2	2.5	2.3	2.6	13.5	13.6	16.0	124	137	154	15.9	17.7	23.2

Source: Company, Emkay Research

Exhibit 4: Quarterly earnings snapshot

Particulars (Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy chg	qoq chg
Income from operations	40,374	42,401	44,240	48,949	51,578	27.8%	5.4%
Interest expenses	16,343	17,030	17,470	19,701	19,705	20.6%	0.0%
Net interest income	24,031	25,371	26,770	29,248	31,874	32.6%	9.0%
Other income	2,984	3,414	3,471	3,484	3,264	9.4%	-6.3%
Total income	27,015	28,785	30,241	32,732	35,138	30.1%	7.3%
Operating expenses	10,680	11,466	12,207	13,207	14,416	35.0%	9.2%
PPOP	16,335	17,319	18,034	19,525	20,722	26.9%	6.1%
Provisions	6,446	7,397	7,295	7,163	7,533	16.9%	5.2%
<i>Credit costs</i>	<i>2.5%</i>	<i>2.7%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.3%</i>	<i>-20bps</i>	<i>-2bps</i>
PBT	9,889	9,922	10,739	12,363	13,188	33.4%	6.7%
Tax	2,540	2,542	2,648	3,203	3,461	36.3%	8.1%
<i>Tax rate (%)</i>	<i>25.7%</i>	<i>25.6%</i>	<i>24.7%</i>	<i>25.9%</i>	<i>26.2%</i>		
Profit after tax	7,349	7,380	8,092	9,160	9,728	32.4%	6.2%
PAT adjusting for one-offs	7,349	7,380	8,092	9,160	9,728	32.4%	6.2%
AUM	1,070,960	1,142,850	1,217,290	1,296,340	1,366,350	27.6%	5.4%
Disbursement	188,970	227,010	241,080	238,530	240,270	27.1%	0.7%
Net worth	263,580	270,960	279,835	288,995	292,671	11.0%	1.3%
Credit cost	2.46%	2.67%	2.47%	2.28%	2.26%	-20bps	-2bps
GS3	3.29%	3.19%	2.88%	2.86%	2.75%	-54bps	-11bps
NS3	1.00%	0.92%	0.96%	0.90%	0.85%	-15bps	-5bps
PCR	70.3%	71.9%	67.3%	69.3%	69.8%	-52bps	47bps

Source: Company, Emkay Research

Exhibit 5: AUM and disbursement trends

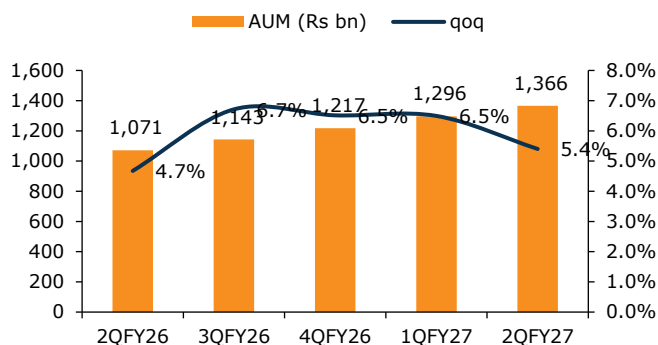
(Rs bn)	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
AUM	930	951	978	1,023	1,071	1,143	1,217	1,296	1,366
qoq	4.8%	2.3%	2.8%	4.7%	4.7%	6.7%	6.5%	6.5%	5.4%
Retail AUM	890	922	952	998	1,046	1,120	1,195	1,275	1,346
qoq	5.4%	3.7%	3.2%	4.9%	4.8%	7.1%	6.7%	6.7%	5.5%
	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Disbursement	152	152	149	175	189	227	241	239	240
qoq	1.0%	0.3%	-1.9%	17.5%	7.8%	20.1%	6.2%	-1.1%	0.7%
Retail Disbursement	151	152	149	175	189	227	241	239	240
qoq	1.7%	0.8%	-2.0%	17.6%	7.8%	20.2%	6.2%	-1.1%	0.7%

Source: Company, Emkay Research

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

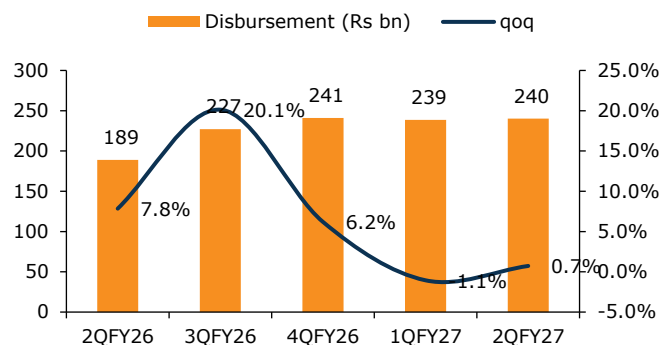
Results in charts

Exhibit 6: Strong AUM growth...



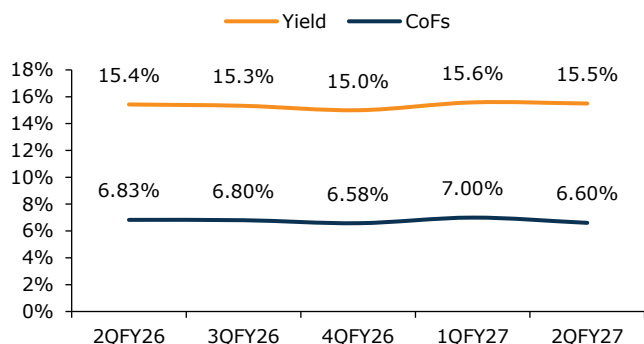
Source: Company, Emkay Research

Exhibit 7: ...led by strong disbursements across urban product segment



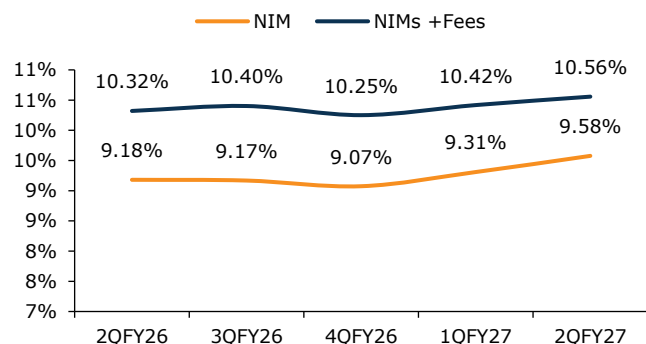
Source: Company, Emkay Research

Exhibit 8: Reported COFs declined 25bps qoq



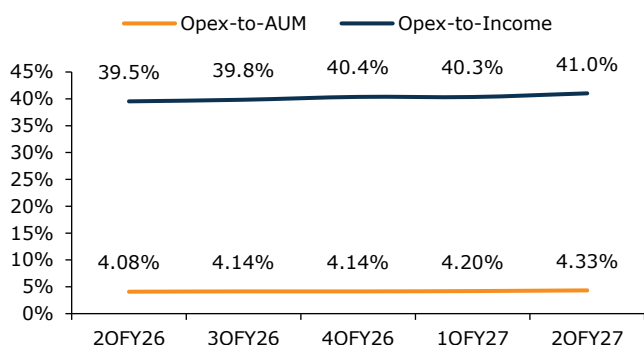
Source: Company, Emkay Research

Exhibit 9: Reported NIM + fee was stable sequentially



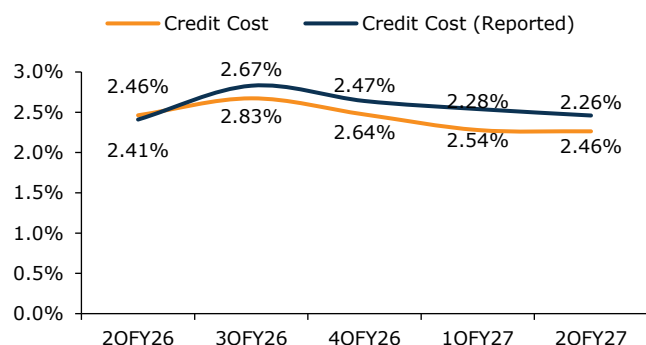
Source: Company, Emkay Research

Exhibit 10: Opex was elevated due to continued investments in tech



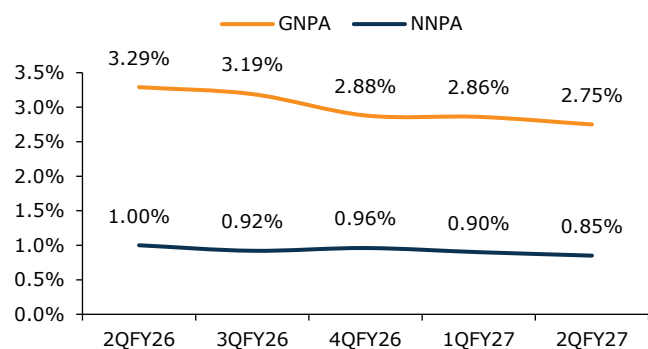
Source: Company, Emkay Research

Exhibit 11: Credit cost improved sequentially, led by improving collection efficiency

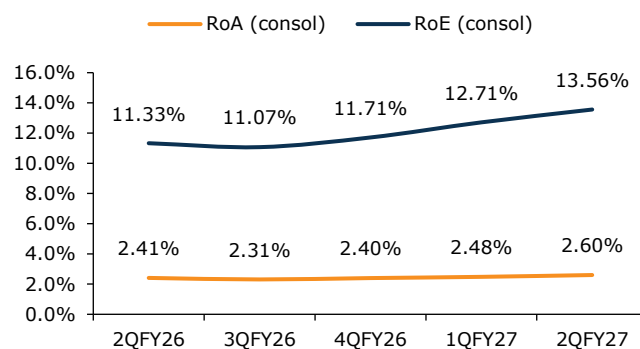


Source: Company, Emkay Research

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

Exhibit 12: Broadly stable asset quality

Source: Company, Emkay Research

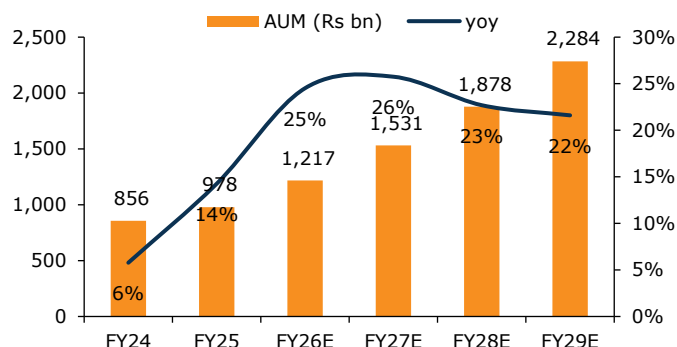
Exhibit 13: ROA/ROE expansion led by lower credit cost

Source: Company, Emkay Research

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

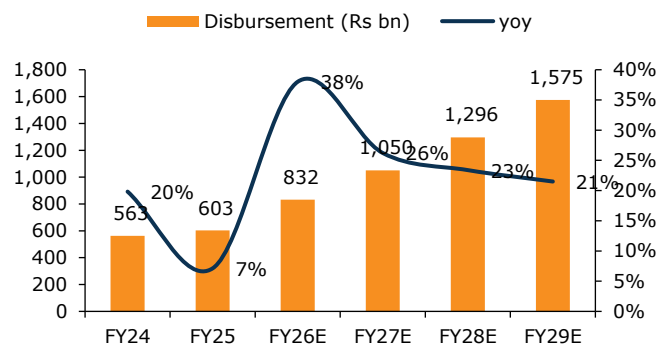
Story in charts

Exhibit 14: AUM growth led by strong disbursements



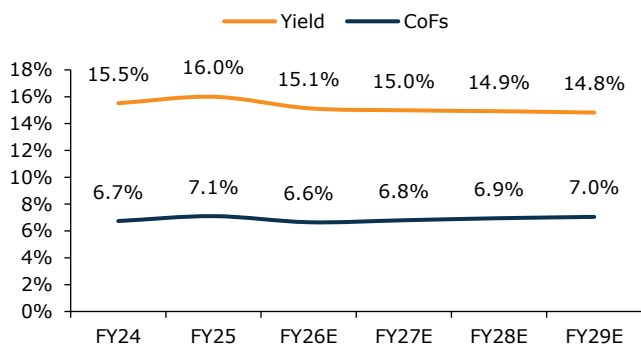
Source: Company, Emkay Research

Exhibit 15: Strong disbursements across retail product segments



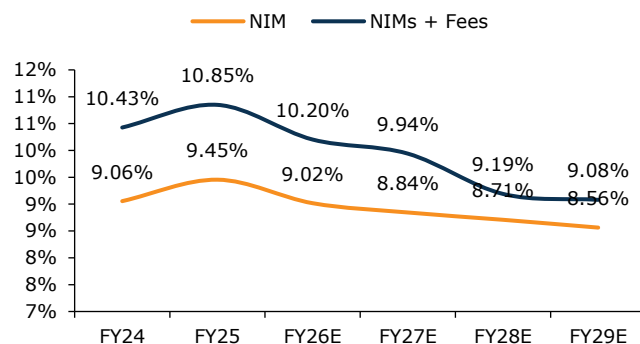
Source: Company, Emkay Research

Exhibit 16: Broadly stable COFs and yields



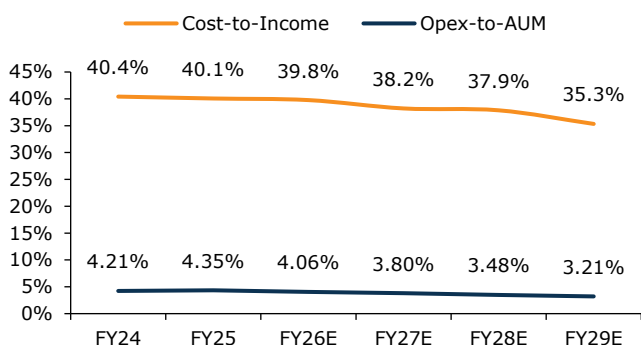
Source: Company, Emkay Research

Exhibit 17: Margin compression on account of proposed insurance commission



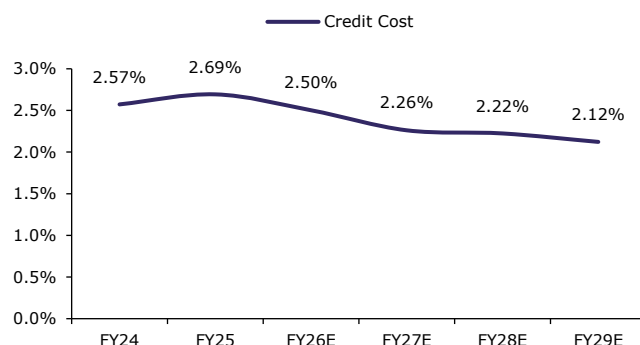
Source: Company, Emkay Research

Exhibit 18: Opex to moderate as efficiency improves



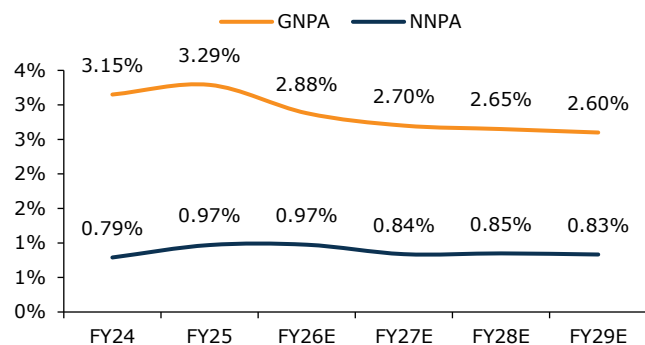
Source: Company, Emkay Research

Exhibit 19: Credit cost to improve on account of improved underwriting and Cyclops implementation across products

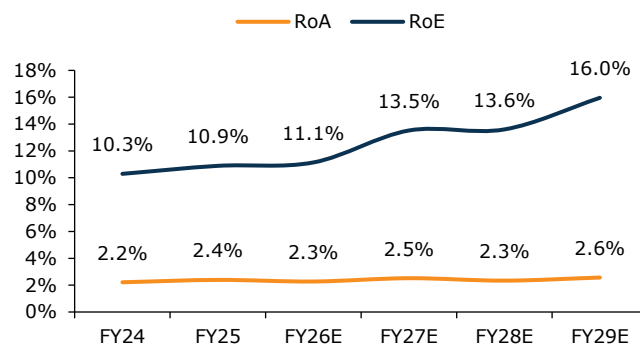


Source: Company, Emkay Research

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

Exhibit 20: Asset quality to be stable

Source: Company, Emkay Research

Exhibit 21: Profitability improvement led by improving efficiency and asset quality

Source: Company, Emkay Research

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

Earnings call highlights

- L&T Finance maintained strong business momentum in 2QFY27, supported by resilient domestic macroeconomic fundamentals and rural consumption. Kharif crop sowing concluded at par with the previous year, covering 101% of normal acreage. While monitoring localized rainfall deficits in parts of Karnataka and Maharashtra (where exposure is ~Rs10.33bn or 3.3% of the rural portfolio), the management accelerated risk-calibrated execution toward its Lakshya 2031 delivery goals.
- Profitability reached record levels, with the company delivering its highest-ever quarterly consolidated PAT of Rs9.75bn (+33% yoy). The consolidated loan book expanded 28% yoy to Rs1,366.35bn, driving a ~19bps yoy expansion in ROA to 2.60% and a 223bps yoy expansion in ROE to 13.56%. Consolidated asset quality remained strong, with GS3 moderating to 2.75% (vs 3.29% in 2QFY26) and NS3 at 0.85%, supported by a healthy PCR of 70%.
- Retail disbursements scaled to Rs240.27bn (+27% yoy), underpinned by broad-based momentum across urban, secured, and digital channels. Urban Finance disbursements rose 27% yoy to Rs103.29bn, led by Personal Loans at Rs42.33bn (+45% yoy) and Two-Wheelers at Rs31.70bn (+26% yoy). Large partnerships now originate 40% of Personal Loans, while the newly launched 'Arambh' affordable housing loans successfully expanded presence in the Rs2mn to Rs5mn ticket segment.
- Disbursements in rural verticals were intentionally calibrated to maintain underwriting discipline amid an uncertain monsoon, with Rural Business Finance disbursements at Rs63.56bn (+1% yoy) and Farmer Finance at Rs16.43bn (-1% yoy).
- TWL underwriting remained strictly prime-focused, with 92% of TWL disbursements concentrated in the prime borrower category. The September dip in 2W collection efficiency came from an AI self-cure experiment, not from weaker credit. Collection efficiency should be back above 99% in October, and 2W 90+ DPD is ~1.2%
- Margins remained solid and within guided corridors, with NIM+fees stable at 10.48% (vs 10.22% in 2QFY26). Active liability management drove a ~25bps qoq reduction in WACB to 6.95% (the lowest in company history), achieved by replacing high-cost borrowings, executing low-cost PTCs, optimizing commercial paper tenors, and utilizing PSL borrowing benefits.
- The management expects 2–3 repo hikes in total, including the one already implemented, and incremental borrowing yields are up 30–50 bps. Locked-in long-term funding, longer CP tenors, and room to raise CP borrowing to 14%–15% should help. With a WACB of 6.95% and repricing of the ~Rs250bn floating-rate HL book, NIM+fees should stay near the middle of the 10%–10.5% range.
- Opex was range-bound at 4.08% and cost-to-income fell to 39%. Efficiency gains are funding ~500 Gold Loan and ~200 Micro-LAP branches, with no major change expected in opex-to-book.
- Credit costs moderated further to 2.46% (-8bps qoq, -52bps yoy). On-time collection efficiency in Rural Business Finance remained rock-solid at 99.7%–99.8%, matching historical highs. Credit de-risking remains supported by government guarantee covers (CGFMU for early-cycle rural borrowers, CGTMSE covering ~80% of SME loans), which also provide capital relief.
- Project Nostradamus delivered Rs0.5bn in 1H savings across collection costs and early risk resolution, while the Project Cyclops underwriting engine lowered SME bounce rates to 50% of the legacy book and reduced Two-Wheeler first-EMI bounces from 22.0% to 12.5%.
- Cross-sell velocity accelerated with the Phase 1 rollout of Project Hercules (agentic AI cross-sell engine), which pushed Gold Loan cross-sell conversion rates above 14%. In digital payments, the agentic commerce UPI stack with Pine Labs is undergoing closed user group testing, and an RBI PPI license application has been submitted to support AI-enabled payment offerings in FY28.
- The Gold Loan franchise delivered hyper-growth, with disbursements jumping 229% yoy to Rs32.37bn and the closing book expanding 242% yoy to Rs50.43bn. Sourcing was

accelerated by branch expansion (reaching 502 active branches, with 172 added in 1H FY27) and integration into the multi-product 'Sampoorna' format (150 total branches, 33 integrated with Gold Loans), with 110 branches already exceeding Rs150mn in POS. The management targets ~800 GL branches by the end of FY27 and a total GL branch network of ~2000 branches.

- Gold Loan asset quality remains clean, with no losses and auction recoveries above 140%. The only delays were in bullet loans, linked to RBI's new LTV norms, and new branches reach critical size in about six months
- Regarding the IRDAI draft consultation paper on insurance commissions, the management emphasized that banks and NBFCs distribute 90%–95% of credit life insurance nationwide, and the industry is engaging with the regulator through FIDC to establish a phased glide path.
- While sequential Personal Loan disbursements temporarily flattened due to the painstaking, partner-by-partner implementation of Project Cyclops, this integration is now nearly complete, allowing the management to target scaling up the monthly disbursement run rate from the current Rs14bn–Rs15bn levels up to an interim corridor of Rs17bn–Rs18bn.
- **Guidance:**
- Aum growth of +20% over the medium term
- NIM+fee to remain in the 10-10.5% range.
- Credit cost to moderate to 2-2.2% by FY27 exit and below 2% over the medium term.
- Target Gold Loan AUM to reach 14-15% of total AUM (Rs400bn to Rs450bn) by Lakshya-31.
- Achieve ROA of 2.8-3.0% by 4QFY27 exit, and 3.0-3.2% over the long-term Lakshya-31 horizon.
- Remain optimistic about delivering ROE of 16.0-18.0% by FY31.

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

L&T Finance: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	146,633	166,160	205,973	254,308	308,405
Interest Expense	59,968	67,201	84,452	105,885	130,221
Net interest income	86,665	98,959	121,521	148,423	178,184
NII growth (%)	15.0	14.2	22.8	22.1	20.1
Non interest income	12,777	13,010	15,062	8,213	10,766
Total income	99,442	111,970	136,582	156,637	188,950
Operating expenses	39,846	44,529	52,193	59,314	66,757
PPOP	59,597	67,440	84,389	97,322	122,193
PPOP growth (%)	15.3	13.2	25.1	15.3	25.6
Provisions & contingencies	24,684	27,459	31,073	37,903	44,163
PBT	34,913	39,982	53,317	59,419	78,030
Extraordinary items	0	0	0	0	0
Tax expense	8,478	10,153	13,702	15,271	20,054
Minority interest	245	0	245	245	245
Income from JV/Associates	0	0	0	0	0
Reported PAT	26,434	29,829	39,614	44,149	57,976
PAT growth (%)	14.1	12.8	32.8	11.4	31.3
Adjusted PAT	26,434	29,829	39,614	44,149	57,976
Diluted EPS (Rs)	10.7	11.9	15.9	17.7	23.2
Diluted EPS growth (%)	15.0	11.4	33.6	11.4	31.1
DPS (Rs)	2.8	2.8	4.0	4.4	5.8
Dividend payout (%)	25.7	23.1	25.0	25.0	25.0
Effective tax rate (%)	24.3	25.4	25.7	25.7	25.7
Net interest margins (%)	10.8	10.2	9.9	9.2	9.1
Cost-income ratio (%)	40.1	39.8	38.2	37.9	35.3
PAT/PPOP (%)	44.8	44.2	47.2	45.6	47.6
Shares outstanding (mn)	2,494.9	2,504.4	2,504.4	2,504.4	2,504.4

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	24,949	25,044	25,044	25,044	25,044
Reserves & surplus	230,692	254,791	284,686	317,980	361,646
Net worth	255,641	279,835	309,729	343,024	386,690
Borrowings	922,469	1,098,880	1,385,331	1,662,114	2,032,560
Other liabilities & prov.	26,655	43,843	47,924	52,691	57,935
Total liabilities & equity	1,204,764	1,422,558	1,742,984	2,057,830	2,477,185
Net loans	937,731	1,178,210	1,480,112	1,817,106	2,210,551
Investments	118,760	105,638	124,680	83,106	101,628
Cash, other balances	108,329	79,590	75,730	88,304	85,700
Interest earning assets	1,164,820	1,363,439	1,680,522	1,988,516	2,397,879
Fixed assets	6,726	12,187	15,234	19,042	23,803
Other assets	32,549	46,427	47,228	50,272	55,503
Total assets	1,204,764	1,422,558	1,742,984	2,057,830	2,477,185
BVPS (Rs)	102.5	111.7	123.7	137.0	154.4
Adj. BVPS (INR)	102.5	111.7	123.7	137.0	154.4
Gross loans	977,620	1,217,290	1,530,752	1,878,095	2,283,775
Total AUM	977,620	1,217,290	1,530,752	1,878,095	2,283,775
On balance sheet	-	-	-	-	-
Off balance sheet	-	-	-	-	-
Disbursements	603,050	832,270	1,050,476	1,296,155	1,574,783
Disbursements growth (%)	7.1	38.0	26.2	23.4	21.5
Loan growth (%)	15.3	25.6	25.6	22.8	21.7
AUM growth (%)	14.3	24.5	25.8	22.7	21.6
Borrowings growth (%)	20.5	19.1	26.1	20.0	22.3
Book value growth (%)	8.8	9.0	10.7	10.7	12.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
GNPL - Stage 3	32,180	35,110	41,330	49,770	59,378
NNPL - Stage 3	9,290	11,480	12,399	15,429	18,407
GNPL ratio - Stage 3 (%)	3.3	2.9	2.7	2.7	2.6
NNPL ratio - Stage 3 (%)	1.0	1.0	0.8	0.8	0.8
ECL coverage - Stage 3 (%)	71.1	67.3	70.0	69.0	69.0
ECL coverage - 1 & 2 (%)	1.8	1.5	1.5	1.5	1.5
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	0.3	0.6	1.0	1.0	1.0
Total credit costs (%)	2.7	2.5	2.3	2.2	2.1
NNPA to networth (%)	3.6	4.1	4.0	4.5	4.8
Capital adequacy					
Total CAR (%)	21.1	18.9	17.1	16.1	15.1
Tier-1 (%)	19.6	18.1	16.4	15.4	14.4
Miscellaneous					
Total income growth (%)	14.6	12.6	22.0	14.7	20.6
Opex growth (%)	13.6	11.8	17.2	13.6	12.5
PPOP margin (%)	6.5	6.1	6.1	5.7	5.9
Credit costs-to-PPOP (%)	41.4	40.7	36.8	38.9	36.1
Loan-to-Assets (%)	77.9	82.9	84.9	88.3	89.2
Yield on loans (%)	16.0	15.1	15.0	14.9	14.8
Cost of funds (%)	7.1	6.6	6.8	6.9	7.0
Spread (%)	8.9	8.5	8.2	8.0	7.8

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	23.7	21.3	15.9	14.3	10.9
P/B (x)	2.5	2.3	2.0	1.9	1.6
P/ABV (x)	2.5	2.3	2.0	1.9	1.6
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	1.1	1.1	1.6	1.7	2.3
Dupont-RoE split (%)					
NII/avg AUM	9.5	9.0	8.8	8.7	8.6
Other income	1.4	1.2	1.1	0.5	0.5
Securitization income	-	-	-	-	-
Opex	1.9	1.8	1.7	1.6	1.4
Employee expense	2.4	2.3	2.1	1.9	1.8
PPOP	6.5	6.1	6.1	5.7	5.9
Provisions	2.7	2.5	2.3	2.2	2.1
Tax expense	0.9	0.9	1.0	0.9	1.0
RoAUM (%)	2.9	2.7	2.9	2.6	2.8
Leverage ratio (x)	3.7	4.1	4.7	5.2	5.7
RoE (%)	10.9	11.1	13.5	13.6	16.0

Quarterly data					
Rs mn, Y/E Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
NII	24,031	25,371	26,770	29,248	31,874
NIM (%)	10.3	10.4	10.3	10.4	10.6
PPOP	16,335	17,319	18,034	19,525	20,722
PAT	7,349	7,380	8,092	9,160	9,728
EPS (Rs)	2.95	2.96	3.23	3.66	3.88

Source: Company, Emkay Research

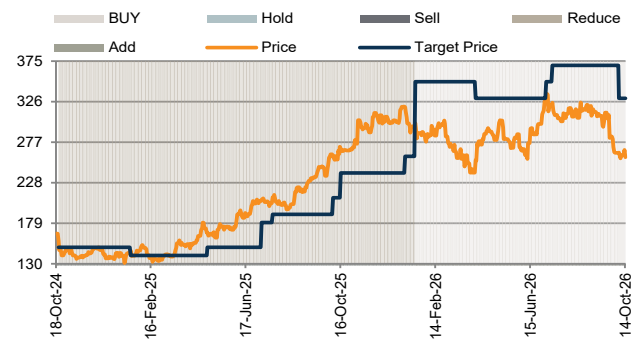
This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
06-Oct-26	264	330	Buy	Avinash Singh
13-Jul-26	325	370	Buy	Avinash Singh
05-Jul-26	327	350	Buy	Avinash Singh
27-Apr-26	288	330	Buy	Avinash Singh
06-Apr-26	255	330	Buy	Avinash Singh
17-Mar-26	263	350	Buy	Avinash Singh
19-Jan-26	300	350	Buy	Avinash Singh
06-Jan-26	319	260	Reduce	Avinash Singh
07-Nov-25	304	240	Reduce	Avinash Singh
16-Oct-25	269	240	Reduce	Avinash Singh
06-Oct-25	260	210	Reduce	Avinash Singh
21-Jul-25	211	190	Reduce	Avinash Singh
07-Jul-25	208	180	Reduce	Avinash Singh
20-Jun-25	190	150	Reduce	Avinash Singh
05-Jun-25	183	150	Reduce	Avinash Singh
29-Apr-25	168	150	Reduce	Avinash Singh
10-Apr-25	153	140	Reduce	Avinash Singh
03-Apr-25	154	140	Reduce	Avinash Singh
27-Feb-25	139	140	Reduce	Avinash Singh
21-Jan-25	146	140	Reduce	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

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

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of October 16, 2026
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of October 16, 2026
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the October 16, 2026
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

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

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

**CHIRAG
UTTAM
JAIN**

Digitally signed
by CHIRAG

UTTAM JAIN

Date: 2026.10.16

20:06:31 +05'30'

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