BUY

L&T Finance

Strong start to FY27

BFSI - NBFCs | Result Update | July 13, 2026

CMP (Rs): 325 | TP (Rs): 370

LTF reported a strong start to FY27, with AUM reaching Rs1.3trn (+27% yoy), led by robust disbursements across product segments. Asset quality remains strong, with credit costs seeing a ~10bps sequential decline, driven by improved collections and AI-led initiatives like Cyclops and Nostradamus. The management remains confident of driving >20% AUM growth, maintaining NIM+fees at 10–10.5%, and progressively lowering credit costs to ~2–2.2% by FY27 exit. This should support a gradual improvement in RoA to ~2.8% in the near term and >3% over the medium term. While monitoring macro developments like US-Iran geopolitical tensions and monsoon concerns, LTF informed that its on-ground checks indicate that ~70% of the country is receiving normal rainfall, with acceptable reservoir levels. Further, continued strong growth in Gold Loans, Micro LAP, and Personal Loans is expected to support growth and margins, while CoF is anticipated to remain at 7.35–7.4%. Factoring in the recent performance and outlook, we adjust our estimates, resulting in a 1–4% increase in FY27–29E EPS. We maintain BUY and raise Jun-27E TP by ~6% to Rs370 (from Rs350), implying an FY28E PBV of 2.7x.

Strong performance across parameters

LTF reported a strong quarter across key parameters. PAT of Rs9.2bn, came in above our and street estimates, mainly due to lower opex and credit costs. AUM growth remained robust, at 6.5%/27% qoq/yoy, respectively, led by healthy retail disbursements (~Rs239bn) across products. Reported margin (NIM+Fees) was stable at 10.47%, while the management indicated that NIM compression was mainly due to higher liquidity and a marginal increase in CoF. Opex-to-AUM improved slightly to 4.03%, while credit cost came in at 2.54%, declining by ~10bps qoq, mainly due to strengthened collections and AI-led tech deployment. Asset quality improved steadily, with GS3/NS3 at 2.86%/0.90% and healthy PCR of 69%. RoA/RoE for 1Q came in at 2.48%/12.71%, respectively.

Expect growth momentum to continue

LTF indicated its ground-level monitoring of the monsoon indicates acceptable reservoir levels and resilient rural demand, while it remains a bit cautious in select segments of MSME due to the ongoing US-Iran conflict. It remains confident of delivering on its Lakshya 2031 targets, while it expects credit costs to decline to ~2–2.2% by 4QFY27, supported by Cyclops-led underwriting and a continued focus on prime customers. With regard to fee income (insurance cross-sell), LTF expects the regulator and companies to arrive at a mutual solution, and it is diversifying the source. It expects strong growth in urban segments, including gold loans (adding ~500 more branches in FY27) and personal loans, with further momentum anticipated from upcoming festive demand. While ongoing investments in distribution and AI technology may keep near-term costs elevated, improving credit costs and operating leverage should drive RoA to ~2.8% by FY27 exit.

We tweak our estimates; reiterate BUY

To reflect the 1Q performance and developments, we marginally adjust our estimates, resulting in FY27-29E EPS increasing by 1-4%. We reiterate BUY and raise Jun-27E TP by ~6% to Rs370, implying FY28E PBV of 2.7x.

L&T Finance: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	26,434	29,829	39,782	51,536	66,426
AUM growth (%)	14.3	24.5	23.0	21.4	21.0
NII growth (%)	15.0	14.2	22.5	20.9	20.4
NIMs (%)	10.8	10.2	10.0	10.0	10.0
PPOP growth (%)	15.3	13.2	25.6	25.6	24.3
Adj. EPS (Rs)	10.7	11.9	16.0	20.7	26.6
Adj. EPS growth (%)	15.0	11.4	34.2	29.4	28.8
Adj. BV (INR)	102.5	111.7	123.7	139.2	159.2
Adj. BVPS growth (%)	8.8	9.0	10.7	12.5	14.3
RoA (%)	2.4	2.3	2.6	2.8	3.0
RoE (%)	10.9	11.1	13.6	15.7	17.8
P/E (x)	30.4	27.3	20.3	15.7	12.2
P/ABV (x)	3.2	2.9	2.6	2.3	2.0

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	**5.7**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	13.8

Stock Data	**LTF IN**
52-week High (Rs)	339
52-week Low (Rs)	194
Shares outstanding (mn)	2,505.7
Market-cap (Rs bn)	814
Market-cap (USD mn)	8,508
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	7.0
ADTV-3M (Rs mn)	1,798.9
ADTV-3M (USD mn)	18.8
Free float (%)	32.2
Nifty-50	24,211.0
INR/USD	95.6

Shareholding,Jun-26	
Promoters (%)	66.0
FPIs/MFs (%)	7.7/14.9

Price Performance

(%)	1M	3M	12M
Absolute	17.7	18.5	58.7
Rel. to Nifty	14.8	16.7	64.9

1-Year share price trend (Rs)

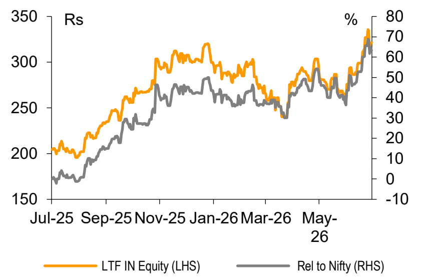

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Exhibit 1: LTF 1QFY27 results – Actual vs estimates

(Rs mn)						Change		Emkay Estimates			
Results Update	***1QFY26***	***2QFY26***	***3QFY26***	***4QFY26***	***1QFY27***	***qoq***	***yoy***	***1QFY27***	**Variation**	***Consensus***	**Variation**
NII	22,788	24,031	25,371	26,770	29,248	*9.3%*	*28.4%*	28,235	*3.6%*		
Net Income	26,239	27,015	28,785	30,241	32,732	*8.2%*	*24.7%*	32,004	*2.3%*	32,092	*2.0%*
Opex	*10,486*	*10,680*	*11,466*	*12,207*	*13,207*	*8.2%*	*25.9%*	*12,802*	*3.2%*	13,085	*0.9%*
PPOP	*15,753*	*16,335*	*17,319*	*18,034*	*19,525*	*8.3%*	*23.9%*	*19,202*	*1.7%*	19,007	*2.7%*
Provision	6,320	6,446	7,397	7,295	7,163	*-1.8%*	*13.3%*	7,684	*-6.8%*	7,385	*-3.0%*
PBT	9,432	9,889	9,922	10,739	12,363	*15.1%*	*31.1%*	11,517	*7.3%*	11,622	*6.4%*
PAT	7,008	7,349	7,380	8,092	9,160	*13.2%*	*30.7%*	8,557	*7.0%*	8,718	*5.1%*
AUM	1,023,140	1,070,960	1,142,850	1,217,290	1,296,340	*6.5%*	*26.7%*	1,295,500	*0.1%*		
Disbursement	175,220	188,970	227,010	241,080	238,530	*-1.1%*	*36.1%*	238,000	*0.2%*		
Retail AUM	998,160	1,046,070	1,119,900	1,195,090	1,275,360	*6.7%*	*27.8%*	1,274,500	*0.1%*		
Retail Disbursement	175,220	188,840	227,010	241,080	238,530	*-1.1%*	*36.1%*	238,000	*0.2%*		
Credit Cost (calc)	2.53%	2.46%	2.67%	2.47%	2.28%	-19bps	-25bps	2.4%	-17bps		
Credit Cost (reported)	2.23%	2.41%	2.83%	2.64%	2.54%	-10bps	31bps				
GS3	3.31%	3.29%	3.19%	2.88%	2.86%	-2bps	-45bps	2.94%	-8bps		
NS3	0.99%	1.00%	0.92%	0.96%	0.90%	-6bps	-9bps	0.96%	-6bps		
PCR											

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	1,458,329	1,496,958	2.6%	1,761,364	1,816,764	3.1%	2,130,221	2,199,129	3.2%
Disbursement	993,609	1,032,239	3.9%	1,211,053	1,261,734	4.2%	1,478,206	1,527,023	3.3%
Disbursement growth (%)	19.4	24.0	464bps	21.9	22.2	35bps	22.1	21.0	-103bps
AUM growth (%)	19.8	23.0	317bps	20.8	21.4	58bps	20.9	21.0	10bps
Networth	309,595	309,856	0.1%	347,019	348,691	0.5%	395,401	398,694	0.8%
Net interest income	120,134	121,254	0.9%	144,014	146,653	1.8%	174,885	176,568	1.0%
Total Income	135,654	136,170	0.4%	163,304	165,578	1.4%	198,416	200,272	0.9%
Operating expenses	51,954	51,457	-1.0%	60,626	59,175	-2.4%	70,411	68,052	-3.4%
PPOP	83,701	84,713	1.2%	102,679	106,403	3.6%	128,005	132,220	3.3%
Provision	30,625	31,170	1.8%	35,849	37,041	3.3%	41,511	42,817	3.1%
PAT	39,435	39,782	0.9%	49,654	51,536	3.8%	64,264	66,426	3.4%
EPS (Rs)	15.8	16.0	0.9%	19.9	20.7	3.8%	25.8	26.6	3.4%
BV (Rs)	123.6	123.7	0.1%	138.6	139.2	0.5%	157.9	159.2	0.8%
NIM (%)	8.98	8.93	-5bps	8.95	8.85	-9bps	8.99	8.79	-19bps
NIMs + fees (%)	10.14	10.03	-11bps	10.14	9.99	-15bps	10.20	9.97	-22bps
Cost-to-income ratio (%)	38.30	37.79	-51bps	37.12	35.74	-139bps	35.49	33.98	-151bps
Opex-to-AUM	3.88	3.79	-9bps	3.77	3.57	-19bps	3.62	3.39	-23bps
Credit costs (%)	2.29	2.30	1bps	2.23	2.24	1bps	2.13	2.13	0bps
RoA (%)	2.56	2.55	-1bps	2.74	2.78	4bps	3.00	3.01	2bps
RoE (%)	13.46	13.58	11bps	15.20	15.73	53bps	17.38	17.84	46bps

Source: Company, Emkay Research

Exhibit 3: Valuation matrix

				P/ABV (x)			PER (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			Adj EPS (Rs)		
	CMP/TP (Rs)	Upside	Mkt Cap (Rs bn)	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
At CMP	324.7	14.0%	813.6	2.6	2.3	2.0	20.3	15.7	12.2	2.6	2.8	3.0	13.6	15.7	17.8	124	139	159	16.0	20.7	26.6
At TP	370.0			3.0	2.7	2.3	23.1	17.9	13.9	2.6	2.8	3.0	13.6	15.7	17.8	124	139	159	16.0	20.7	26.6

Source: Company, Emkay Research

Exhibit 4: Quarterly earnings snapshot

Particulars (Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy chg	qoq chg
Income from Operations	39,145	40,374	42,401	44,240	48,949	25.0%	10.6%
Interest Expenses	16,357	16,343	17,030	17,470	19,701	20.4%	12.8%
Net Interest Income	**22,788**	**24,031**	**25,371**	**26,770**	**29,248**	**28.4%**	**9.3%**
Other Income	3,451	2,984	3,414	3,471	3,484	1.0%	0.4%
Total Income	**26,239**	**27,015**	**28,785**	**30,241**	**32,732**	**24.7%**	**8.2%**
Operating Expenses	10,486	10,680	11,466	12,207	13,207	25.9%	8.2%
PPOP	**15,753**	**16,335**	**17,319**	**18,034**	**19,525**	**23.9%**	**8.3%**
Provisions	6,320	6,446	7,397	7,295	7,163	13.3%	-1.8%
Credit Costs	*2.5%*	*2.5%*	*2.7%*	*2.5%*	*2.3%*	-25bps	-19bps
PBT	**9,432**	**9,889**	**9,922**	**10,739**	**12,363**	**31.1%**	**15.1%**
Tax	2,424	2,540	2,542	2,648	3,203	32.1%	21.0%
Tax Rate (%)	*25.7%*	*25.7%*	*25.6%*	*24.7%*	*25.9%*		
Profit after Tax	**7,008**	**7,349**	**7,380**	**8,092**	**9,160**	**30.7%**	**13.2%**
PAT Adjusted for One-offs	**7,008**	**7,349**	**7,380**	**8,092**	**9,160**	**30.7%**	**13.2%**
AUM	1,023,140	1,070,960	1,142,850	1,217,290	1,296,340	26.7%	6.5%
Disbursement	175,220	188,970	227,010	241,080	238,530	36.1%	-1.1%
Networth	255,855	263,580	270,960	279,835	288,995	13.0%	3.3%
Credit cost	2.53%	2.46%	2.67%	2.47%	2.28%	-25bps	-19bps
GS3	3.31%	3.29%	3.19%	2.88%	2.86%	-45bps	-2bps
NS3	0.99%	1.00%	0.92%	0.96%	0.90%	-9bps	-6bps
PCR	70.8%	70.3%	71.9%	67.3%	69.3%	-152bps	200bps

Source: Company, Emkay Research

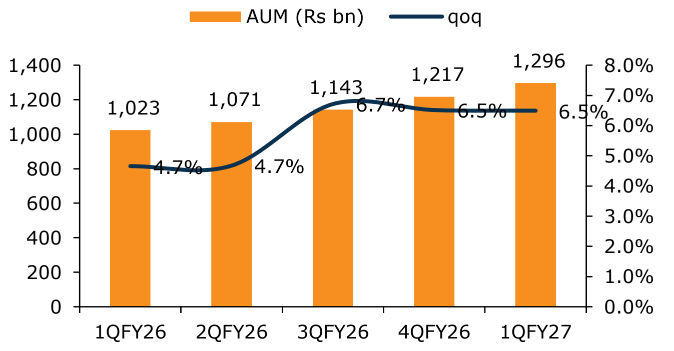
Exhibit 5: AUM and disbursement trends

(Rs bn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
AUM	887	930	951	978	1,023	1,071	1,143	1,217	1,296
qoq	4%	5%	2%	3%	5%	5%	7%	7%	6%
Retail AUM	844	890	922	952	998	1,046	1,120	1,195	1,275
qoq	6%	5%	4%	3%	5%	5%	7%	7%	7%
	1QFY25	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**
Disbursement	150	152	152	149	175	189	227	241	239
qoq	-2.3%	1.0%	0.3%	-1.9%	17.5%	7.8%	20.1%	6.2%	-1.1%
Retail Disbursement	148	151	152	149	175	189	227	241	239
qoq	-1.4%	1.7%	0.8%	-2.0%	17.6%	7.8%	20.2%	6.2%	-1.1%

Source: Company, Emkay Research

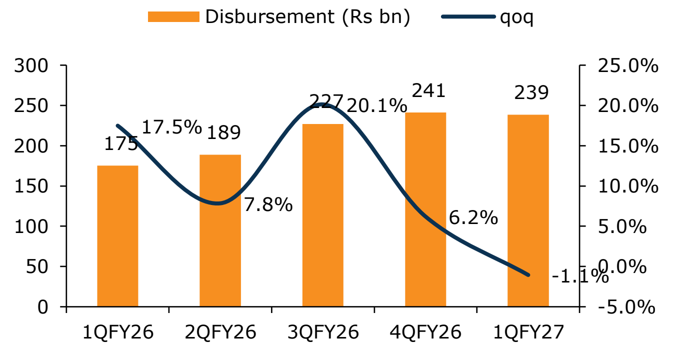
Results in charts

Exhibit 6: Strong AUM growth…



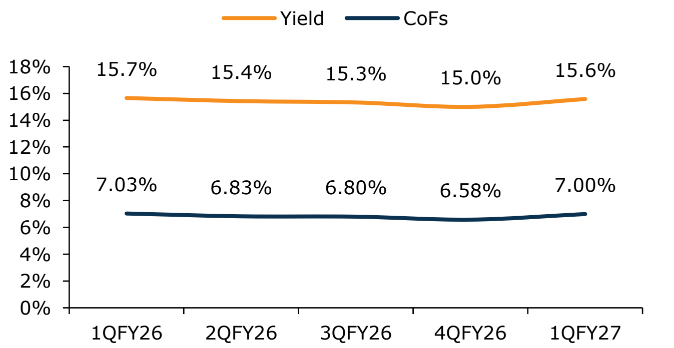
Source: Company, Emkay Research

Exhibit 7: …led by strong disbursement across product segments



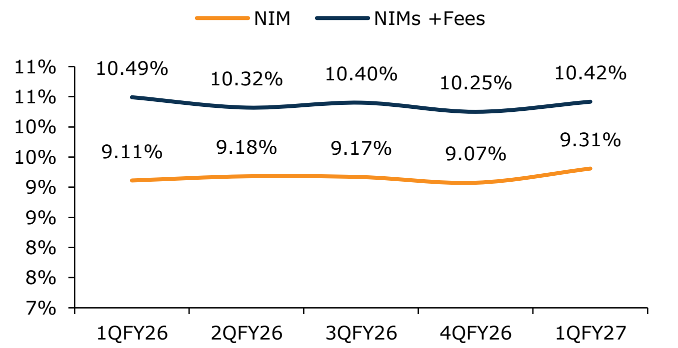
Source: Company, Emkay Research

Exhibit 8: Reported yields and CoFs are broadly stable qoq



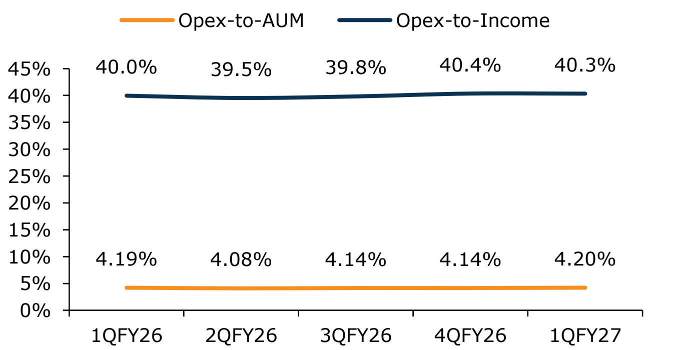
Source: Company, Emkay Research

Exhibit 9: Reported NIM saw compression of ~24bps qoq, while NIMs+Fees remained flat qoq



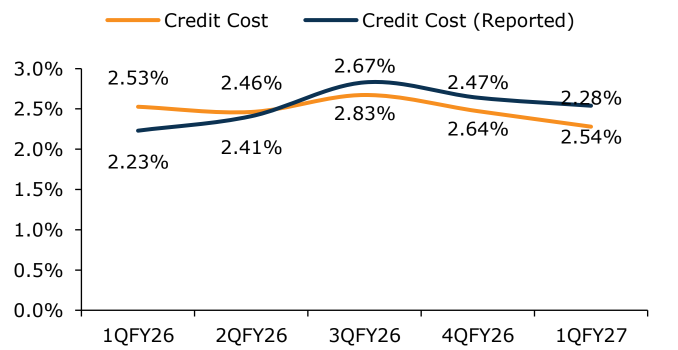
Source: Company, Emkay Research

Exhibit 10: Opex remained range-bound



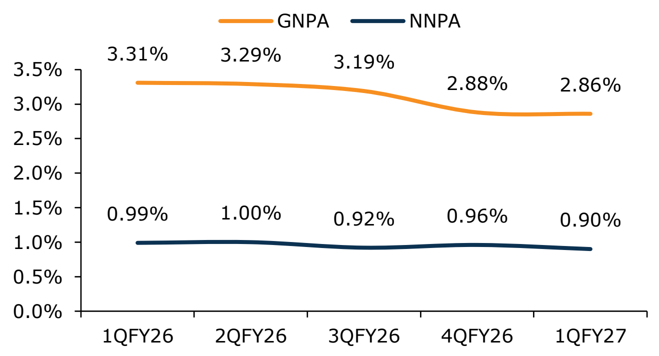
Source: Company, Emkay Research

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



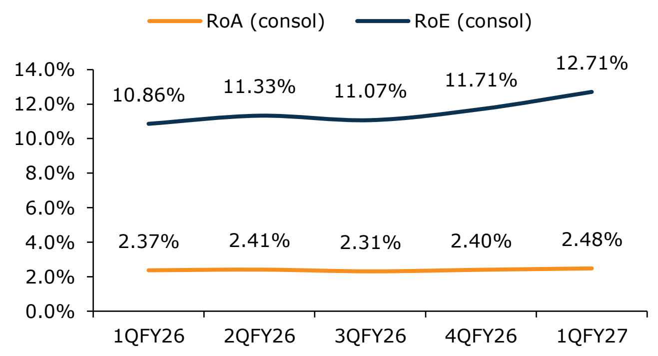
Source: Company, Emkay Research

Exhibit 12: Broadly stable asset quality



Source: Company, Emkay Research

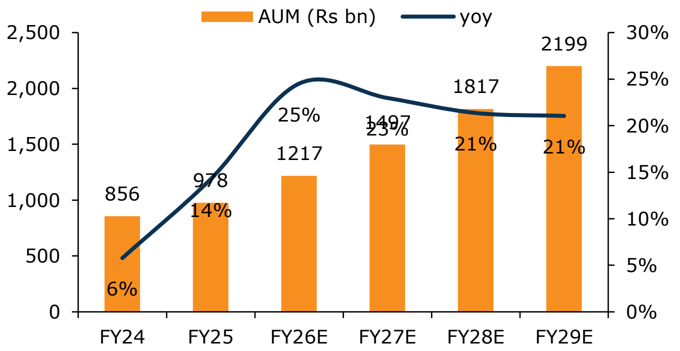
Exhibit 13: RoA/RoE expansion led by lower credit cost



Source: Company, Emkay Research

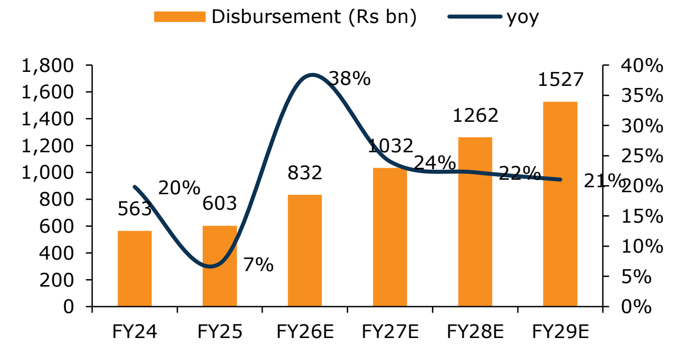
Story in charts

Exhibit 14: AUM growth led by strong disbursements



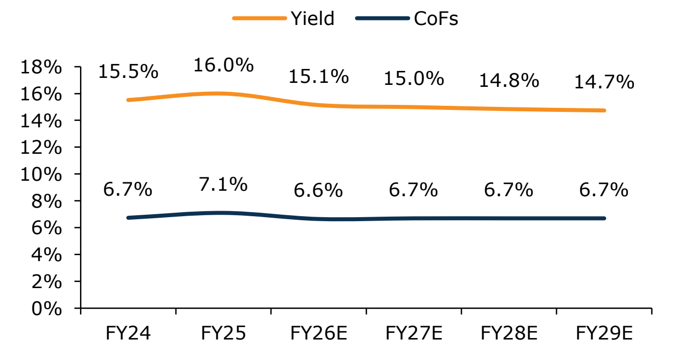
Source: Company, Emkay Research

Exhibit 15: Strong disbursement across retail product segments



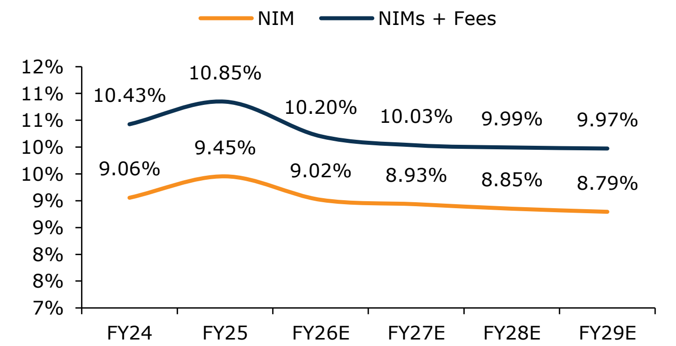
Source: Company, Emkay Research

Exhibit 16: Broadly stable CoFs and yields



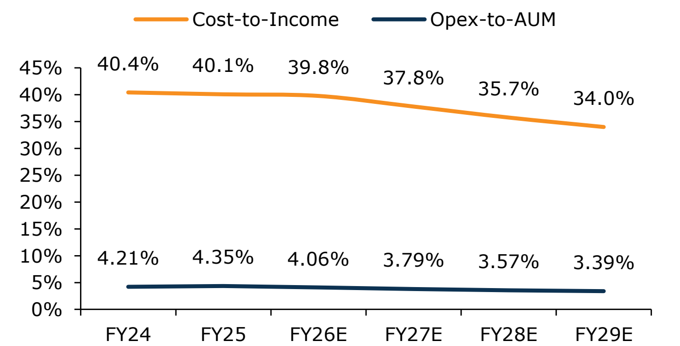
Source: Company, Emkay Research

Exhibit 17: Margin to remain within the guided range of 10-10.5%



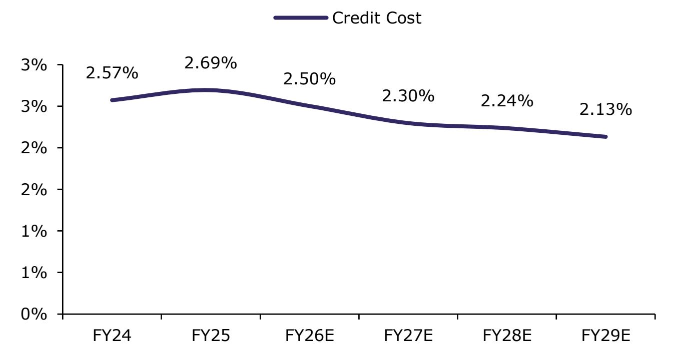
Source: Company, Emkay Research

Exhibit 18: Opex to moderate as efficiency improves



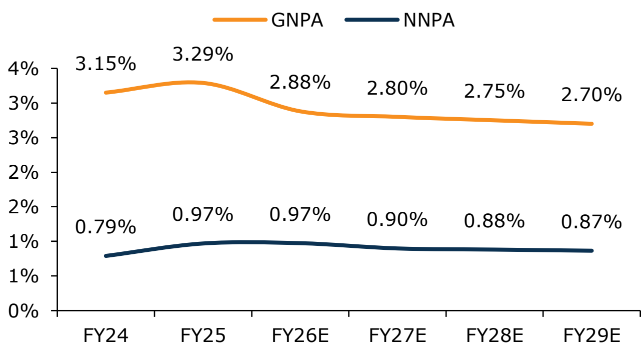
Source: Company, Emkay Research

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



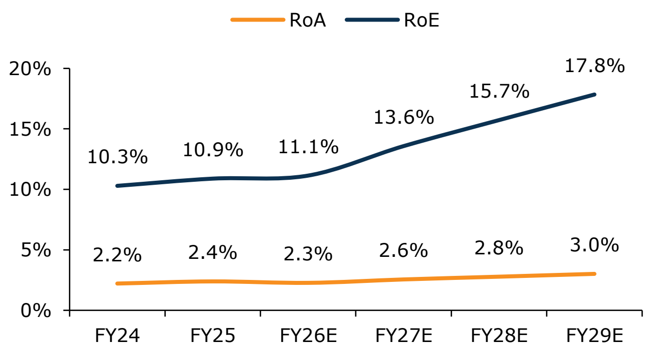
Source: Company, Emkay Research

Exhibit 20: Asset quality to be stable



Source: Company, Emkay Research

Exhibit 21: Profitability improvement led by improving margins and moderating credit cost and opex



Source: Company, Emkay Research

Earnings call highlights

- L&T Finance opened FY27 on a strong note, with the consolidated book reaching Rs1.29trn (+27% yoy), supported by resilient domestic demand and a healthy uptick in consumer credit. The management emphasized a transition from institutional transformation toward sustained delivery under the Lakshya 2031 framework.
- Profitability reached record levels, recording the highest-ever quarterly consolidated PAT at ~Rs9bn (+29% yoy). The strong bottom-line was driven by robust disbursements, yield management, and lower credit costs, resulting in an RoA of 2.48% (+11bps yoy) and an RoE of 12.71% (+185bps yoy).
- Disbursement growth was broad-based and strong, with 1Q retail disbursements hitting Rs238.5bn (+36% yoy). Growth was led by personal loans (+126% yoy), two-wheeler finance (+41% yoy), SME finance (+23% yoy), and rural business finance (+24% yoy).
- The retail franchise continues its steady scale-up, with the retail book growing to Rs1.27trn (+28% yoy). The management strategically chose prudence over aggressive expansion, intentionally letting go of Rs10-12bn in potential disbursements to strictly protect asset quality.
- Margins were stable and within guidance, with NIM+fees maintained at 10.47%. While reported NIM compressed by 24bps to 8.54% due to higher borrowing costs and elevated surplus liquidity buffers, this was entirely offset by the income generated from deploying such surplus, which was booked under fee and other income.
- Credit costs continued to decline, moderating to 2.54% (−10bps sequentially). This improvement was driven by structural credit policy measures, AI-led portfolio management, and collections excellence.
- Microfinance and rural segments have normalized, with rural business finance collection efficiency restored to pre-crisis levels of 99.8%. To further shield the balance sheet, the company has initiated CGFMU coverage for ~35-40% of its current year microfinance disbursements, specifically targeting new geographies.
- Technology update: Project Cyclops continues to deliver strong underwriting outcomes, having underwritten a two-wheeler portfolio of over Rs120bn that consistently outperforms industry risk benchmarks. Cyclops is also active in farm, personal loan, and SME segments, and is slated for rollout in rural business finance and mortgages within FY27.
- AI-led transformation is scaling meaningfully, moving from pilot phases to measurable P&L impacts. Key initiatives include Project Nostradamus for real-time portfolio intelligence (live in two-wheelers and personal loans), Project Helios (an underwriting co-pilot that processed roughly 39,000 files), Project Canyon (an AI-powered LOS for gold loans), and Project Hercules (a cross-sell platform targeted for 3QFY27).
- The gold loan business emerged as a key growth driver, exhibiting a sharp scale-up to a book size of Rs38.3bn (+182% yoy). The branch network has expanded to 343 branches, and the company plans to aggressively deploy 500 new branches over FY27.
- Operating expenses include strategic tech investments, such as migrating workloads to an in-house private cloud, which is projected to be 70% cheaper than public hyperscalers over a 5-year period.
- The launch of the payments business marks a strategic pivot into 'agentic commerce' aimed at diversifying fee income. It will be a calibrated build-out over the next 2-4 years, initially focused on removing the internal opex drag of servicing existing customers without resorting to high cash-burn acquisition strategies.
- The wholesale/ARC book is standard and resolving, with the current standard book standing at ~Rs20bn. The management expects resolutions over the next 2-3 years and reiterated that any excess realizations will be used to build macro-prudential provisions rather than flowing into the P&L.

- The management remains watchful of macro risks, actively monitoring delayed monsoons, El Niño impacts, and geopolitical tensions. However, on-ground travel and sufficient reservoir levels suggest a normal economic trajectory and robust rural demand, with no immediate pockets of stress visible.

- The management addressed concerns regarding regulatory changes to insurance commissions, viewing it as a broader industry-wide issue rather than an isolated risk and expecting a balanced resolution among stakeholders. To mitigate potential headwinds and diversify fee income, the company has proactively factored this into its strategic plans, primarily through the launch and build-out of its payments business to generate alternate fee streams over the next 2-3 years.
- **Guidance**
  - AUM CAGR of >20% over the Lakshya 2031 timeframe.
  - NIM + fees maintained in the 10–10.5% corridor.
  - Credit cost to decline to ~2–2.2% by 4QFY27.
  - RoA of ~2.8% by 4QFY27 exit, and 3.0-3.2% over the long term.
  - Cost of funds (WAC) expected to rise marginally by ~4-5bps to 7.35–7.40% for FY27 due to volatile systemic liquidity.

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	203,440	245,886	295,981
Interest Expense	59,968	67,201	82,186	99,233	119,414
Net interest income	**86,665**	**98,959**	**121,254**	**146,653**	**176,568**
NII growth (%)	15.0	14.2	22.5	20.9	20.4
Non interest income	12,777	13,010	14,916	18,925	23,704
Total income	**99,442**	**111,970**	**136,170**	**165,578**	**200,272**
Operating expenses	39,846	44,529	51,457	59,175	68,052
PPOP	**59,597**	**67,440**	**84,713**	**106,403**	**132,220**
PPOP growth (%)	15.3	13.2	25.6	25.6	24.3
Provisions & contingencies	24,684	27,459	31,170	37,041	42,817
PBT	**34,913**	**39,982**	**53,543**	**69,362**	**89,403**
Extraordinary items	0	0	0	0	0
Tax expense	8,478	10,153	13,761	17,826	22,977
Minority interest	245	0	245	245	245
Income from JV/Associates	0	0	0	0	0
Reported PAT	**26,434**	**29,829**	**39,782**	**51,536**	**66,426**
PAT growth (%)	14.1	12.8	33.4	29.5	28.9
Adjusted PAT	**26,434**	**29,829**	**39,782**	**51,536**	**66,426**
Diluted EPS (Rs)	**10.7**	**11.9**	**16.0**	**20.7**	**26.6**
Diluted EPS growth (%)	15.0	11.4	34.2	29.4	28.8
DPS (Rs)	**2.8**	**2.8**	**4.0**	**5.2**	**6.7**
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	10.0	10.0	10.0
Cost-income ratio (%)	40.1	39.8	37.8	35.7	34.0
PAT/PPOP (%)	44.8	44.2	47.2	48.7	50.4
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	284,812	323,647	373,650
Net worth	**255,641**	**279,835**	**309,856**	**348,691**	**398,694**
Borrowings	**922,469**	**1,098,880**	**1,354,747**	**1,607,836**	**1,957,225**
Other liabilities & prov.	**26,655**	**43,843**	**47,924**	**52,691**	**57,935**
Total liabilities & equity	**1,204,764**	**1,422,558**	**1,712,527**	**2,009,218**	**2,413,854**
Net loans	937,731	1,178,210	1,446,829	1,756,539	2,126,972
Investments	118,760	105,638	121,927	80,392	97,861
Cash, other balances	108,329	79,590	81,308	102,973	109,715
Interest earning assets	**1,164,820**	**1,363,439**	**1,650,065**	**1,939,904**	**2,334,548**
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	**1,204,094**	**1,422,053**	**1,712,527**	**2,009,218**	**2,413,854**
BVPS (Rs)	102.5	111.7	123.7	139.2	159.2
Adj. BVPS (INR)	102.5	111.7	123.7	139.2	159.2
Gross loans	977,620	1,217,290	1,496,958	1,816,764	2,199,129
Total AUM	**977,620**	**1,217,290**	**1,496,958**	**1,816,764**	**2,199,129**
On balance sheet	-	-	-	-	-
Off balance sheet	-	-	-	-	-
Disbursements	603,050	832,270	1,032,239	1,261,734	1,527,023
Disbursements growth (%)	7.1	38.0	24.0	22.2	21.0
Loan growth (%)	15.3	25.6	22.8	21.4	21.1
AUM growth (%)	14.3	24.5	23.0	21.4	21.0
Borrowings growth (%)	20.5	19.1	23.3	18.7	21.7
Book value growth (%)	8.8	9.0	10.7	12.5	14.3

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	41,915	49,961	59,376
NNPL - Stage 3	9,290	11,480	12,994	15,488	18,407
GNPL ratio - Stage 3 (%)	3.3	2.9	2.8	2.8	2.7
NNPL ratio - Stage 3 (%)	1.0	1.0	0.9	0.9	0.9
ECL coverage - Stage 3 (%)	71.1	67.3	69.0	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	4.2	4.4	4.6
Capital adequacy					
Total CAR (%)	21.1	18.9	17.4	16.7	16.0
Tier-1 (%)	19.6	18.1	16.7	16.0	15.2
Miscellaneous					
Total income growth (%)	14.6	12.6	21.6	21.6	21.0
Opex growth (%)	13.6	11.8	15.6	15.0	15.0
PPOP margin (%)	6.5	6.1	6.2	6.4	6.6
Credit costs-to-PPOP (%)	41.4	40.7	36.8	34.8	32.4
Loan-to-Assets (%)	77.9	82.9	84.5	87.4	88.1
Yield on loans (%)	16.0	15.1	15.0	14.8	14.7
Cost of funds (%)	7.1	6.6	6.7	6.7	6.7
Spread (%)	8.9	8.5	8.3	8.1	8.0

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	30.4	27.3	20.3	15.7	12.2
P/B (x)	3.2	2.9	2.6	2.3	2.0
P/ABV (x)	3.2	2.9	2.6	2.3	2.0
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.8	0.8	1.2	1.6	2.0
Dupont-RoE split (%)					
NII/avg AUM	9.5	9.0	8.9	8.9	8.8
Other income	1.4	1.2	1.1	1.1	1.2
Securitization income	-	-	-	-	-
Opex	1.9	1.8	1.7	1.6	1.5
Employee expense	2.4	2.3	2.1	2.0	1.9
PPOP	**6.5**	**6.1**	**6.2**	**6.4**	**6.6**
Provisions	2.7	2.5	2.3	2.2	2.1
Tax expense	0.9	0.9	1.0	1.1	1.1
RoAUM (%)	**2.9**	**2.7**	**2.9**	**3.1**	**3.3**
Leverage ratio (x)	3.7	4.1	4.6	5.0	5.4
RoE (%)	**10.9**	**11.1**	**13.6**	**15.7**	**17.8**

Quarterly data

Rs mn, Y/E Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
NII	22,788	24,031	25,371	26,770	29,248
NIM (%)	10.5	10.3	10.4	10.3	10.4
PPOP	15,753	16,335	17,319	18,034	19,525
PAT	7,008	7,349	7,380	8,092	9,160
EPS (Rs)	2.81	2.95	2.96	3.23	3.66

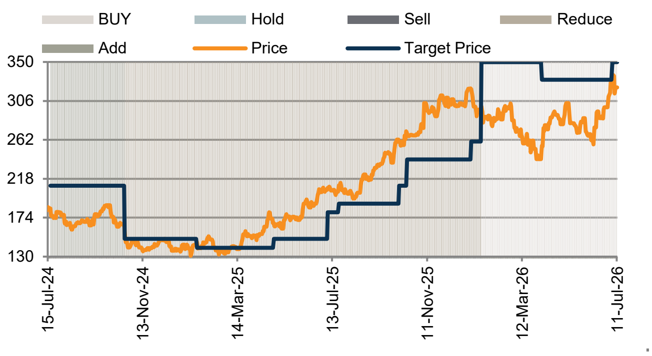
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
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
06-Jan-25	138	150	Reduce	Avinash Singh
30-Dec-24	136	150	Reduce	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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