BUY Shriram Finance

Satisfactory start to FY27, with growth outlook intact

BFSI - NBFCs | Result Update | July 25, 2026

CMP (Rs): 1,005 | TP (Rs): 1,200

SHFL reported satisfactory performance in 1QFY27, with healthy profitability, margins, and operating efficiency, while AUM grew by 15.26% yoy to Rs3.14trn. The management indicated that despite macro risks (uneven monsoons and geopolitical tensions), underlying vehicle demand remains robust. For 2Q, the management expects steady 15-16% AUM growth, with the intent to reassess its full-year ~18% guidance. Growth will be driven by customer retention, higher new vehicle penetration, and accelerated growth in non-vehicle segments like gold loans and MSME. Overall margin improved to 9.04%, while the management expects it to be broadly steady in the near term, and remain above ~8.5% as the company passes on some CoF benefits to accelerate growth. Asset quality remained stable, with GS3 and NS3 assets at 4.64% and 2.33%, respectively. Operationally, despite plans to add ~150 branches in FY27, the management expects opex to be stable, as higher volumes absorb costs. Factoring in the 1Q performance, we tweak our FY27-29 estimates marginally, resulting in EPS estimates expanding by 1-2% in FY28/FY29. We retain BUY and Jun-27E TP of Rs1,200, implying FY28E PBV of 2.1x.

A good start to FY27

SHFL reported a strong 1QFY27, with PAT surging ~59.8% yoy to Rs34.45bn, primarily driven by strong income and stable credit cost. AUM growth remained healthy at 15.26% yoy and 3.81% qoq, reaching Rs3.14trn. Margins expanded, with NIM improving to 9.04% (up from 8.61% in 4QFY26), while operating efficiency remained strong, with cost-to-income ratio at 25.48% (compared to 29.29% in 1QFY26). Overall asset quality was stable, with GS3/NS3 at 4.64%/2.33%, respectively. Following the recent capital infusion, total CRAR strengthened to 34.17%, which diluted ROE to 12.76% (down from 18.73% in 4QFY26), even as ROA expanded by 30bps qoq to reach 3.93%.

Reiterates growth outlook, while staying mindful of macro uncertainties

The management maintains a constructive outlook on its ~18% growth target, and will reassess this post-2Q to gauge the impact of uneven monsoons on rural demand. Growth will be driven by customer retention, rising new vehicle penetration, and an accelerated scale-up in gold loans and MSME. Margins are anticipated to be broadly stable in the near term, before normalizing to organic steady-state levels, as the company passes on CoF benefits to capture market share. Opex is expected to remain well-managed, with branch expansion costs fully absorbed by higher business volumes. SHFL remains confident on its portfolio health, expecting asset quality to stay resilient and credit costs to remain strictly rangebound. The recent capital infusion significantly strengthened the balance sheet (CRAR at 34.17%, debt-equity at 2.14x), providing a strong growth runway.

We retain BUY and Jun-27E TP of Rs1,200

Factoring in the recent performance and outlook, we tweak our FY27-29 estimates (Exhibit 2). We retain BUY with an unchanged Jun-27E TP of Rs1,200, implying FY28E P/B of 2.1x.

Shriram Finance: Financial Snapshot (Standalone)

Y/E 2025 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	97,610	99,982	145,596	185,096	220,059
AUM growth (%)	17.0	14.8	17.0	17.9	18.3
NII growth (%)	16.3	15.0	30.2	22.0	18.1
NIMs (%)	9.0	8.9	10.0	10.4	10.4
PPOP growth (%)	14.5	14.6	38.2	23.8	18.5
Adj. EPS (Rs)	44.0	53.1	61.9	78.7	93.5
Adj. EPS growth (%)	14.9	20.8	16.5	27.1	18.9
Adj. BV (INR)	299.3	349.2	497.0	559.7	634.2
Adj. BVPS growth (%)	15.7	16.7	42.3	12.6	13.3
RoA (%)	3.5	3.3	4.2	4.6	4.6
RoE (%)	17.8	16.4	13.1	14.9	15.7
P/E (x)	22.8	18.9	16.2	12.8	10.7
P/ABV (x)	3.4	2.9	2.0	1.8	1.6

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	19.4

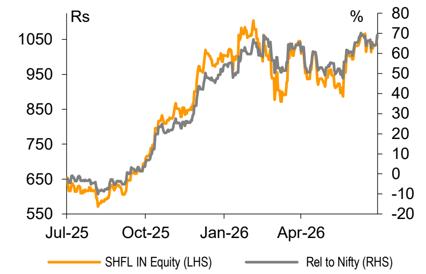
Stock Data	SHFL IN
52-week High (Rs)	1,108
52-week Low (Rs)	566
Shares outstanding (mn)	2,352.9
Market-cap (Rs bn)	2,365
Market-cap (USD mn)	24,489
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	7.0
ADTV-3M (Rs mn)	6,119.8
ADTV-3M (USD mn)	63.4
Free float (%)	74.2
Nifty-50	23,767.4
INR/USD	96.6

Shareholding,Jun-26	
Promoters (%)	20.3
FPIs/MFs (%)	54.8/19.9

Price Performance

(%)	1M	3M	12M
Absolute	(1.4)	(0.6)	58.6
Rel. to Nifty	(0.3)	(0.1)	67.3

1-Year share price trend (Rs)



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

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

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Exhibit 1: Actual vs Estimates

SHFL - 1QFY27						Change		Emkay			
Result update	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**	**qoq**	**yoy**	**Estimate**	**Variation**	**Consensus**	**Variation**
NII	57,725	60,258	65,740	67,514	77,057	14.1%	33.5%	73,427	4.9%		
Total Income	61,410	63,919	69,325	71,922	82,077	14.1%	33.7%	78,159	5.0%	77,291	6.2%
Opex	19,486	19,486	22,620	18,671	21,225	13.7%	8.9%	19,778	7.3%	20,456	3.8%
PPOP	41,924	44,434	46,705	53,250	60,852	14.3%	45.1%	58,381	4.2%	56,835	7.1%
Provision	12,857	13,333	13,103	14,097	14,633	3.8%	13.8%	14,238	2.8%	15,293	-4.3%
PBT	29,067	31,100	33,602	39,153	46,220	18.0%	59.0%	44,143	4.7%	41,542	11.3%
PAT (Adj)	21,557	23,072	25,217	30,136	34,445	14.3%	59.8%	32,798	5.0%	31,369	9.8%
PAT	21,557	23,072	25,217	30,136	34,445	14.3%	59.8%	32,798	5.0%	31,369	9.8%
AUM	2,722,490	2,813,095	2,917,090	3,022,738	3,137,984	3.8%	15.3%	3,132,231	0.2%	3,119,980	0.6%
Credit cost	1.92%	1.93%	1.83%	1.90%	1.90%	0bps	-2bps	1.85%	5bps	1.99%	-9bps
GS3	4.53%	4.57%	4.54%	4.58%	4.64%	6bps	11bps	4.60%	4bps		
NS3	2.57%	2.49%	2.38%	2.33%	2.33%	0bps	-25bps	2.42%	-9bps		

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**
Disbursement	2,186,520	2,186,520	0.0%	2,638,260	2,638,260	0.0%	3,115,914	3,115,914	0.0%
AUM	3,537,169	3,537,169	0.0%	4,168,868	4,168,868	0.0%	4,933,034	4,933,034	0.0%
Net Interest Income	337,267	327,164	-3.0%	407,357	399,177	-2.0%	479,644	471,564	-1.7%
Operating Expenses	98,296	92,872	-5.5%	114,852	107,413	-6.5%	134,206	125,442	-6.5%
PPOP	258,875	257,512	-0.5%	315,906	318,842	0.9%	373,042	377,793	1.3%
Provision	63,947	63,947	0.0%	72,761	72,761	0.0%	85,231	85,231	0.0%
PBT	194,928	193,565	-0.7%	243,145	246,080	1.2%	287,812	292,562	1.7%
PAT	146,621	145,596	-0.7%	182,888	185,096	1.2%	216,486	220,059	1.7%
Adj PAT	146,621	145,596	-0.7%	182,888	185,096	1.2%	216,486	220,059	1.7%
Adj EPS (Rs)	62.3	61.9	-0.7%	77.7	78.7	1.2%	92.0	93.5	1.7%
BV (Rs)	497	497	-0.1%	559	560	0.1%	633	634	0.3%
Networth	1,170,050	1,169,233	-0.1%	1,315,767	1,316,709	0.1%	1,488,253	1,492,043	0.3%
Disbursement Growth	*18.6%*	*18.6%*	0bps	*20.7%*	*20.7%*	0bps	*18.1%*	*18.1%*	0bps
AUM Growth	*17.0%*	*17.0%*	0bps	*17.9%*	*17.9%*	0bps	*18.3%*	*18.3%*	0bps
Yield	*16.4%*	*16.2%*	-16bps	*16.2%*	*16.0%*	-11bps	*16.1%*	*15.9%*	-11bps
CoFs	*8.00%*	*8.2%*	20bps	*7.8%*	*8.0%*	15bps	*7.6%*	*7.7%*	10bps
NIM	*10.3%*	*10.0%*	-31bps	*10.6%*	*10.4%*	-21bps	*10.5%*	*10.4%*	-18bps
NIM+Fees	*10.9%*	*10.7%*	-21bps	*11.2%*	*11.1%*	-12bps	*11.1%*	*11.1%*	-9bps
Opex-to-AUM	*3.0%*	*2.8%*	-17bps	*3.0%*	*2.8%*	-19bps	*2.9%*	*2.8%*	-19bps
Cost-to-Income	*27.5%*	*26.5%*	-101bps	*26.7%*	*25.2%*	-146bps	*26.5%*	*24.9%*	-153bps
Credit Cost	*1.95%*	*1.95%*	0bps	*1.89%*	*1.89%*	0bps	*1.87%*	*1.87%*	0bps
GS3	*4.50%*	*4.50%*	0bps	*4.45%*	*4.45%*	0bps	*4.40%*	*4.40%*	0bps
NS3	*2.30%*	*2.30%*	0bps	*2.37%*	*2.37%*	0bps	*2.43%*	*2.43%*	0bps
PCR on stage 3	*52.00%*	*52.00%*	0bps	*50.00%*	*50.00%*	0bps	*48.00%*	*48.00%*	0bps
ROA	*4.22%*	*4.19%*	-3bps	*4.51%*	*4.57%*	5bps	*4.54%*	*4.62%*	7bps
ROE	*13.19%*	*13.10%*	-9bps	*14.71%*	*14.89%*	18bps	*15.44%*	*15.67%*	23bps

Source: Company, Emkay Research

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Exhibit 3: Valuation matrix

				PBV (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 current market price	1,005	19.4%	2364.9	2.0	1.8	1.6	16.2	12.8	10.7	4.21	4.58	4.63	13.1	14.9	15.7	497	560	634	61.9	78.7	93.5
At target price	1,200			2.4	2.1	1.9	19.4	15.3	12.8	4.21	4.58	4.63	13.1	14.9	15.7	497	560	634	61.9	78.7	93.5

Source: Company, Emkay Research

Exhibit 4: Quarterly earnings snapshot

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy chg	qoq chg
Net Interest Income	57,725	60,258	65,740	67,514	77,057	33.5%	14.1%
Other Income	3,685	3,662	3,584	4,408	5,020	36.2%	13.9%
Total Income	61,410	63,919	69,325	71,922	82,077	33.7%	14.1%
Operating Expenses	19,486	19,486	22,620	18,671	21,225	8.9%	13.7%
Operating Profit	41,924	44,434	46,705	53,250	60,852	45.1%	14.3%
Provisions	12,857	13,333	13,103	14,097	14,633	13.8%	3.8%
Credit Costs	1.92%	1.93%	1.83%	1.90%	1.90%	-2bps	0bps
PBT	29,067	31,100	33,602	39,153	46,220	59.0%	18.0%
Tax	7,510	8,028	8,385	9,017	11,775	56.8%	30.6%
Tax Rate	25.8%	25.8%	25.0%	23.0%	25.5%		
PAT	21,557	23,072	25,217	30,136	34,445	59.8%	14.3%
Adj PAT	21,557	23,072	25,217	30,136	34,445	59.8%	14.3%
Total AUM	**2,722,490**	**2,813,095**	**2,917,090**	**3,022,738**	**3,137,984**	**15.3%**	**3.8%**
Disbursement	**418,130**	**430,180**	**486,450**	**509,520**	**499,710**	**19.5%**	**-1.9%**
Net worth	**584,755**	**604,040**	**620,929**	**657,049**	**1,086,522**	**85.8%**	**65.4%**
ROA	2.76%	2.89%	3.09%	3.63%	3.93%	117bps	30bps
ROE	15.07%	15.40%	16.33%	19.13%	12.76%	-231bps	-637bps
GS3	4.53%	4.57%	4.54%	4.58%	4.64%	11bps	6bps
NS3	2.57%	2.49%	2.38%	2.33%	2.33%	-25bps	0bps
PCR	44.3%	46.7%	48.8%	50.3%	51.0%	667bps	65bps

Source: Company, Emkay Research

Exhibit 5: AUM trend

AUM trend (Rs bn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
CV	1,097	1,122	1,158	1,186	1,231	1,281	1,332	1,417	1,470
PV	460	490	519	541	566	596	632	644	687
CE	170	176	179	179	165	154	142	133	124
FE/tractor	40	45	48	52	58	62	66	69	70
MSME	288	323	346	374	388	406	411	412	420
2-Wheeler	129	131	154	156	159	156	174	174	178
Gold	61	61	55	48	52	53	56	66	75
PL	89	83	87	96	103	105	104	107	114
Total	**2,334**	**2,430**	**2,545**	**2,632**	**2,722**	**2,813**	**2,917**	**3,023**	**3,138**
Growth, qoq	**3.8%**	**4.1%**	**4.7%**	**3.4%**	**3.4%**	**3.3%**	**3.7%**	**3.6%**	**3.8%**
Growth, yoy	**20.8%**	**19.9%**	**18.8%**	**17.0%**	**16.6%**	**15.7%**	**14.6%**	**14.8%**	**15.3%**

Source: Company, Emkay Research

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Exhibit 6: Disbursement trend

Disbursement trend (Rs bn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
CV	140.2	150.0	155.4	167.8	169.2	173.3	185.6	226.9	195.6
PV	74.1	76.0	80.3	82.6	81.6	86.7	99.9	79.0	110.2
CE	18.5	22.7	20.7	21.8	5.3	6.0	7.1	9.3	7.9
FE/tractor	8.2	9.0	9.3	10.6	12.7	9.6	11.3	10.3	9.5
MSME	62.1	68.8	75.3	76.6	63.6	69.1	64.8	65.1	61.8
2-Wheeler	27.3	25.6	48.3	29.2	30.8	26.1	48.4	32.9	35.5
Gold	26.5	27.0	25.7	31.1	32.9	35.2	48.5	64.1	51.5
PL	20.1	20.8	22.8	28.9	22.1	24.3	20.9	21.8	27.7
Total	**377.1**	**399.7**	**437.6**	**448.5**	**418.1**	**430.2**	**486.5**	**509.4**	**499.7**
Growth, qoq	**-4.1%**	**6.0%**	**9.5%**	**2.5%**	**-6.8%**	**2.9%**	**13.1%**	**4.7%**	**-1.9%**
Growth, yoy	**23.8%**	**15.5%**	**15.8%**	**14.0%**	**10.9%**	**7.6%**	**11.2%**	**13.6%**	**19.5%**

Source: Company, Emkay Research

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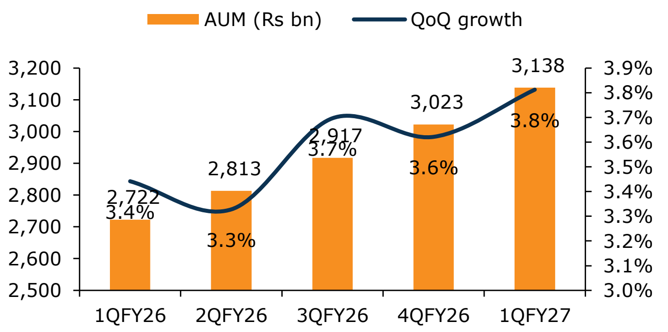
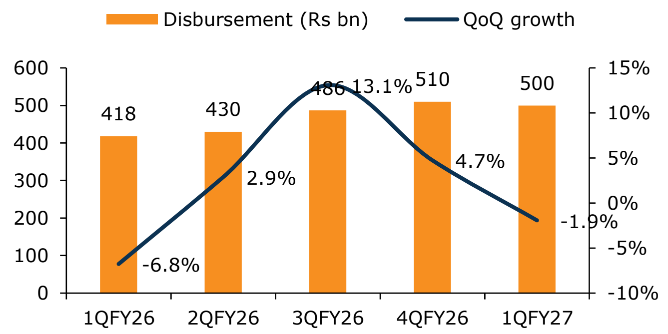
Results in charts

Exhibit 7: Stable AUM growth; maintains guidance of 17-18% growth in FY27



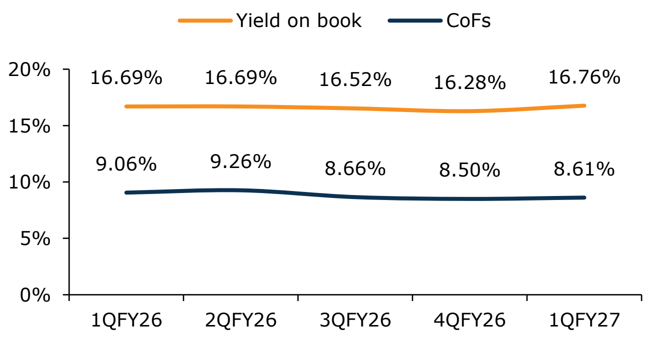
Source: Company, Emkay Research

Exhibit 8: Healthy disbursement supporting AUM growth



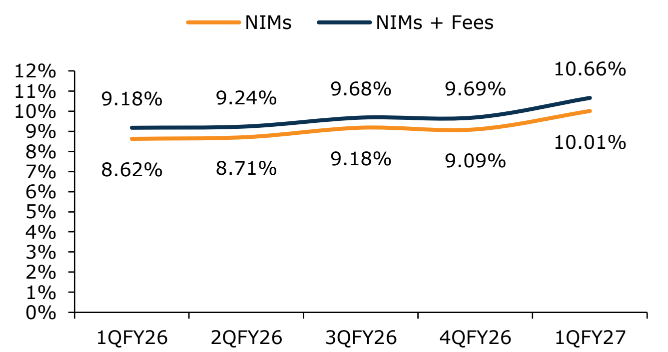
Source: Company, Emkay Research

Exhibit 9: COFs to moderate as borrowings are repriced at lower rates due to rating upgrade



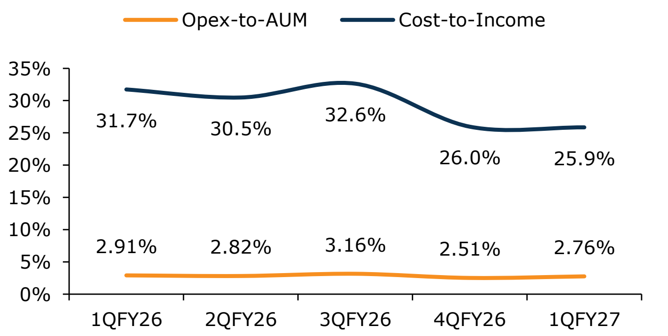
Source: Company, Emkay Research

Exhibit 10: Margin expansion led by lower borrowing in 1QFY27



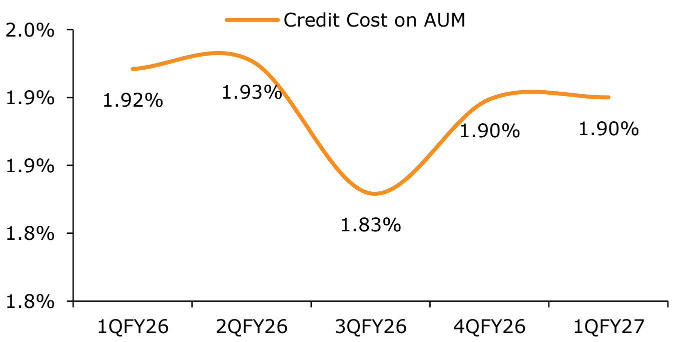
Source: Company, Emkay Research

Exhibit 11: Elevated opex due to increments and salary revisions



Source: Company, Emkay Research

Exhibit 12: Credit cost remains range-bound



Source: Company, Emkay Research

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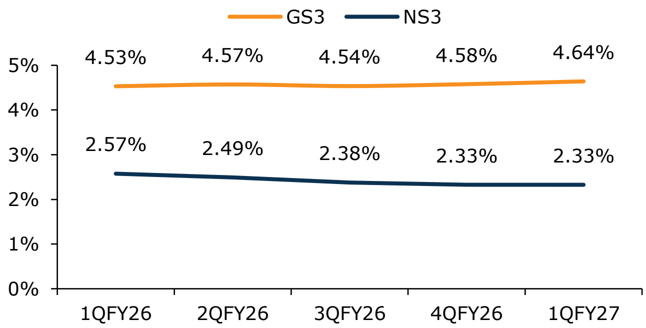
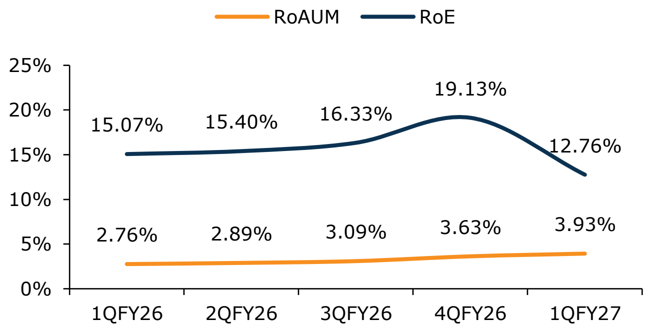
Exhibit 13: Asset quality stable



Source: Company, Emkay Research

Exhibit 14: ROE impacted due to capital infusion resulting in lower leverage



Source: Company, Emkay Research

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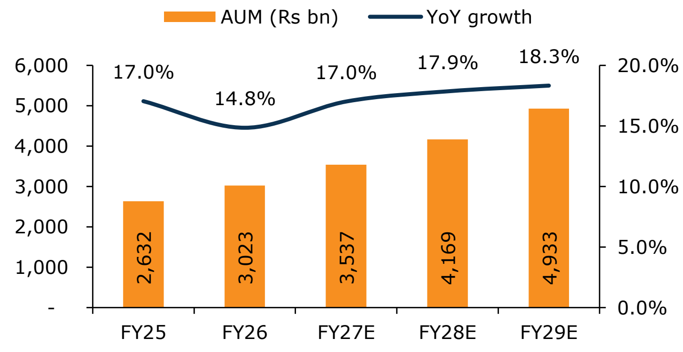
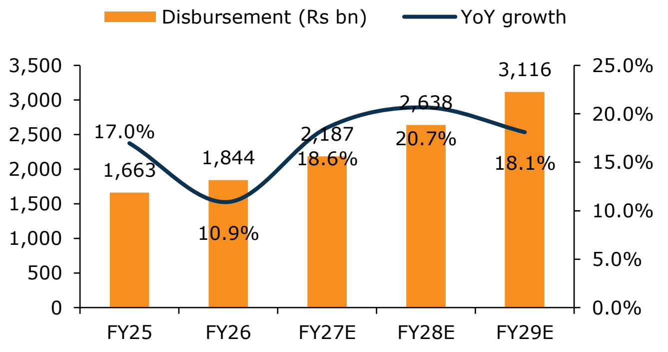
Story in charts

Exhibit 15: AUM expected to grow ~18% over FY27-29E



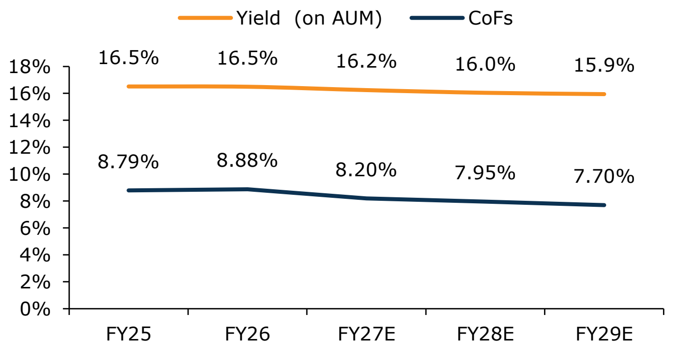
Source: Company, Emkay Research

Exhibit 16: Disbursement to improve across product segments



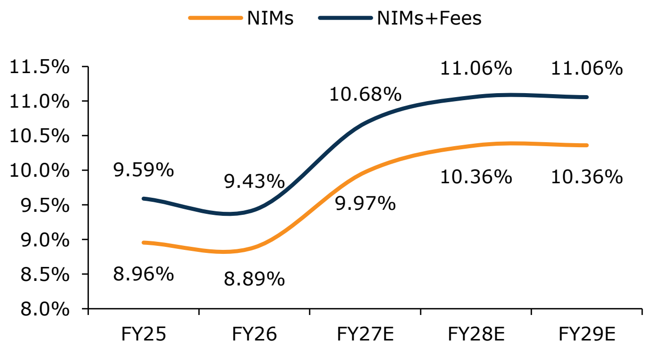
Source: Company, Emkay Research

Exhibit 17: CoF moderation-led active liability management and rating upgrade



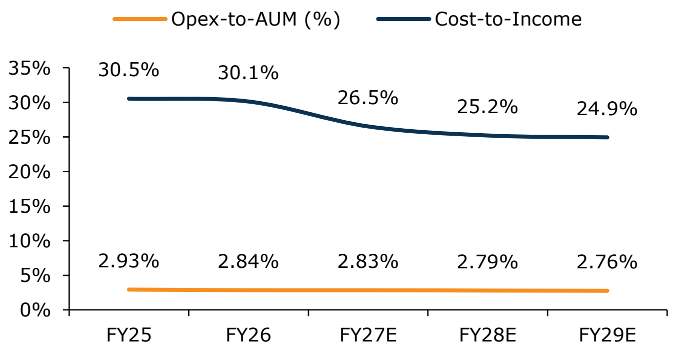
Source: Company, Emkay Research

Exhibit 18: Margin to improve as CoF moderates



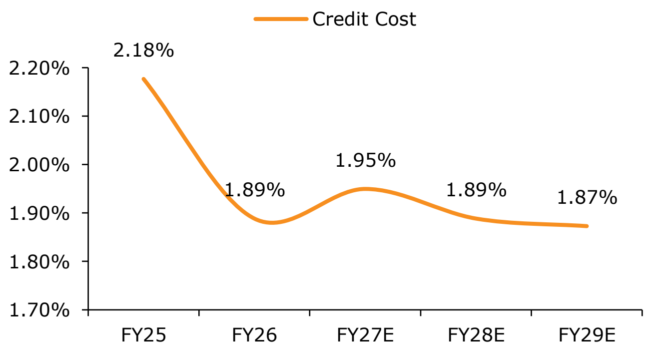
Source: Company, Emkay Research

Exhibit 19: Opex to remain range-bound and in line with the management guidance



Source: Company, Emkay Research

Exhibit 20: We expect credit cost to be contained at <2% on AUM



Source: Company, Emkay Research

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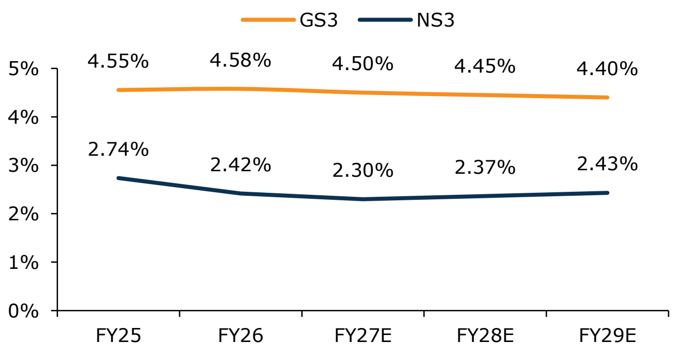
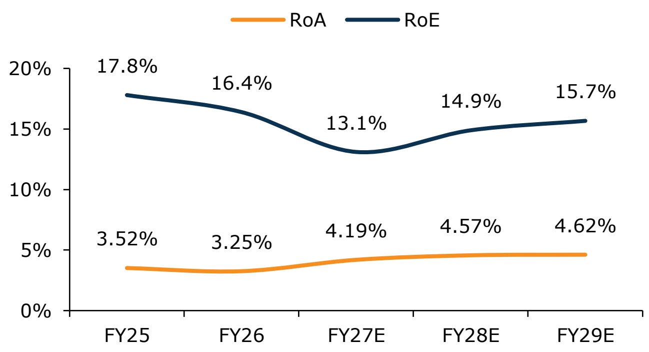
Exhibit 21: Asset quality broadly stable



Source: Company, Emkay Research

Exhibit 22: ROE expansion led by improving leverage ratio



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Earnings call highlights

- The management indicated that operating conditions in 1QFY27 were positive, supported by a strong close to FY26 GDP and healthy GST collections. However, macro risks such as uneven southwest monsoon rainfall (24% deficit), strengthening El Niño, and elevated food/fuel inflation could weigh on rural incomes and agricultural output, prompting a watchful stance on the rural economy.
- Industry trends remained highly supportive in 1Q, with strong growth across commercial vehicles, passenger vehicles, two-wheelers, and tractors, reflecting healthy underlying demand; the management highlighted that CV sales were surprisingly resilient and the CE segment turned positive after four consecutive quarters of decline.
- Disbursements grew ~19.5% yoy to ~Rs500bn, with the segment-wise absolute breakdown for the quarter standing at: Commercial Vehicles at Rs195.6bn, Passenger Vehicles at Rs110.2bn, MSME at Rs61.8bn, Gold Loans at Rs51.5bn, Two-wheelers at Rs35.5bn, Personal Loans at Rs27.7bn, Farm Equipment at Rs9.5bn, and Construction Equipment at Rs7.9bn.
- By segment, the company is witnessing steady demand in used CVs and accelerating traction in new vehicle financing (currently ~16% of mix, targeting ~30% medium-term), allowing the company to win back market share previously lost to competitors, thanks to an improved CoF.
- AUM grew ~15.3% yoy and ~3.8% qoq to Rs3.14trn, with the management maintaining its full-year growth guidance of ~18% for FY27, though emphasizing that it will reassess the outlook post-2Q based on monsoon realization, while expecting a steady 15-16% growth in the near term.
- NIM improved notably to ~9.04%, supported by the deployment of parked funds from the recent capital infusion; the management indicated that margins are likely to be stable in the near term but will gradually normalize to an organic, steady-state level of ~8.5% over the medium term as the proportion of lower-yielding new vehicle loans increases.
- Asset quality remained largely stable, with GS3/NS3 at ~4.64%/2.33%, respectively, reflecting normal seasonality; the management emphasized that there are no signs of incremental stress across the CV, MSME, or Gold Loan portfolios, and credit costs are expected to remain well-behaved, supported by stable borrower cash flows.
- Operating efficiency remained strong in 1Q, with the cost-to-income ratio at ~25.5%, improving sharply yoy; the management indicated that despite plans to add ~150 branches over FY27, underlying opex levels are likely to be stable as additional costs will be absorbed by higher business volumes.
- On the liability front, borrowing activity was muted during the quarter due to high systemic liquidity, which allowed for the paydown of higher-cost liabilities; the overall funding profile continues to improve, with incremental borrowing costs at ~7.77%, driving down the overall average cost of liabilities to ~8.56%.
- Capital adequacy remains exceptionally robust following the Apr-26 capital infusion, with CRAR currently standing at a healthy ~34.17%, providing a strong buffer to support sustained balance sheet expansion and absorb any potential macro shocks.
- The management highlighted that the company maintains a highly comfortable liquidity position (LCR at ~262%), currently holding enough to cover six months of liability repayments, but intends to deploy excess capital primarily toward business growth while maintaining a steady-state buffer of Rs17-18bn (three months cover).
- Leverage declined significantly to ~2.14x (from 3.82x in 4QFY26) following the recent capital infusion, thus strengthening the company's ability to aggressively support asset growth across multiple geographies while maintaining strict balance sheet discipline.
- Outlook remains constructive, with the management confident of sustaining growth momentum, driven by non-vehicle scale-up and new vehicle penetration; while near-term macro variables (monsoon trajectory, inflation) warrant monitoring over 2Q, the company expects long-term visibility to be intact.

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- Guidance:
  - AUM growth of ~18% for FY27, subject to 2Q reassessment (2Q expected at 15-16%).
  - NIM to be broadly stable near-term, settling at ~8.5% over the medium term.
  - Credit costs expected to be steady at ~2%.
  - Cost-to-income expected to be stable despite network expansion.

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Shriram Finance: Standalone Financials and Valuations

Profit & Loss

Y/E 2025 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	403,076	466,440	532,914	618,318	725,768
Interest Expense	184,546	215,204	205,750	219,141	254,204
Net interest income	**218,531**	**251,236**	**327,164**	**399,177**	**471,564**
NII growth (%)	16.3	15.0	30.2	22.0	18.1
Non interest income	15,518	15,339	23,220	27,077	31,670
Total income	**234,049**	**266,576**	**350,384**	**426,254**	**503,235**
Operating expenses	71,440	80,262	92,872	107,413	125,442
PPOP	**162,609**	**186,313**	**257,512**	**318,842**	**377,793**
PPOP growth (%)	14.5	14.6	38.2	23.8	18.5
Provisions & contingencies	53,117	53,391	63,947	72,761	85,231
PBT	**109,493**	**132,923**	**193,565**	**246,080**	**292,562**
Extraordinary items	14,894	0	0	0	0
Tax expense	28,450	32,941	47,970	60,984	72,503
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**97,610**	**99,982**	**145,596**	**185,096**	**220,059**
PAT growth (%)	35.7	2.4	45.6	27.1	18.9
Adjusted PAT	**82,716**	**99,982**	**145,596**	**185,096**	**220,059**
Diluted EPS (Rs)	**44.0**	**53.1**	**61.9**	**78.7**	**93.5**
Diluted EPS growth (%)	14.9	20.8	16.5	27.1	18.9
DPS (Rs)	**9.9**	**10.8**	**12.6**	**16.0**	**19.0**
Dividend payout (%)	**19.1**	**20.3**	**20.3**	**20.3**	**20.3**
Effective tax rate (%)	26.0	24.8	24.8	24.8	24.8
Net interest margins (%)	9.0	8.9	10.0	10.4	10.4
Cost-income ratio (%)	30.5	30.1	26.5	25.2	24.9
PAT/PPOP (%)	60.0	53.7	56.5	58.1	58.2
Shares outstanding (mn)	1,880.4	1,881.6	2,352.7	2,352.7	2,352.7

Source: Company, Emkay Research

Balance Sheet

Y/E 2025 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	3,761	3,763	4,705	4,705	4,705
Reserves & surplus	559,045	659,418	1,164,528	1,312,004	1,487,337
Net worth	**562,806**	**663,181**	**1,169,233**	**1,316,709**	**1,492,043**
Borrowings	**2,341,973**	**2,506,899**	**2,511,390**	**3,001,585**	**3,601,115**
Other liabilities & prov.	**30,551**	**47,604**	**52,364**	**57,600**	**63,360**
Total liabilities & equity	**2,935,329**	**3,217,684**	**3,732,987**	**4,375,895**	**5,156,518**
Net loans	2,453,928	2,824,524	3,300,369	3,892,948	4,612,745
Investments	155,987	147,828	162,610	178,871	196,759
Cash, other balances	213,657	79,384	95,400	113,196	138,236
Interest earning assets	**2,823,572**	**3,051,736**	**3,558,379**	**4,185,015**	**4,947,740**
Fixed assets	-	-	-	-	-
Other assets	111,757	159,816	174,608	190,880	208,778
Total assets	**2,935,329**	**3,211,552**	**3,732,987**	**4,375,895**	**5,156,518**
BVPS (Rs)	299.3	349.2	497.0	559.7	634.2
Adj. BVPS (INR)	299.3	349.2	497.0	559.7	634.2
Gross loans	2,599,159	3,002,164	3,513,094	4,140,493	4,899,458
Total AUM	**2,631,903**	**3,022,738**	**3,537,169**	**4,168,868**	**4,933,034**
On balance sheet	2,599,159	3,002,164	3,513,094	4,140,493	4,899,458
Off balance sheet	32,744	20,574	24,075	28,375	33,576
Disbursements	1,662,920	1,844,160	2,186,520	2,638,260	3,115,914
Disbursements growth (%)	17.0	10.9	18.6	20.7	18.1
Loan growth (%)	18.0	15.1	16.8	18.0	18.5
AUM growth (%)	17.0	14.8	17.0	17.9	18.3
Borrowings growth (%)	26.0	7.0	0.2	19.5	20.0
Book value growth (%)	15.7	16.7	42.3	12.6	13.3

Source: Company, Emkay Research

Asset quality and other metrics

Y/E 2025 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
GNPL - Stage 3	118,388	137,433	158,089	184,252	215,576
NNPL - Stage 3	67,145	68,255	75,883	92,126	112,100
GNPL ratio - Stage 3 (%)	4.6	4.6	4.5	4.5	4.4
NNPL ratio - Stage 3 (%)	2.7	2.4	2.3	2.4	2.4
ECL coverage - Stage 3 (%)	43.3	50.3	52.0	50.0	48.0
ECL coverage - 1 & 2 (%)	3.8	3.8	3.9	3.9	3.9
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	21.4	19.7	21.0	24.0	25.0
Total credit costs (%)	2.2	1.9	1.9	1.9	1.9
NNPA to networth (%)	11.9	10.3	6.5	7.0	7.5
Capital adequacy					
Total CAR (%)	20.7	20.4	35.6	34.0	32.7
Tier-1 (%)	-	-	-	-	-
Miscellaneous					
Total income growth (%)	15.9	13.9	31.4	21.7	18.1
Opex growth (%)	19.3	12.3	15.7	15.7	16.8
PPOP margin (%)	6.7	6.6	7.9	8.3	8.3
Credit costs-to-PPOP (%)	32.7	28.7	24.8	22.8	22.6
Loan-to-Assets (%)	83.6	87.9	88.4	89.0	89.5
Yield on loans (%)	16.5	16.5	16.2	16.0	15.9
Cost of funds (%)	8.6	8.6	8.6	8.6	8.6
Spread (%)	7.9	7.9	7.6	7.4	7.3

Source: Company, Emkay Research

Valuations and key Ratios

Y/E 2025	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	22.8	18.9	16.2	12.8	10.7
P/B (x)	3.4	2.9	2.0	1.8	1.6
P/ABV (x)	3.4	2.9	2.0	1.8	1.6
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	1.0	1.1	1.3	1.6	1.9
Dupont-RoE split (%)					
NII/avg AUM	9.0	8.9	10.0	10.4	10.4
Other income	0.6	0.5	0.7	0.7	0.7
Securitization income	0.1	0	0	0	0
Opex	1.4	1.4	1.4	1.4	1.3
Employee expense	1.5	1.5	1.4	1.4	1.4
PPOP	**6.7**	**6.6**	**7.9**	**8.3**	**8.3**
Provisions	2.2	1.9	1.9	1.9	1.9
Tax expense	1.1	1.1	1.4	1.5	1.5
RoAUM (%)	**3.8**	**3.5**	**4.4**	**4.8**	**4.8**
Leverage ratio (x)	4.7	4.6	3.0	3.1	3.2
RoE (%)	**17.8**	**16.4**	**13.1**	**14.9**	**15.7**

Quarterly data

Rs mn, Y/E Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
NII	57,725	60,258	65,740	67,514	77,057
NIM (%)	8.6	8.7	9.2	9.1	10.0
PPOP	41,924	44,434	46,705	53,250	60,852
PAT	21,557	23,072	25,217	30,136	34,445
EPS (Rs)	11.46	12.27	13.40	16.02	14.64

Source: Company, Emkay Research

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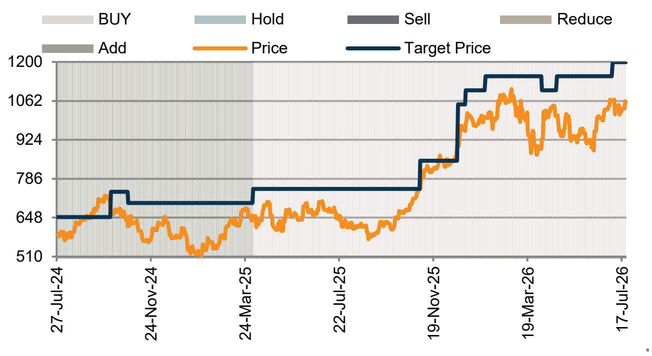
Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Jul-26	1,064	1,200	Buy	Avinash Singh
25-Apr-26	1,011	1,150	Buy	Avinash Singh
06-Apr-26	928	1,100	Buy	Avinash Singh
17-Mar-26	1,005	1,150	Buy	Avinash Singh
24-Jan-26	1,004	1,150	Buy	Avinash Singh
06-Jan-26	1,003	1,100	Buy	Avinash Singh
30-Dec-25	979	1,100	Buy	Avinash Singh
20-Dec-25	902	1,050	Buy	Avinash Singh
02-Nov-25	749	850	Buy	Avinash Singh
06-Oct-25	671	750	Buy	Avinash Singh
27-Jul-25	616	750	Buy	Avinash Singh
07-Jul-25	671	750	Buy	Avinash Singh
20-Jun-25	666	750	Buy	Avinash Singh
05-Jun-25	651	750	Buy	Avinash Singh
26-Apr-25	655	750	Buy	Avinash Singh
10-Apr-25	625	750	Buy	Avinash Singh
03-Apr-25	654	750	Buy	Avinash Singh
27-Feb-25	607	700	Add	Avinash Singh
26-Jan-25	527	700	Add	Avinash Singh
06-Jan-25	594	700	Add	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



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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

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SESHADRI KUMAR SEN

Digitally signed by SESHADRI KUMAR SEN
Date: 2026.07.25 21:38:23 +05'30'

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