

Soft 2Q performance; management expects a stronger 2H

BFSI - NBFCs ▶ Result Update ▶ October 29, 2026

CMP (Rs): 297 | TP (Rs): 370

REC reported a soft 2QFY27 in terms of growth, margins, and profitability. Loan-book growth remained modest at 6% yoy/5% qoq to Rs6.17trn, despite stronger disbursements of Rs564bn. NIM in 1H moderated to 3.22% (vs 3.34% in 1QFY27) amid competitive pricing and funding-cost pressures. Asset quality remained robust, with GS3/NS3 at 0.22%/0.11% and no new NPAs for 19 quarters. REC remains confident of 10-12% FY27 loan growth, supported by >Rs2.1trn disbursements, lower prepayments, a Rs2.56trn committed pipeline, and opportunities across RE, transmission, thermal, and infrastructure, though competitive intensity should keep margins around current levels. Credit costs should largely reflect ~1% ECL on incremental loans. The proposed PFC-REC merger awaits Cabinet approval after receiving RBI/stock-exchange NOCs, with potential funding, capital, and operating synergies. Reflecting weaker growth/margins, we cut FY27-29E EPS by 3-6%. We reiterate BUY while cutting Sep-27E TP by ~16% to Rs370 (from Rs440), implying 0.9x FY28E PBV. Attractive valuations and robust asset quality support our view, while growth recovery, margins, and merger execution remain key monitorables.

Margins soften; credit costs normalize amid strong asset quality

In 1HFY27, REC reported a spread/NIM of 2.38%/3.22%, with margins moderating amid competitive pricing and higher funding costs. Credit cost remained contained, with ~1% ECL provisioning on incremental loans, while 1H ROE moderated to 16.89%. Asset quality continued to strengthen, aided by the absence of new slippages for 19 quarters and a sharp reduction in Stage-2 assets to Rs32bn from ~Rs124bn in 1QFY27; GS3/NS3 declined to a new low of 0.22%/0.11%, with only two stressed accounts of Rs13.8bn and ~51% PCR.

Management expects growth revival on strong pipeline visibility

Management remains confident of achieving 10-12% loan-book growth in FY27 and >Rs2.1trn disbursements, aided by sharply lower prepayments (~Rs190bn in 1H vs ~Rs1trn in FY26) and strong pipeline visibility. The committed/sanctioned pipeline stands at ~Rs2.56trn, with ~Rs650-700bn already documented and closer to disbursement, supporting a stronger 2H; management also targets another ~Rs1.7-2.0trn of sanctions. Growth should be led by distribution, transmission, RE, and infrastructure, while thermal provides further upside, including the recently won ~Rs270bn NTPC Meja project, likely to be shared with PFC; storage/data centers provide additional optionality. While competition and funding costs remain margin headwinds, management sees limited downside to yields and aims to sustain NIM around ~3.2%. Asset quality should remain benign, with no new NPAs for 19 quarters, sharply lower Stage-2 assets, and credit cost largely reflecting ~1% ECL on incremental loans.

Adjust estimates; reiterate BUY with a revised TP of Rs370

Factoring in the quarterly performance and outlook, we cut our FY27-29E EPS by 3-6%, largely reflecting softer growth/margins. We maintain BUY with a revised Sep-27E TP of Rs370 (Rs440 earlier), implying 0.9x FY28E PBV. Our view is supported by attractive valuations and robust asset quality, while growth and margins remain key monitorables.

REC: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	157,130	162,822	148,442	151,200	167,707
AUM growth (%)	11.3	3.0	7.5	9.5	10.0
NII growth (%)	26.7	2.4	0.8	2.2	10.8
NIMs (%)	3.6	3.6	3.4	3.5	3.5
PPOP growth (%)	27.1	0.2	(9.7)	10.5	11.2
Adj. EPS (Rs)	59.7	61.8	56.4	57.4	63.7
Adj. EPS growth (%)	12.1	3.6	(8.8)	1.9	10.9
Adj. BV (INR)	294.8	320.1	374.0	411.3	452.7
Adj. BVPS growth (%)	12.9	8.6	16.8	10.0	10.1
RoA (%)	2.7	2.6	2.2	2.1	2.1
RoE (%)	21.5	20.1	16.2	14.6	14.7
P/E (x)	5.0	4.8	5.3	5.2	4.7
P/ABV (x)	1.0	0.9	0.8	0.7	0.7

Source: Company, Emkay Research

Target Price – 12M	Sep-27
Change in TP (%)	(15.9)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	24.6

Stock Data	RECL IN
52-week High (Rs)	388
52-week Low (Rs)	284
Shares outstanding (mn)	2,633.2
Market-cap (Rs bn)	782
Market-cap (USD mn)	8,210
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	6.4
ADTV-3M (Rs mn)	2,119.2
ADTV-3M (USD mn)	22.2
Free float (%)	0.0
Nifty-50	22,936.8
INR/USD	95.3

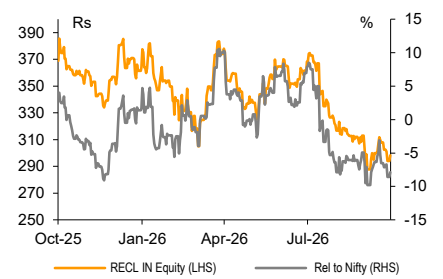
Shareholding, Sep-26

Promoters (%)	52.6
FPIs/MFs (%)	16.8/16.5

Price Performance

(%)	1M	3M	12M
Absolute	1.6	(20.6)	(23.0)
Rel. to Nifty	0.6	(16.1)	(12.5)

1-Year share price trend (Rs)



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Exhibit 1: Actual vs Estimate

REC (Rs mn)	2QFY26A	3QFY26A	4QFY26A	1QFY27A	2QFY27A	qoq	yoy	2QFY27E	Variation	Consensus	Variation
NII	52,078	49,957	48,955	54,383	51,344	-5.6%	-1.4%	51,348	0.0%		
Total Income	59,630	57,096	54,747	55,830	52,138	-6.6%	-12.6%	57,343	-9.1%	57,609	-9.5%
Opex	2,755	4,822	5,054	13,362	5,653	-57.7%	105.2%	7,197	-21.5%	15,569	-63.7%
PPOP	56,875	52,274	49,692	42,468	46,485	9.5%	-18.3%	50,146	-7.3%	42,040	10.6%
Provisions	1,347	1,110	5,721	(9,625)	3,745	-138.9%	178.1%	2,230	68.0%	3,336	12.3%
PBT	55,528	51,164	43,971	52,093	42,740	-18.0%	-23.0%	47,916	-10.8%	38,704	10.4%
PAT	44,259	40,431	33,623	41,495	33,912	-18.3%	-23.4%	38,167	-11.1%	35,099	-3.4%
AUM	5,821,670	5,817,870	5,836,590	5,900,000	6,165,370	4.5%	5.9%	5,992,043	2.9%		
NIM	3.57%	3.43%	3.36%	3.71%	3.40%	-30bps	-17bps	3.45%	-5bps		
Credit Cost	0.09%	0.08%	0.40%	-0.66%	0.25%	91bps	16bps	0.15%	10bps		
GS3	1.06%	0.88%	0.24%	0.23%	0.22%	-1bps	-83bps	0.24%	-2bps		
NS3	0.24%	0.20%	0.12%	0.11%	0.11%	0bps	-13bps	0.12%	-1bps		

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	6,215,231	6,272,629	0.9%	6,808,032	6,870,933	0.9%	7,490,702	7,559,946	0.9%
Net interest income	207,866	205,087	-1.3%	216,652	209,593	-3.3%	235,089	232,331	-1.2%
Total income	231,309	216,434	-6.4%	235,031	224,020	-4.7%	254,713	247,810	-2.7%
Opex	35,172	27,673	-21.3%	17,639	15,439	-12.5%	18,660	15,892	-14.8%
PPOP	196,137	188,761	-3.8%	217,392	208,581	-4.1%	236,053	231,918	-1.8%
Provisions	-1,330	1,881	-241.4%	16,272	17,189	5.6%	17,895	19,631	9.7%
PBT	197,467	186,880	-5.4%	201,119	191,392	-4.8%	218,158	212,287	-2.7%
PAT	157,291	148,442	-5.6%	158,884	151,200	-4.8%	172,345	167,707	-2.7%
EPS (Rs)	59.7	56.4	-5.6%	60.3	57.4	-4.8%	65.5	63.7	-2.7%
BVPS (Rs)	359	374	4.2%	398	411	3.3%	441	453	2.7%
Networth	945,143	984,737	4.2%	1,048,418	1,083,017	3.3%	1,160,442	1,192,027	2.7%
NIMs	3.45%	3.39%	-6bps	3.33%	3.19%	-14bps	3.29%	3.22%	-7bps
Cost-to-income	15.2%	12.79%	-242bps	7.5%	6.89%	-61bps	7.3%	6.41%	-91bps
Opex-to-AUM	0.53%	0.42%	-11bps	0.25%	0.21%	-3bps	0.24%	0.20%	-4bps
AUM growth	6.5%	7.5%	98bps	9.5%	9.5%	0bps	10.0%	10.0%	0bps
Credit costs	-0.02%	0.03%	5bps	0.25%	0.26%	1bps	0.25%	0.27%	2bps
ROA	2.38%	2.23%	-14bps	2.22%	2.10%	-12bps	2.20%	2.12%	-7bps
ROE	17.6%	16.2%	-135bps	15.9%	14.6%	-132bps	15.6%	14.7%	-86bps

Source: Company, Emkay Research

Exhibit 3: Valuation metrics

REC	CMP/TP (Rs/sh)	Upside	Mkt Cap (Rs bn)	PBV (x)			PER (x)			ROA (%)			ROE (%)			Book Value (Rs/sh)			Adj EPS (Rs)		
				FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
At current market price	297	24.6%	782	0.8	0.7	0.7	5.3	5.2	4.7	2.2%	2.1%	2.1%	16.2%	14.6%	14.7%	374	411	453	56.4	57.4	63.7
At target price	370			1.0	0.9	0.8	6.6	6.4	5.8							374	411	453	56.4	57.4	63.7

Source: Company, Emkay Research

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

Exhibit 4: Quarterly results snapshot

Result update (Rs mn)	2QFY26A	3QFY26A	4QFY26A	1QFY27A	2QFY27A	qoq chg	yoy chg
Net Interest Income	52,078	49,957	48,955	54,383	51,344	-5.6%	-1.4%
Other Income	7,553	7,139	5,791	1,447	794	-45.1%	-89.5%
Total Income	59,630	57,096	54,747	55,830	52,138	-6.6%	-12.6%
Operating Expenses (total)	2,755	4,822	5,054	13,362	5,653	-57.7%	105.2%
Operating Profit	56,875	52,274	49,692	42,468	46,485	9.5%	-18.3%
Provisions	1,347	1,110	5,721	(9,625)	3,745	-138.9%	178.1%
Credit costs	0.1%	0.1%	0.4%	-0.7%	0.3%	91bps	16bps
PBT	55,528	51,164	43,971	52,093	42,740	-18.0%	-23.0%
Tax	11,269	10,733	10,348	10,599	8,828	-16.7%	-21.7%
Tax rate	20.3%	21.0%	23.5%	20.3%	20.7%	31bps	36bps
PAT	44,259	40,431	33,623	41,495	33,912	-18.3%	-23.4%
Disbursements	559,620	499,880	457,310	337,410	564,570	67.3%	0.9%
Total AUM	5,821,670	5,817,870	5,836,590	5,900,000	6,165,370	4.5%	5.9%
Net Worth	827,389	855,707	842,904	873,208	943,249	8.0%	14.0%
ROA	2.78%	2.53%	2.11%	2.59%	2.06%	-53bps	-72bps
ROE	21.80%	19.22%	15.84%	18.85%	16.89%	-196bps	-491bps
GS3	1.06%	0.88%	0.24%	0.23%	0.22%	-1bps	-83bps
NS3	0.24%	0.20%	0.12%	0.11%	0.11%	0bps	-13bps
PCR	77.06%	76.96%	51.13%	51.19%	51.12%	-8bps	-2594bps

Source: Company, Emkay Research

Exhibit 5: AUM trend

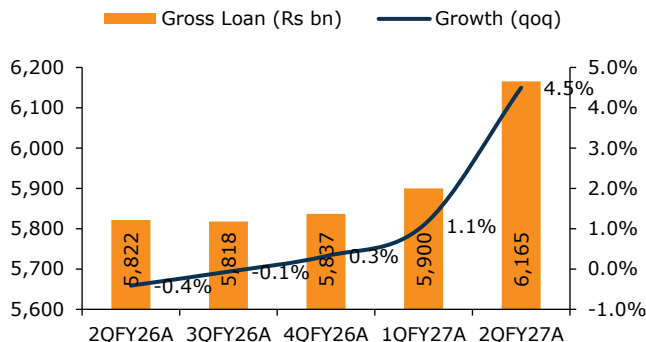
(Rs bn)	2QFY25A	3QFY25A	4QFY25A	1QFY26A	2QFY26A	3QFY26A	4QFY26A	1QFY27A	2QFY27A
Generation	1,509	1,538	1,551	1,508	1,549	1,511	1,461	1,497	1,523
Renewable energy	478	524	580	639	680	704	753	786	867
Transmission	486	475	467	452	441	460	448	453	450
Distribution	2,200	2,282	2,206	2,364	2,368	2,170	2,224	2,229	2,276
Infra and Logistics (core)	165	183	184	188	604	565	579	593	616
Infra and Logistics (E&M)	493	503	510	513					
Short-term loans	130	150	170	182	180	407	372	342	434
Total	5,461	5,656	5,669	5,846	5,822	5,818	5,837	5,900	6,165

Source: Company, Emkay Research

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

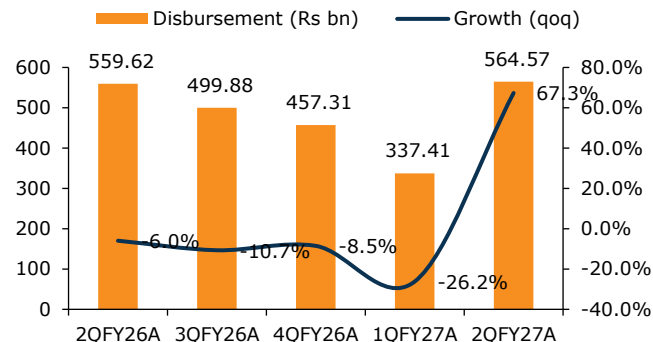
Results in charts

Exhibit 6: Healthy AUM growth, led by strong disbursements



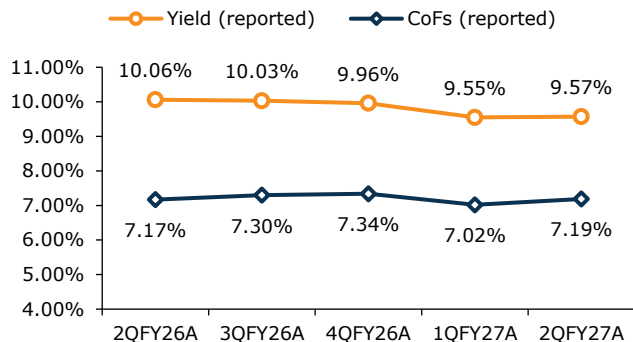
Source: Company, Emkay Research

Exhibit 7: Disbursements picked up pace in 2QFY27, up ~67% qoq



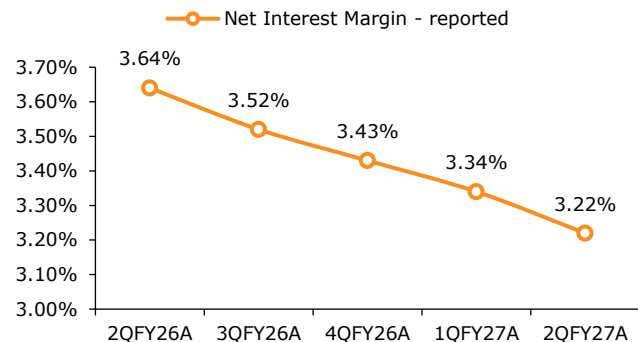
Source: Company, Emkay Research

Exhibit 8: COF up by 17bps qoq to 7.19%



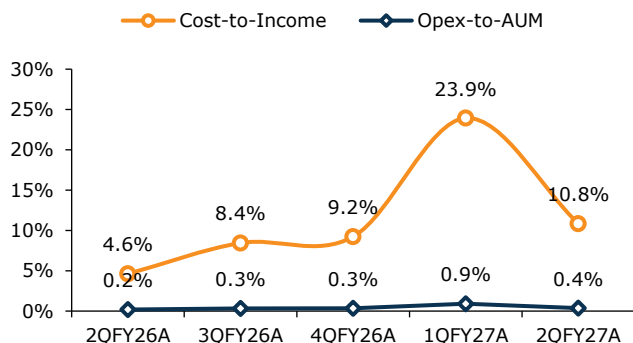
Source: Company, Emkay Research

Exhibit 9: NIM impacted by higher COF, and expected to be stable



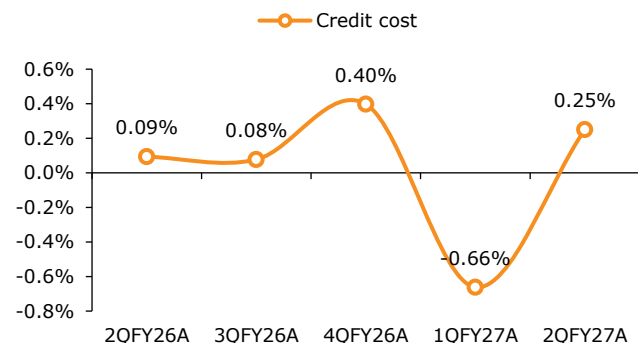
Source: Company, Emkay Research

Exhibit 10: Moderated opex on account of lower hedging cost



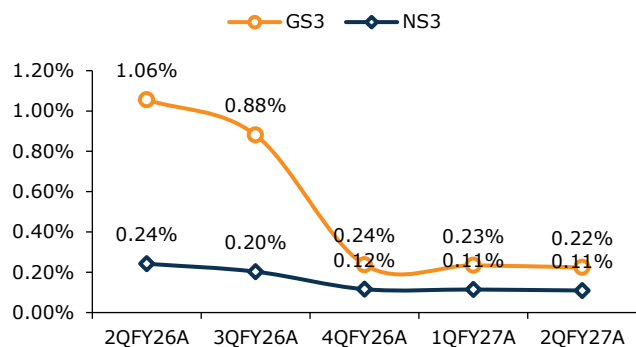
Source: Company, Emkay Research

Exhibit 11: Credit cost turned positive, led by 1% ECL provision on new loan books

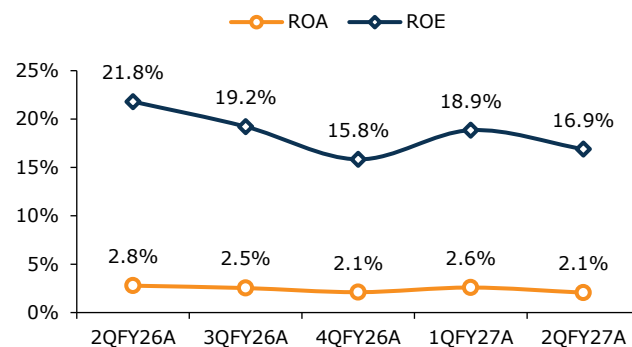


Source: Company, Emkay Research

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Exhibit 12: Asset quality remains benign, improving slightly

Source: Company, Emkay Research

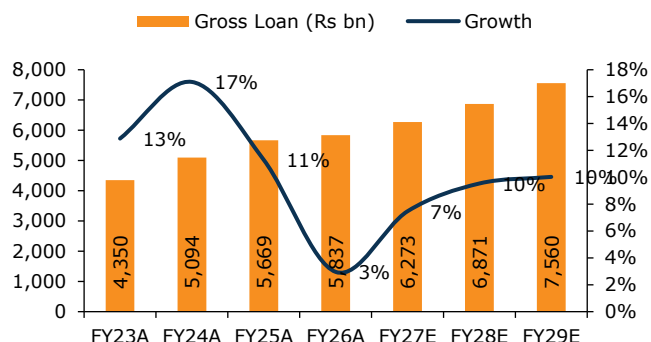
Exhibit 13: ROA/ROE trend

Source: Company, Emkay Research

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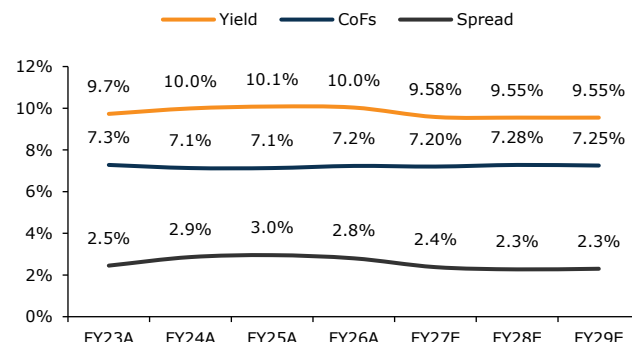
Story in charts

Exhibit 14: AUM CAGR expected at ~9% over FY26-29E



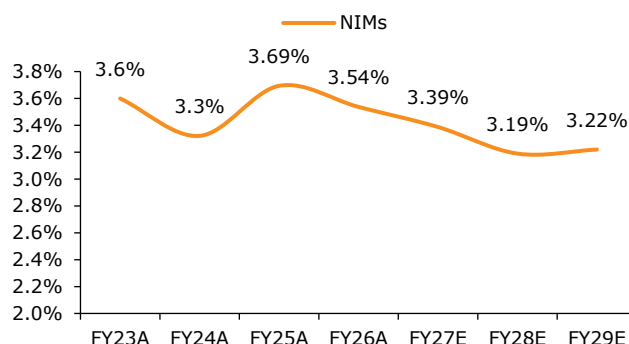
Source: Company, Emkay Research

Exhibit 15: Some compression in yield as share of RE increases



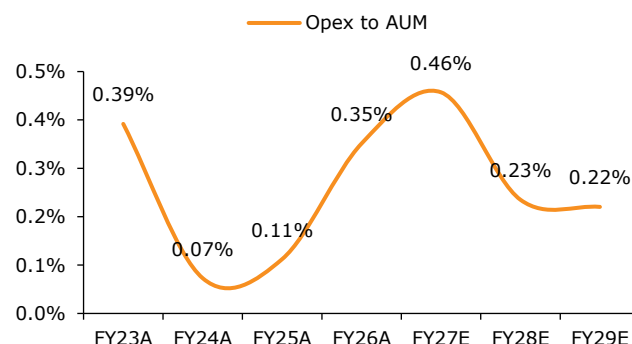
Source: Company, Emkay Research

Exhibit 16: Margin profile remained healthy and within the guided range



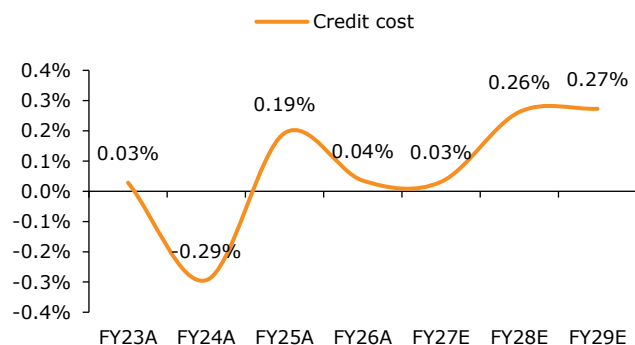
Source: Company, Emkay Research

Exhibit 17: Opex-to-AUM impacted in FY27 due to higher FX losses



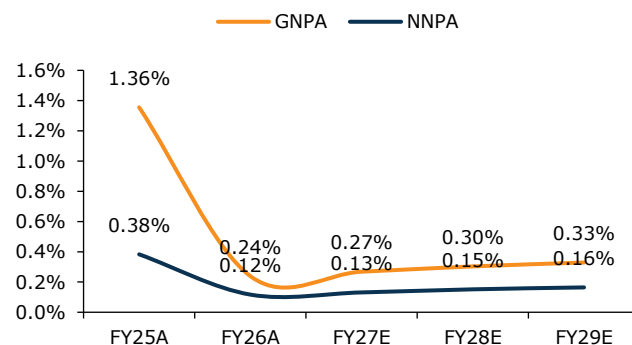
Source: Company, Emkay Research

Exhibit 18: Normalized credit cost to clock ~20-25bps expansion over FY27-29E



Source: Company, Emkay Research

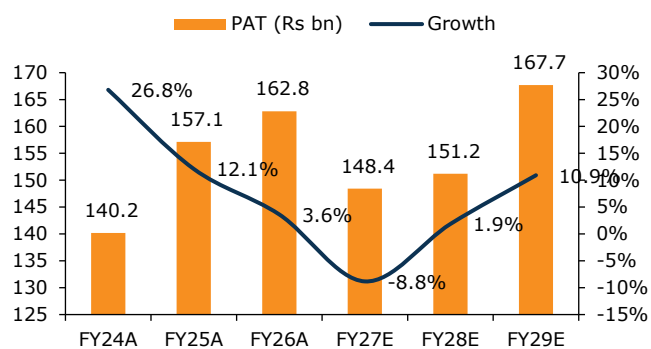
Exhibit 19: Healthy asset quality



Source: Company, Emkay Research

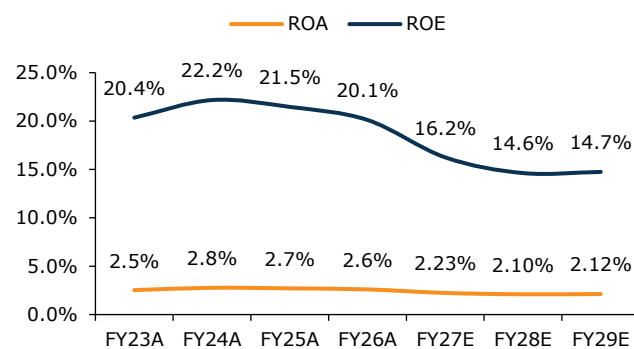
This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 20: PAT CAGR of ~6% over FY27-29E



Source: Company, Emkay Research

Exhibit 21: Healthy ROA and ROE profiles



Source: Company, Emkay Research

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

Earnings call highlights

- REC reported a steady 1HFY27, with the loan book at an all-time high of Rs6.17trn (+6% yoy/~5% qoq) and net worth up 14% yoy to Rs943.25bn. Yield/COF/spread stood at 9.57%/7.19%/2.38%, with NIM stable at 3.22% and ROE at 16.89%. CRAR remained comfortable at 24.04%.
- 2QFY27 disbursements rose 67% qoq to Rs564.57bn (distribution: 22%; RE: 17%; conventional generation: 11%). 1QFY27 disbursements were soft due to documentation delays on large projects and stiff competition. Management stated ~Rs700bn of fully documented projects are ready for drawdown over the next two quarters.
- Management guided for 10-12% loan-book growth in FY27, aided by a sharp moderation in prepayments to ~Rs190-200bn in 1HFY27 vs ~Rs1trn in FY26, which had restricted FY26 loan growth to ~2% despite record disbursements of Rs2.11trn. With rates now rising, management believes prepayments have peaked.
- On competition, management noted that banks are constrained by sectoral exposure limits despite surplus liquidity, while demand is rising across power, RE, and transmission. The Rs230bn biogas scheme, the Rs1.85trn transmission-strengthening plan (guidelines awaited), distribution, infra, and shipping are seen as incremental opportunities.
- Funding costs are largely insulated, as only ~24% of borrowings (term loans and some ECBs) are floating, while ~25% of the loan book is floating and almost all loans reset within a year or are benchmark-linked.
- Management expects stable-to-slightly-better yields in a rising-rate environment. However, given intense competition and higher borrowing costs, management did not guide for NIM expansion and would be satisfied with maintaining NIM at ~3.2%.
- Thermal is a key growth lever: The NEP envisages ~80GW of new thermal capacity requiring ~Rs6.67tn of investment by FY32 (at ~Rs83.4mn/MW), ~70% debt-funded. REC targets ~30% of this debt (Rs1.8-2.2tn) and plans to grow its generation book from ~Rs1.52tn (24.7% of loans) to ~Rs2.5tn by CY32.
- REC recently won the NTPC Meja project (~Rs270bn; REC's share would be half if co-lent with PFC).
- Thermal loans are long-tenor (5-7 years of construction, 5+ year moratorium, ~25-year economic life), reducing prepayment risk, and earn slightly higher yields given higher execution risk. Infra and logistics yields sit below thermal but well above RE, which prices lower given ~1-year build periods and more predictable returns. The segment now forms ~10% of loans (~Rs620bn) and transmission ~7% (~Rs450bn).
- Asset quality remains pristine: GS3/NS3 at 0.22%/0.11% with PCR of ~51%, all residual NPAs in the state sector and no fresh NPAs for 19 consecutive quarters. Stage-2 assets declined ~4x qoq to Rs32.35bn from Rs123.5bn, while Stage-1 forms 99.26% of loans.
- On the PFC merger, both boards have approved REC's absorption into PFC, and NOCs from RBI and the stock exchanges have been received, though the draft scheme awaits Cabinet approval. The merged entity, with a ~Rs12trn loan book, will remain a government company.
- On RDSS, consumer resistance to smart meters is largely a perception issue, as bills are rising for genuine reasons. Smart-meter data is helping discoms cut AT&C losses and theft, while the India Energy Stack has moved to live demonstrations at 4-5 utilities.
- **Guidance**
 - Loan-book growth: ~10-12% in FY27
 - Disbursements expected to be ~>Rs2.1trn in FY27
 - NIM to be maintained around ~3.2%
 - Overall provision to be maintained at ~1% ECL on incremental loan growth

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

REC: Standalone Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	540,260	565,972	585,424	629,577	692,161
Interest Expense	341,480	362,512	380,337	419,983	459,830
Net interest income	198,780	203,460	205,087	209,593	232,331
NII growth (%)	26.7	2.4	0.8	2.2	10.8
Non interest income	16,050	25,892	11,348	14,427	15,479
Total income	214,830	229,352	216,434	224,020	247,810
Operating expenses	6,040	20,211	27,673	15,439	15,892
PPOP	208,790	209,141	188,761	208,581	231,918
PPOP growth (%)	27.1	0.2	(9.7)	10.5	11.2
Provisions & contingencies	10,190	2,008	1,881	17,189	19,631
PBT	198,600	207,133	186,880	191,392	212,287
Extraordinary items	-	-	-	-	-
Tax expense	41,470	44,311	38,438	40,192	44,580
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	157,130	162,822	148,442	151,200	167,707
PAT growth (%)	12.1	3.6	(8.8)	1.9	10.9
Adjusted PAT	157,130	162,822	148,442	151,200	167,707
Diluted EPS (Rs)	59.7	61.8	56.4	57.4	63.7
Diluted EPS growth (%)	12.1	3.6	(8.8)	1.9	10.9
DPS (Rs)	18.0	18.6	19.7	20.1	22.3
Dividend payout (%)	30.2	30.0	35.0	35.0	35.0
Effective tax rate (%)	20.9	21.4	20.6	21.0	21.0
Net interest margins (%)	3.6	3.6	3.4	3.5	3.5
Cost-income ratio (%)	2.8	8.8	12.8	6.9	6.4
PAT/PPOP (%)	75.3	77.9	78.6	72.5	72.3
Shares outstanding (mn)	2,633.2	2,633.2	2,633.2	2,633.2	2,633.2

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
GNPL - Stage 3	76,527	13,848	16,804	20,804	24,804
NNPL - Stage 3	21,627	6,768	8,214	10,402	12,402
GNPL ratio - Stage 3 (%)	1.4	0.2	0.3	0.3	0.3
NNPL ratio - Stage 3 (%)	0.4	0.1	0.1	0.2	0.2
ECL coverage - Stage 3 (%)	71.7	51.1	51.1	50.0	50.0
ECL coverage - 1 & 2 (%)	-	-	-	-	-
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	-	-	-	-	-
Total credit costs (%)	0.2	0.0	0.0	0.3	0.3
NNPA to networth (%)	2.8	0.8	0.8	1.0	1.0
Capital adequacy					
Total CAR (%)	26.0	23.1	24.2	23.7	23.2
Tier-1 (%)	23.8	21.3	22.5	22.0	21.4
Miscellaneous					
Total income growth (%)	28.1	6.8	(5.6)	3.5	10.6
Opex growth (%)	75.6	234.6	36.9	(44.2)	2.9
PPOP margin (%)	3.9	3.6	3.1	3.2	3.2
Credit costs-to-PPOP (%)	4.9	1.0	1.0	8.2	8.5
Loan-to-Assets (%)	91.1	90.6	90.7	91.0	91.2
Yield on loans (%)	10.1	10.0	9.6	9.6	9.6
Cost of funds (%)	7.1	7.2	7.2	7.3	7.3
Spread (%)	3.0	2.8	2.4	2.3	2.3

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	26,332	26,332	26,332	26,332	26,332
Reserves & surplus	750,048	816,572	958,405	1,056,685	1,165,694
Net worth	776,380	842,904	984,737	1,083,017	1,192,027
Borrowings	4,867,751	5,057,770	5,474,446	5,994,518	6,593,970
Other liabilities & prov.	491,420	490,089	435,361	452,559	473,276
Total liabilities & equity	6,135,550	6,390,763	6,894,544	7,530,094	8,259,273
Net loans	5,590,880	5,792,431	6,255,825	6,850,129	7,535,142
Investments	66,410	97,994	93,457	101,161	109,500
Cash, other balances	17,500	9,269	34,473	37,650	41,296
Interest earning assets	5,674,790	5,899,694	6,383,755	6,988,940	7,685,938
Fixed assets	7,040	6,931	7,080	7,223	7,368
Other assets	453,720	484,139	503,708	533,931	565,967
Total assets	6,135,550	6,390,763	6,894,544	7,530,094	8,259,273
BVPS (Rs)	294.8	320.1	374.0	411.3	452.7
Adj. BVPS (INR)	294.8	320.1	374.0	411.3	452.7
Gross loans	5,645,780	5,799,511	6,264,415	6,860,531	7,547,544
Total AUM	5,668,830	5,836,590	6,272,629	6,870,933	7,559,946
On balance sheet	5,668,830	5,836,590	6,272,629	6,870,933	7,559,946
Off balance sheet	0	0	0	0	0
Disbursements	-	-	-	-	-
Disbursements growth (%)	0	0	0	0	0
Loan growth (%)	11.8	3.6	8.0	9.5	10.0
AUM growth (%)	11.3	3.0	7.5	9.5	10.0
Borrowings growth (%)	11.2	3.9	8.2	9.5	10.0
Book value growth (%)	12.9	8.6	16.8	10.0	10.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	5.0	4.8	5.3	5.2	4.7
P/B (x)	1.0	0.9	0.8	0.7	0.7
P/ABV (x)	1.0	0.9	0.8	0.7	0.7
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	6.1	6.2	6.6	6.8	7.5
Dupont-RoE split (%)					
NII/avg AUM	3.7	3.5	3.4	3.2	3.2
Other income	0.3	0.5	0.2	0.2	0.2
Securitization income	-	-	-	-	-
Opex	0.1	0.4	0.5	0.2	0.2
Employee expense	-	-	-	-	-
PPOP	3.9	3.6	3.1	3.2	3.2
Provisions	0.2	0.0	0.0	0.3	0.3
Tax expense	3.7	3.6	3.1	2.9	2.9
RoAUM (%)	2.9	2.8	2.5	2.3	2.3
Leverage ratio (x)	7.4	7.1	6.6	6.4	6.3
RoE (%)	21.5	20.1	16.2	14.6	14.7

Quarterly data					
Rs mn, Y/E Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
NII	52,078	49,957	48,955	54,383	51,344
NIM (%)	3.6	3.5	3.4	3.3	3.2
PPOP	56,875	52,274	49,692	42,468	46,485
PAT	44,259	40,431	33,623	41,495	33,912
EPS (Rs)	16.81	15.35	12.77	15.76	12.88

Source: Company, Emkay Research

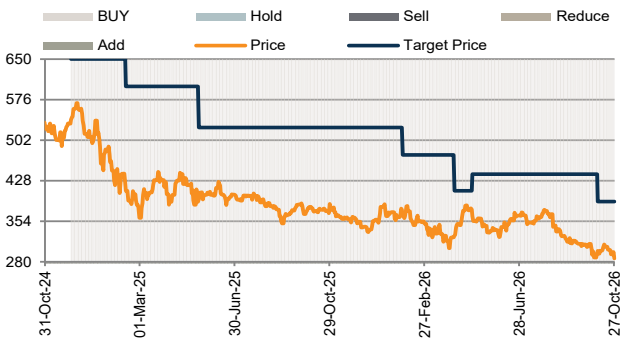
This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
06-Oct-26	300	390	Buy	Avinash Singh
26-Jul-26	362	440	Buy	Avinash Singh
05-Jul-26	365	440	Buy	Avinash Singh
29-Apr-26	364	440	Buy	Avinash Singh
06-Apr-26	328	410	Buy	Avinash Singh
17-Mar-26	338	475	Buy	Avinash Singh
30-Jan-26	364	475	Buy	Avinash Singh
06-Jan-26	383	525	Buy	Avinash Singh
29-Oct-25	386	525	Buy	Avinash Singh
06-Oct-25	378	525	Buy	Avinash Singh
25-Jul-25	401	525	Buy	Avinash Singh
07-Jul-25	392	525	Buy	Avinash Singh
20-Jun-25	394	525	Buy	Avinash Singh
05-Jun-25	403	525	Buy	Avinash Singh
15-May-25	394	525	Buy	Avinash Singh
10-Apr-25	389	600	Buy	Avinash Singh
03-Apr-25	425	600	Buy	Avinash Singh
27-Feb-25	379	600	Buy	Avinash Singh
11-Feb-25	410	600	Buy	Avinash Singh
06-Jan-25	513	650	Buy	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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