

Macro buffer utilization delivers stable Q1; hopes for a better H2

BFSI - NBFCs ▶ Result Update ▶ July 21, 2025

CMP (Rs): 203 | TP (Rs): 190

LTF reported a steady Q1FY26, with overall AUM crossing the Rs1trn mark and registering a 15% YoY (~13.8% excluding Gold Loans) growth, resulting from strong disbursements across the retail segment (including MFI and GL). Margins (NIM + fee) improved by ~7bps due to moderating CoFs. LTF has completed the integration of the acquired GL business and plans to expand branches to ~300 (from 135 now; including new geographies). Credit cost remained elevated in Q1 (Rs3bn of macro overly utilized in Q1) and the management expects MFI stress to peak in Q2FY26, with the growth momentum returning in H2. The focus on acquiring prime and near-prime customers, along with a broader rollout of Cyclops, is expected to help contain FY26 credit cost at 2.3–2.5%. Additionally, the mgmt plans to rebuild macro buffers using recoveries from the SR book, where several accounts are in advanced stages of resolution and proceeds are expected in FY27–28. Incorporating the Q1 performance and the outlook for H2, we tweak our estimates, resulting in 30-50bps change in FY26–28E RoE and 3-5% change in FY26–28E EPS; we retain REDUCE with a revised Jun-26E TP of Rs190 (up 6% from Rs180), implying FY27E P/B of 1.6x.

RBI's rate cut and easing MFI stress drove growth and margin improvement

LTF reported PAT of Rs7.01bn, marginally higher than our estimated Rs7.8bn, primarily on account of improved margins led by the RBI's rate cut and easing stress in the MFI segment (utilized Rs3bn macro prudential buffer), resulting in improved income. Overall AUM registered 5%/15% QoQ/YoY growth, led by robust disbursements across products and integration of GL business. Credit cost remained elevated (calculated at 2.53%) in Q1FY26; the mgmt expects normalization in H2FY26 on Cyclops implementation and improving macros. Asset quality remained stable with GS3/NS3 at 3.31%/0.99%; the management has utilized Rs3bn of the macro prudential buffer in the MFI segment and has a balance of Rs2.25bn as provision buffer. RoA and RoE for the quarter improved marginally to 2.37% and 10.86%, respectively.

Expects H2 to show improvements across growth, credit costs, and margins

With MFI stress expected to peak in Q2 and normalize by Q3, and festive demand likely to be strong, the management reiterated its FY26 growth guidance of ~22–25%. Credit costs are expected to ease as benefits from Cyclops implementation start to materialize, increasing the share of prime customers with pressure from the MFI segment subsiding. However, the yield will also see some moderation, owing to the changing product mix and cyclops implementation, leading to better quality customer selection, with NIM + fee staying at ~10-10.5%. The mgmt also plans to create a macro buffer (not product-specific) from the recovery in SR book's resolution (FY27-28). With these strategies and tech in place, execution remains the key to improved profitability. Overall, the mgmt sees exit quarter RoA in FY26 at ~2.5% and at ~2.8% in FY27.

Target Price – 12M	Jun-26
Change in TP (%)	5.6
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(6.4)

Stock Data	LTF IN
52-week High (Rs)	213
52-week Low (Rs)	129
Shares outstanding (mn)	2,497.7
Market-cap (Rs bn)	507
Market-cap (USD mn)	5,889
Net-debt, FY26E (Rs mn)	NA
ADTV-3M (mn shares)	6
ADTV-3M (Rs mn)	1,446.3
ADTV-3M (USD mn)	16.8
Free float (%)	32.2
Nifty-50	24,968.4
INR/USD	86.2

Shareholding, Jun-25

Promoters (%)	66.2
FPIs/MFs (%)	6.2/14.1

Price Performance

(%)	1M	3M	12M
Absolute	7.6	24.1	10.1
Rel. to Nifty	6.9	18.6	9.3

1-Year share price trend (Rs)**L&T Finance: Financial Snapshot (Consolidated)**

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profits	23,171	26,434	29,941	39,323	50,249
AUM growth (%)	5.8	14.3	18.4	20.7	21.5
NII growth (%)	11.4	15.0	15.5	21.8	21.1
NIMs (%)	10.4	10.8	10.7	10.8	10.7
PPOP growth (%)	(30.2)	15.3	12.2	24.9	24.5
Adj. EPS (Rs)	9.3	10.7	12.1	15.9	20.2
Adj. EPS growth (%)	42.0	15.0	13.1	31.1	27.6
Adj. BV (INR)	92.6	100.9	109.0	119.8	134.9
Adj. BVPS growth (%)	8.7	8.8	8.1	10.0	12.7
RoA (%)	2.2	2.4	2.3	2.6	2.8
RoE (%)	10.3	10.9	11.3	13.6	15.6
P/E (x)	21.8	19.0	17.2	13.3	10.3
P/ABV (x)	2.2	2.0	1.9	1.7	1.5

Source: Company, Emkay Research

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Factoring in Q1 development; maintain REDUCE; raise TP by 6% to Rs190

To reflect the Q1 performance/developments in the MFI and Gold segments, we slightly increased our disbursement and AUM growth for FY26-28E, with a marginal improvement of ~3-10bps in margins; this resulted in a 3-5% increase in EPS over FY26-28E. We retain REDUCE with an increased Jun-26E TP to Rs190 (up by ~6%), implying FY27E P/B of 1.6x (as valuation is near fair zone after the recent outperformance of the shares and profitability is going to stay stable, with some uncertainty over the near term emerging from factors such as Bihar assembly elections and seasoning of the new unsecured loan book).

Exhibit 1: Actual vs Estimates

LTFH Q1FY26					Actual	Change		Emkay Estimates			
Result Update	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	QoQ	YoY	1QFY26	Variation	Consensus	Variation
NII	21,012	21,781	22,371	21,501	22,788	6.0%	8.4%	22,407	1.7%		
Net Income	24,332	25,477	25,359	24,274	26,239	8.1%	7.8%	25,405	3.3%		
Opex	9,656	9,578	10,578	10,034	10,486	4.5%	8.6%	10,433	0.5%		
PPOP	14,676	15,899	14,781	14,240	15,753	10.6%	7.3%	14,973	5.2%	15,458	1.9%
Provision	5,453	6,504	6,542	6,185	6,320	2.2%	15.9%	5,817	8.6%	6,379	-0.9%
PBT	9,223	9,396	8,239	8,055	9,432	17.1%	2.3%	9,156	3.0%	9,079	3.9%
PAT	6,853	6,967	6,257	6,358	7,008	10.2%	2.3%	6,803	3.0%	6,809	2.9%
AUM	887,170	930,140	951,200	977,620	1,023,140	4.7%	15.3%	1,021,127	0.2%		
Disbursement	150,190	151,640	152,100	149,140	175,220	17.5%	16.7%	175,200	0.0%		
Retail AUM	844,450	889,760	922,240	951,800	998,160	4.9%	18.2%	998,000	0.0%		
Retail Disbursement	148,390	150,920	152,100	148,990	175,220	17.6%	18.1%	175,100	0.1%		
Credit Cost (calc.)	2.50%	2.86%	2.78%	2.57%	2.53%	-4bps	2bps	2.3%	20bps		
GS3	3.14%	3.19%	3.23%	3.29%	3.31%	2bps	17bps	3.24%	7bps		
NS3	0.79%	0.96%	0.97%	0.97%	0.99%	2bps	20bps	0.96%	3bps		
PCR	75.33%	70.58%	70.57%	71.13%	70.83%	-31bps	-451bps	71.0%	-17bps		

Source: Company, Emkay Research

Exhibit 2: Change in estimates

Y/E Mar (Rs m)	FY26E			FY27E			FY28E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
AUM	1,149,446	1,157,814	0.7%	1,385,485	1,397,117	0.8%	1,683,614	1,698,070	0.9%
Disbursement	696,401	724,770	4.1%	829,654	864,278	4.2%	995,945	1,039,993	4.4%
Disbursement growth (%)	15.5	20.2	470bps	19	19.2	11bps	20	20.3	29bps
AUM Growth (%)	17.6	18.4	86bps	21	20.7	13bps	22	21.5	2bps
Net worth	275,504	276,459	0.3%	301,660	304,412	0.9%	338,709	343,363	1.4%
Net interest income	98,797	100,136	1.4%	120,052	121,964	1.6%	146,041	147,671	1.1%
Total Income	111,791	114,078	2.0%	134,550	137,854	2.5%	162,471	165,762	2.0%
Operating Exp	46,861	47,024	0.3%	53,518	53,890	0.7%	60,832	61,248	0.7%
PPOP	64,930	67,054	3.3%	81,032	83,965	3.6%	101,639	104,513	2.8%
Provision	25,707	26,546	3.3%	30,076	30,590	1.7%	36,022	36,338	0.9%
PAT	29,142	30,097	3.3%	37,860	39,657	4.7%	48,753	50,655	3.9%
EPS (Rs)	11.8	12.2	3.2%	15	16.0	4.7%	20	20.4	3.9%
BV (Rs)	110.4	110.8	0.3%	121	122.0	0.9%	136	137.6	1.4%
NIM (%)	9.29	9.38	9bps	9.47	9.55	8bps	9.52	9.54	3bps
NIMs + Fess (%)	10.51	10.68	17bps	10.62	10.79	18bps	10.59	10.71	12bps
Cost-to-income ratio (%)	41.92	41.22	-70bps	39.78	39.09	-68bps	37.44	36.95	-49bps
Opex-to-AUM	4.41	4.40	0bps	4.22	4.22	0bps	3.96	3.96	-1bps
Credit Costs (%)	2.42	2.49	7bps	2.37	2.39	2bps	2.35	2.35	0bps
RoA (%)	2.31	2.35	4bps	2.61	2.66	5bps	2.82	2.86	4bps
RoE (%)	11.07	11.40	34bps	13.20	13.74	53bps	15.30	15.72	41bps

Source: Company, Emkay Research

Exhibit 3: Valuation matrix

				P/ABV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			EPS (Rs)		
	CMP/TP (Rs)	Upside	Mkt Cap (Rs bn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
At current market price	210.6	-9.8%	526.0	1.9	1.7	1.5	17.3	13.2	10.3	2.3	2.7	2.9	11.4	13.7	15.7	111	122	138	12	16	20
At target price	190.0			1.7	1.6	1.4	15.6	11.9	9.3	2.3	2.7	2.9	11.4	13.7	15.7	111	122	138	12	16	20

Source: Company, Emkay Research

Exhibit 4: Quarterly earnings snapshot

Particulars (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	YoY	QoQ
Income from operations	34,526	36,544	38,064	37,499	39,145	13.4%	4.4%
Interest Expenses	13,514	14,763	15,692	15,998	16,357	21.0%	2.2%
Net Interest Income	21,012	21,781	22,371	21,501	22,788	8.4%	6.0%
Other Income	3,320	3,696	2,988	2,773	3,451	3.9%	24.4%
Total Income	24,332	25,477	25,359	24,274	26,239	7.8%	8.1%
Operating Expenses	9,656	9,578	10,578	10,034	10,486	8.6%	4.5%
PPoP	14,676	15,899	14,781	14,240	15,753	7.3%	10.6%
Provisions	5,453	6,504	6,542	6,185	6,320	15.9%	2.2%
Credit costs	2.5%	2.9%	2.8%	2.6%	2.5%	2bps	-4bps
PBT	9,223	9,396	8,239	8,055	9,432	2.3%	17.1%
Tax	2,370	2,429	1,983	1,697	2,424	2.3%	42.8%
Tax rate	25.7%	25.9%	24.1%	21.1%	25.7%		
Profit after tax	6,853	6,967	6,257	6,358	7,008	2.3%	10.2%
Share of profit from associates/MI	0	0	0	0	0		
PAT adjusting for one-offs	6,853	6,967	6,257	6,358	7,008	2.3%	10.2%
AUM	887,170	930,140	951,200	977,620	1,023,140	15.3%	4.7%
Disbursement	150,190	151,640	152,100	149,140	175,220	16.7%	17.5%
Net worth	235,290	242,678	249,102	255,641	255,855	8.7%	0.1%
Credit cost	2.50%	2.86%	2.78%	2.57%	2.53%	2bps	-4bps
GS3	3.14%	3.19%	3.23%	3.29%	3.31%	17bps	2bps
NS3	0.79%	0.96%	0.97%	0.97%	0.99%	20bps	2bps
PCR	75.3%	70.6%	70.6%	71.1%	70.8%	-451bps	-31bps

Source: Company, Emkay Research

Exhibit 5: AUM trend and mix

AUM mix (Rs bn)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Overall AUM	787	818	856	887	930	951	978	1,023
Growth	0%	4%	5%	4%	5%	2%	3%	5%
Retail	694	748	800	844	890	922	952	998
Retail growth	8%	8%	7%	6%	5%	4%	3%	5%
Retail AUM as % of overall AUM	88	91	94	95	96	97	97	98
Wholesale	93	70	55	43	40	29	26	25
Wholesale growth	-34%	-24%	-21%	-23%	-5%	-28%	-11%	-3%
Wholesale AUM as % of overall AUM	12	9	6	5	4	3	3	2

Source: Company, Emkay Research

Exhibit 6: Disbursement trend

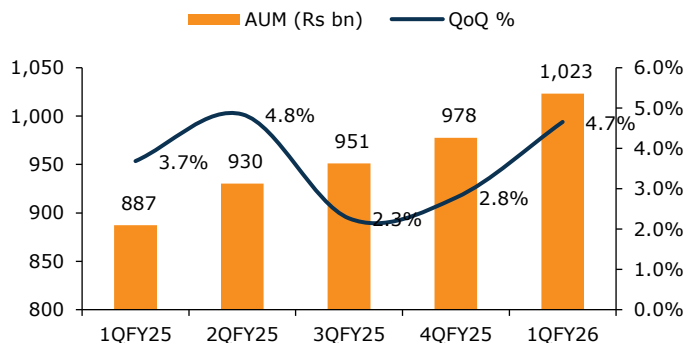
Disbursement (Rs bn)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Retail Disbursement	135	145	150	148	151	152	149	175
Growth	20.6%	7.6%	3.5%	-1.4%	1.7%	0.8%	-2.0%	17.6%
Overall Disbursement	137	149	154	150	152	152	149	175
Growth	10.8%	8.5%	3.4%	-2.3%	1.0%	0.3%	-1.9%	17.5%

Source: Company, Emkay Research

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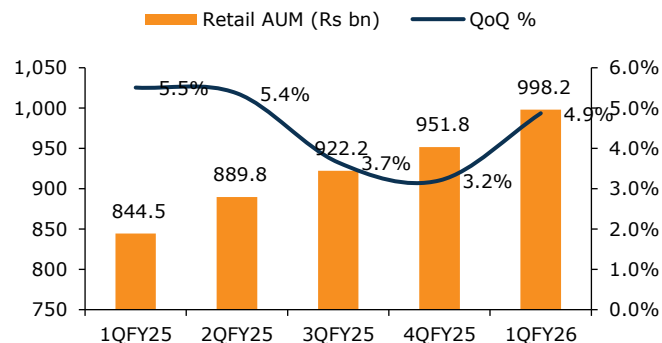
Results in charts

Exhibit 7: Growth supported by addition of gold segment



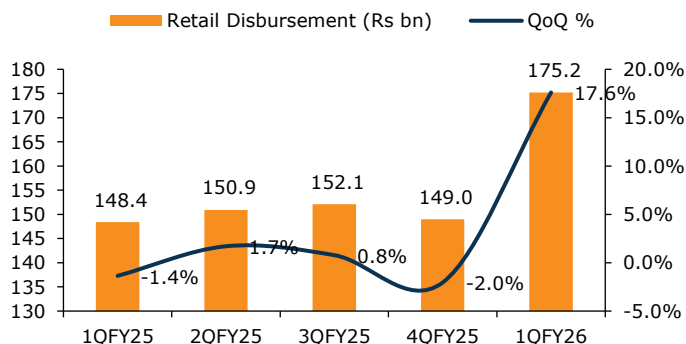
Source: Company, Emkay Research

Exhibit 8: Retailization at 98%



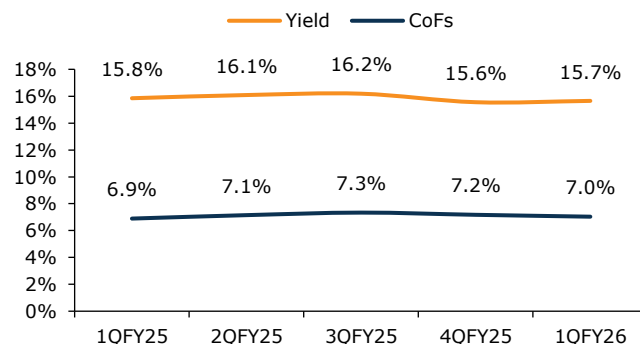
Source: Company, Emkay Research

Exhibit 9: Strong disbursement across retail product segments



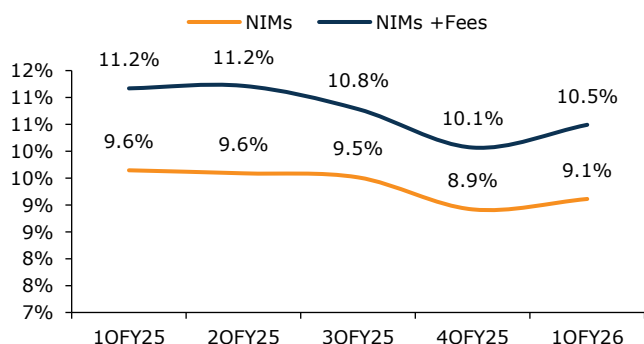
Source: Company, Emkay Research

Exhibit 10: CoF moderation led by RBI's rate-cut benefit



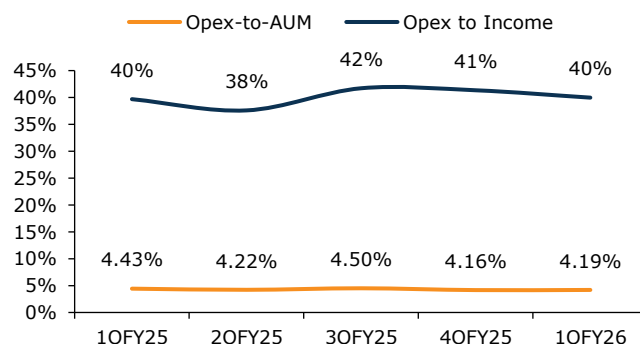
Source: Company, Emkay Research

Exhibit 11: Margin improvement led by an increasing share of high-yield products

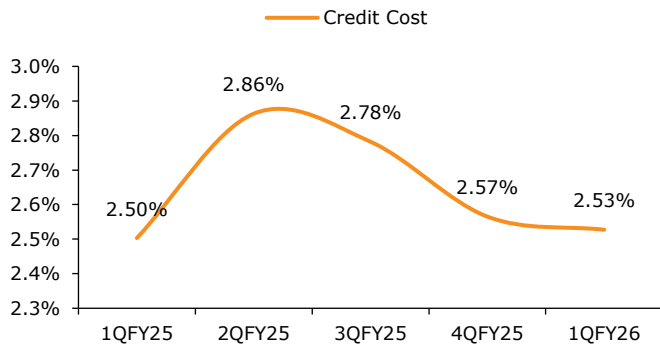


Source: Company, Emkay Research

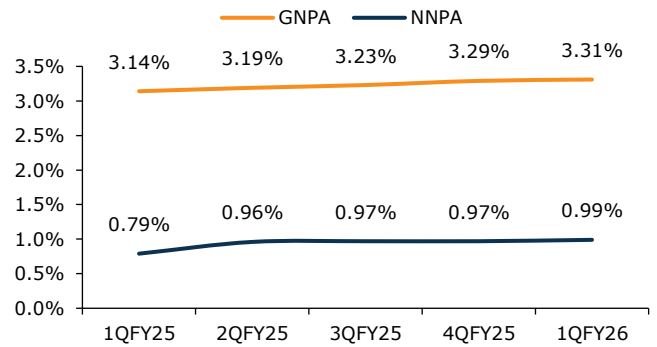
Exhibit 12: Stable operating expenses



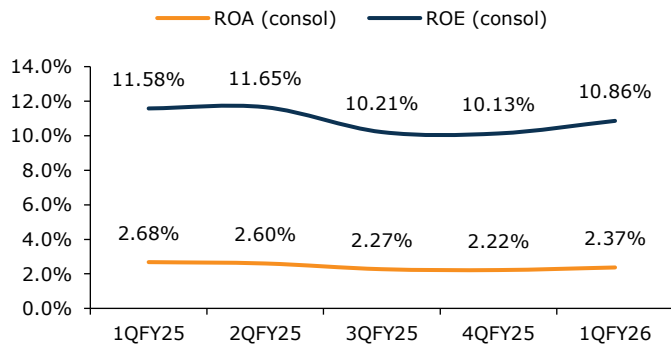
Source: Company, Emkay Research

Exhibit 13: LTF has utilized Rs3bn from macro overlay

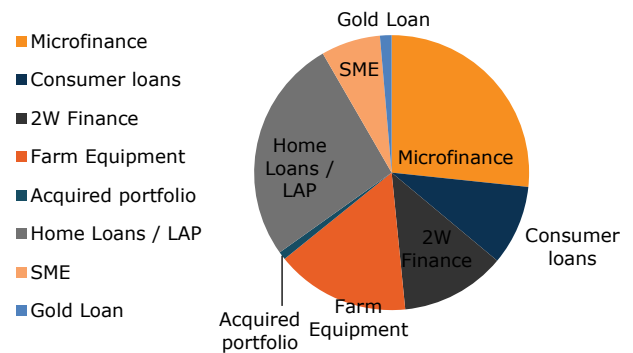
Source: Company, Emkay Research

Exhibit 14: Asset quality was impacted a tad on continued pressure in MFI segment

Source: Company, Emkay Research

Exhibit 15: Marginal improvement in profitability led by improving margins

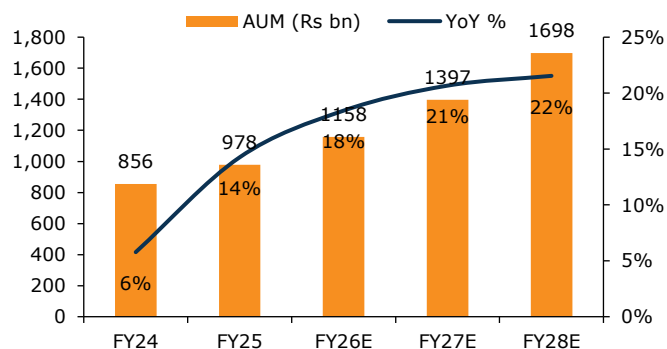
Source: Company, Emkay Research

Exhibit 16: Retail AUM mix – GL added to the portfolio

Source: Company, Emkay Research

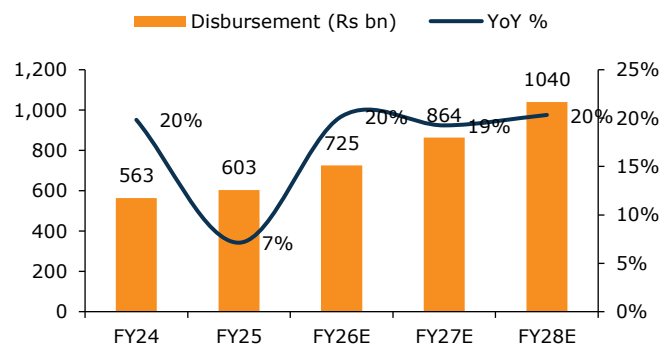
Story in charts

Exhibit 17: AUM growth led by strong disbursement



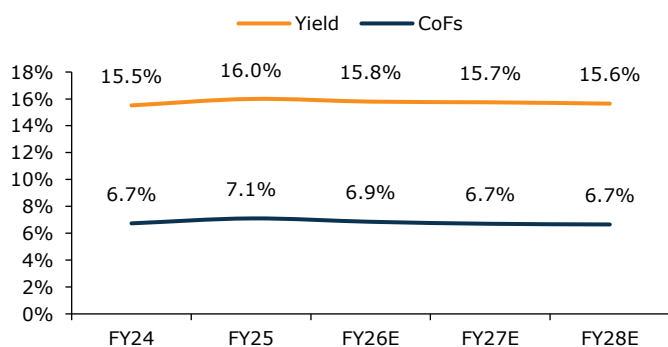
Source: Company, Emkay Research

Exhibit 18: Strong disbursement across retail product segments



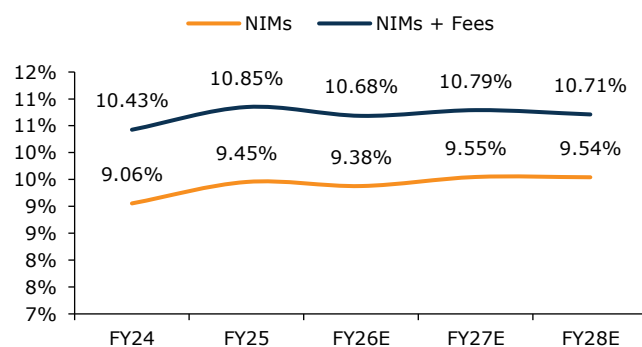
Source: Company, Emkay Research

Exhibit 19: Risk-adjusted yields to remain broadly stable



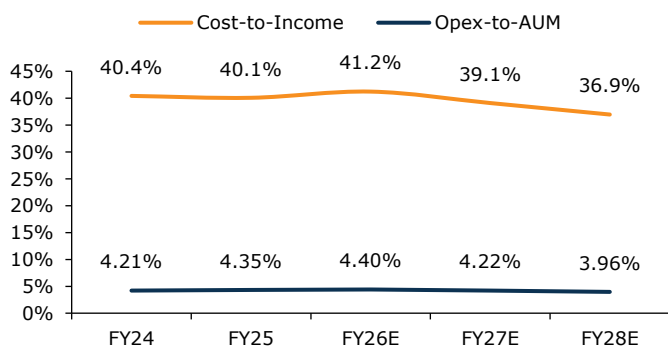
Source: Company, Emkay Research

Exhibit 20: Margin improvement led by increasing share of high yield



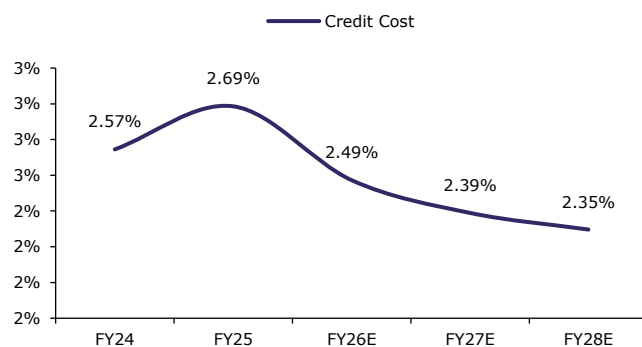
Source: Company, Emkay Research

Exhibit 21: Opex to see a marginal elevation on account of geographical diversification

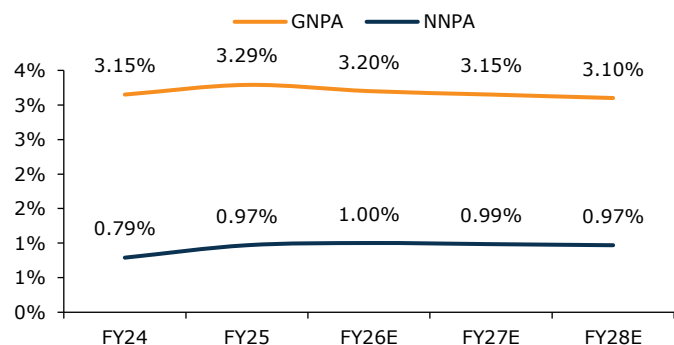


Source: Company, Emkay Research

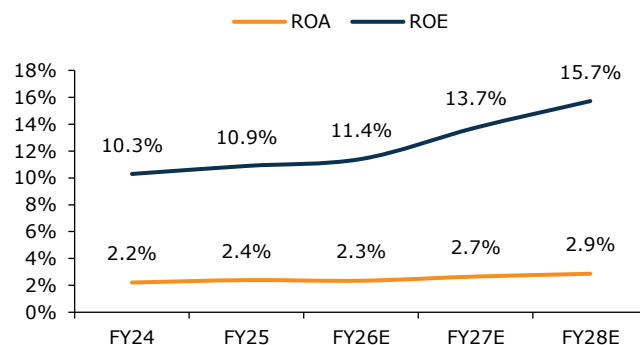
Exhibit 22: As share of prime and near prime customers increase; credit cost to improve ahead



Source: Company, Emkay Research

Exhibit 23: Asset quality to remain stable

Source: Company, Emkay Research

Exhibit 24: Profitability improvement led by improving margins and moderating credit cost

Source: Company, Emkay Research

Earnings Call Highlights

- L&T Finance posted its highest-ever consolidated book of Rs1.02trn, with the retail book at Rs998.2mn, up 18% YoY. Retail disbursements for the quarter came at Rs175.22bn, up 18% YoY. Farm equipment finance saw a 16% YoY growth; personal loans surged 65% YoY; housing loans grew 24% YoY, and SME disbursements rose 30% YoY. Rural Business Finance disbursement grew 10% QoQ, driven by better collections, though Karnataka's collection efficiency remains under recovery.
- Gold loan business acquired from Paul Merchants added **Rs13.35bn** to the book, and LTF disbursed ~Rs1.95bn in Q1. The mgmt also informed that integration was completed in under two months, with 130 branches and 700 employees onboarded; it plans to add 170 branches (taking the count to over 300) in FY26.
- Technology Update: Project Cyclops is fully deployed across 2W dealerships and for ~20% of tractor dealerships. This has started showing good results. This implementation has resulted in net non-starters in 2Ws dropping to 0.34% (Jun-25), from 2.36% (Dec-24). Full rollout of project Cyclops in tractors and SMEs is expected to be completed by Q2FY26, and in personal loans by Q3FY26.
- Project Nostradamus, the real-time AI portfolio monitoring engine, is on track for a beta launch in Sep-25 and early warning dashboards are already live.
- Lakshya 2026 goals:
 - Retaliation – Target of 95% vs 98% achieved.
 - Growth – Retail growth of 25%. The company plans to grow in a risk-calibrated manner and saw a CAGR of 28% over FY22-25.
 - Asset Quality – GS3/NS3 at 3.31%/0.99%, with improvement expected as stress in MFI eases (GS3 target of <3%).
 - RoA – Targets RoA of 2.8-3.0%. RoA has improved by 15bps QoQ and is expected to further improve to 2.5% in FY26.
- Normalized credit cost is expected to remain contained at 2.3-2.5% (including utilization of the macro prudential buffer) in FY26. The mgmt expects it to moderate further, led by adoption of project Cyclops across product segments.
- Two-wheeler disbursement quality improved, led by implementation of project Cyclops, and an increasing share of prime customers (84%; up from 53% in Mar-24). The mgmt expected disbursements to pick up in this segment and sees asset quality improving further as legacy loans run down.
- The mgmt also informed that the overall yield might moderate ~20-30bps as it continues to build prime and near-prime customer books; on a risk-adjusted basis though, overall profitability is going to improve, led by the benefit coming in from moderating credit cost.
- Despite heatwaves, elections, and a higher borrower leverage, LTF sees steady improvement in collection trends. The Karnataka ordinance had a short-term impact, and recovery is underway. Bihar collections are stable.
- **Guidance:**
 - AUM to grow at 22-25%.
 - Credit cost to contain at 2.3-2.5%.
 - Cost to see a marginal elevation on account of the new GL branch addition and geographical expansion.
 - Disbursements would not be impacted in SME/PL segments, on account of the implementation of Cyclops.
 - LTF will be partnering with a few big tech companies; announcement to follow.
 - RoA to reach ~2.8% by end-FY27, with FY26 target of 2.5%.
 - Resolution of the SR book is in advanced stages and should be done by FY27-28; we expect proceeds to be utilized to build macro provision (not specific to any segment).

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com) use and downloaded a

L&T Finance: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	129,139	146,633	168,667	201,162	242,151
Interest Expense	53,772	59,968	68,531	79,198	94,480
Net interest income	75,367	86,665	100,136	121,964	147,671
NII growth (%)	11.4	15.0	15.5	21.8	21.1
Non interest income	11,412	12,777	13,732	15,440	17,544
Total income	86,779	99,442	113,868	137,404	165,216
Operating expenses	35,079	39,846	47,024	53,890	61,248
PPOP	51,701	59,597	66,844	83,515	103,967
PPOP growth (%)	(30.2)	15.3	12.2	24.9	24.5
Provisions & contingencies	21,410	24,684	26,546	30,590	36,338
PBT	30,290	34,913	40,298	52,924	67,630
Extraordinary items	0	0	0	0	0
Tax expense	7,119	8,478	10,356	13,602	17,381
Minority interest	(30)	245	245	245	245
Income from JV/Associates	0	0	0	0	0
Reported PAT	23,171	26,434	29,941	39,323	50,249
PAT growth (%)	50.8	14.1	13.3	31.3	27.8
Adjusted PAT	23,171	26,434	29,941	39,323	50,249
Diluted EPS (Rs)	9.3	10.7	12.1	15.9	20.2
Diluted EPS growth (%)	42.0	15.0	13.1	31.1	27.6
DPS (Rs)	2.5	2.8	3.8	4.8	4.8
Dividend payout (%)	26.9	25.7	25.0	25.0	25.0
Effective tax rate (%)	23.5	24.3	25.7	25.7	25.7
Net interest margins (%)	10.4	10.8	10.7	10.8	10.7
Cost-income ratio (%)	40.4	40.1	41.3	39.2	37.1
PAT/PPOP (%)	44.8	44.8	45.2	47.4	48.6
Shares outstanding (mn)	2,488.9	2,494.9	2,494.9	2,494.9	2,494.9

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
GNPL - Stage 3	26,980	32,180	37,050	44,009	52,640
NNPL - Stage 3	6,610	9,290	11,115	13,203	15,792
GNPL ratio - Stage 3 (%)	3.2	3.3	3.2	3.2	3.1
NNPL ratio - Stage 3 (%)	0.8	1.0	1.0	1.0	1.0
ECL coverage - Stage 3 (%)	75.5	71.1	70.0	70.0	70.0
ECL coverage - 1 & 2 (%)	2.7	1.8	2.0	2.0	2.0
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	0.6	0.3	1.2	1.1	1.1
Total credit costs (%)	2.6	2.7	2.5	2.4	2.3
NNPA to networth (%)	2.8	3.6	4.0	4.3	4.6
Capital adequacy					
Total CAR (%)	22.8	21.4	20.2	19.1	18.2
Tier-1 (%)	21.0	19.6	18.4	17.3	16.3
Miscellaneous					
Total income growth (%)	(15.3)	14.6	14.5	20.7	20.2
Opex growth (%)	23.8	13.6	18.0	14.6	13.7
PPOP margin (%)	6.2	6.5	6.3	6.5	6.7
Credit costs-to-PPOP (%)	41.4	41.4	39.7	36.6	35.0
Loan-to-Assets (%)	79.2	77.9	80.3	82.6	84.3
Yield on loans (%)	15.5	16.0	15.8	15.7	15.6
Cost of funds (%)	6.7	7.1	6.9	6.7	6.7
Spread (%)	8.8	8.9	8.9	9.0	9.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	24,889	24,949	24,949	24,949	24,949
Reserves & surplus	209,495	230,692	251,355	278,973	317,518
Net worth	234,384	255,641	276,303	303,922	342,467
Borrowings	765,409	922,469	1,076,767	1,285,348	1,553,734
Other liabilities & prov.	27,382	26,655	28,918	31,608	34,752
Total liabilities & equity	1,027,176	1,204,764	1,381,988	1,620,878	1,930,953
Net loans	813,594	937,731	1,109,464	1,339,249	1,628,314
Investments	123,849	118,760	129,212	115,681	77,687
Cash, other balances	46,760	108,329	103,225	123,282	177,527
Interest earning assets	984,203	1,164,820	1,341,901	1,578,212	1,883,527
Fixed assets	5,416	7,166	8,957	11,196	13,995
Other assets	37,557	32,549	31,130	31,470	33,431
Total assets	1,027,176	1,204,534	1,381,988	1,620,878	1,930,953
BVPS (Rs)	94.2	102.5	110.7	121.8	137.3
Adj. BVPS (INR)	92.6	100.9	109.0	119.8	134.9
Gross loans	855,640	977,620	1,157,814	1,397,117	1,698,070
Total AUM	855,640	977,620	1,157,814	1,397,117	1,698,070
On balance sheet	-	-	-	-	-
Off balance sheet	-	-	-	-	-
Disbursements	562,930	603,030	704,770	839,278	1,007,493
Disbursements growth (%)	19.8	7.1	16.9	19.1	20.0
Loan growth (%)	8.3	15.3	18.3	20.7	21.6
AUM growth (%)	5.8	14.3	18.4	20.7	21.5
Borrowings growth (%)	(7.8)	20.5	16.7	19.4	20.9
Book value growth (%)	8.7	8.8	8.1	10.0	12.7

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	21.8	19.0	17.2	13.3	10.3
P/B (x)	2.2	2.0	1.8	1.7	1.5
P/ABV (x)	2.2	2.0	1.9	1.7	1.5
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	1.2	1.4	1.9	2.4	2.4
Dupont-RoE split (%)					
NII/avg AUM	9.1	9.5	9.4	9.5	9.5
Other income	1.4	1.4	1.3	1.2	1.1
Securitization income	-	-	-	-	-
Opex	2.0	1.9	1.9	1.8	1.7
Employee expense	2.2	2.4	2.5	2.4	2.3
PPOP	6.2	6.5	6.3	6.5	6.7
Provisions	2.6	2.7	2.5	2.4	2.3
Tax expense	0.9	0.9	1.0	1.1	1.1
RoAUM (%)	2.8	2.9	2.8	3.1	3.3
Leverage ratio (x)	3.7	3.7	4.0	4.4	4.8
RoE (%)	10.3	10.9	11.3	13.6	15.6

Quarterly data					
Rs mn, Y/E Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
NII	21,012	21,781	22,371	21,501	22,788
NIM (%)	11.2	11.2	10.8	10.1	10.5
PPOP	14,676	15,899	14,781	14,240	15,753
PAT	6,853	6,967	6,257	6,358	7,008
EPS (Rs)	2.75	2.79	2.51	2.55	2.81

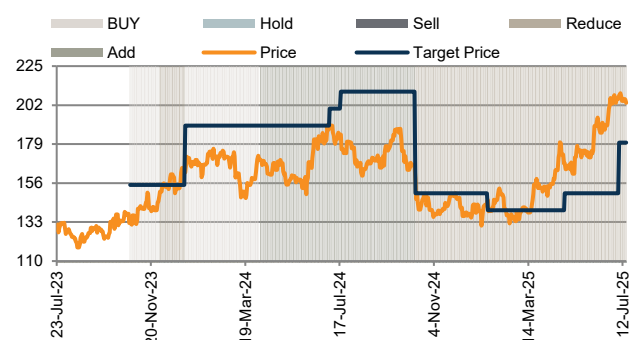
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
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
05-Dec-24	148	150	Reduce	Avinash Singh
26-Nov-24	141	150	Reduce	Avinash Singh
21-Oct-24	158	150	Reduce	Avinash Singh
04-Oct-24	175	210	Add	Avinash Singh
02-Sep-24	171	210	Add	Avinash Singh
20-Aug-24	167	210	Add	Avinash Singh
18-Jul-24	185	210	Add	Avinash Singh
04-Jul-24	188	200	Add	Avinash Singh
05-Jun-24	157	190	Add	Avinash Singh
30-Apr-24	167	190	Add	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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