

PFC reported a soft Q4 in terms of AUM growth and disbursement, but delivered strong profitability led by higher recoveries and provision writeback. Loan book grew 6.8% YoY; the management attributed the soft growth to high prepayments and resolution in stressed assets. It guided for ~10% growth in FY27, as it expects prepayments to moderate as the rate-cut cycle has paused and disbursement share of short-term schemes like RBPF will reduce. Margins in the quarter moderated slightly, as yields moderated due to rising competition and improving DISCOM ratings while CoF inched up on a combination of forex volatility and lagged liability repricing. The management guides for spreads at 2.4-2.5% in FY27. It also indicated that the proposed PFC-REC restructuring is targeted to be completed by FY27-end, subject to requisite regulatory approvals; the final structure remains under discussion. Factoring in Q4 performance and management commentary, we trim our growth and margin estimates, resulting in a ~4-5% cut in FY27-28E EPS; we still expect PFC to deliver 16-17% RoE. We reiterate BUY and raise Mar-27E TP by ~11% to Rs500 from Rs450 (implying FY28E standalone P/B of ~1.0x, based on Rs440 TP for REC and 25% holdco discount).

Softer loan growth, but asset quality remains robust

PFC's Q4FY26 performance, despite softer loan growth YoY amid elevated prepayments, remained healthy across profitability, capitalization, and asset quality metrics. The standalone loan book expanded ~7% YoY to Rs5.8trn, while disbursements for the quarter came at Rs400bn. Margins moderated marginally, with yields at 9.96% and CoF at 7.50%, resulting in spread and NIM of 2.46% and 3.55%, respectively. Profitability remained strong, with standalone PAT rising 23% YoY to Rs63.2bn, aided by provision reversals from resolutions. Asset quality improved sharply, with GNPA/NNPA declining to 1.09%/0.15% with a healthy PCR of 86% on stage 3 assets.

Growth outlook supported by strong sanction pipeline

The management expects ~10% loan growth in FY27, supported by a strong sanctioned pipeline of ~Rs2.3trn and rising opportunities across renewable energy, storage, transmission, and DISCOM financing, even as competitive intensity in operational renewable assets remains elevated. The management guided for spreads to remain at 2.4-2.5%, with margin stability aided by a diversified borrowing mix and predominantly fixed-rate liabilities, despite some pressure from competitive pricing and forex volatility. On asset quality, it expects credit costs to remain benign, supported by continued resolution progress and strong provisioning; of the 19 stressed projects, 16 (~Rs46.8bn) are already fully provided for, while GS3 PCR remains robust at ~86%. On the forex front, the management indicated that FY26 translation losses were largely notional in nature, while ~97% of foreign borrowings remain hedged. Overall, PFC remains confident about sustaining healthy profitability, supported by resilient spreads, improving asset quality, and a strong capital position.

We tweak our estimates; maintain BUY with revised Mar-27E TP of Rs500

To reflect Q4 developments and management commentary, we trim our estimates. This results in a 4-5% EPS cut over FY27-28E. Regardless, we believe PFC should deliver ~16-17% RoE and 10% loan growth. We reiterate BUY on PFC and raise Mar-27E TP to Rs500 (implying SA FY28E P/B of ~1.0x).

Power Finance Corporation: Financial Snapshot (Standalone)

Y/E 2027 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	173,478	200,513	187,468	205,131	227,841
AUM growth (%)	12.8	6.8	10.0	10.5	10.5
NII growth (%)	23.7	13.2	0.3	10.8	11.0
NIMs (%)	3.6	3.6	3.5	3.6	3.6
PPOP growth (%)	23.9	6.2	5.5	10.8	11.0
Adj. EPS (Rs)	52.6	60.8	56.8	62.2	69.0
Adj. EPS growth (%)	14.8	15.6	(6.5)	9.4	11.1
Adj. BV (INR)	275.6	310.7	350.5	394.0	442.3
Adj. BVPS growth (%)	14.8	12.8	12.8	12.4	12.3
RoA (%)	3.3	3.4	2.9	2.9	2.9
RoE (%)	20.3	20.6	16.9	16.4	16.2
P/E (x)	8.5	7.3	7.8	7.2	6.5
P/ABV (x)	1.6	1.4	1.3	1.1	1.0

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	11.1
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	12.1

Stock Data	POWF IN
52-week High (Rs)	487
52-week Low (Rs)	330
Shares outstanding (mn)	3,300.1
Market-cap (Rs bn)	1,471
Market-cap (USD mn)	15,371
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	8.5
ADTV-3M (Rs mn)	3,844.0
ADTV-3M (USD mn)	40.2
Free float (%)	44.0
Nifty-50	23,412.6
INR/USD	95.7

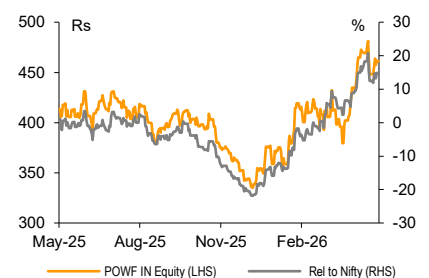
Shareholding, Mar-26

Promoters (%)	56.0
FPIs/MFs (%)	19.6/15.1

Price Performance

(%)	1M	3M	12M
Absolute	2.8	11.3	8.1
Rel. to Nifty	4.7	21.1	13.5

1-Year share price trend (Rs)



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Exhibit 1: PFC Q4FY26 results – Actual vs estimates

(Rs mn)	Q3FY25A	Q4FY25A	Q1FY26A	Q2FY26A	Q3FY26A	Q4FY26A	QoQ	YoY	Q4FY26E	Variation	Consensus	Variation
NII	46,941	59,106	54,692	52,893	56,065	55,225	-1.5%	-6.6%	54,648	1%		
Total income	53,295	71,328	55,071	65,728	63,313	69,455	9.7%	-2.6%	69,276	0%		
Opex	1,757	5,868	6,757	7,909	3,688	5,631	52.7%	-4.0%	5,855	-4%		
PPoP	51,538	65,460	48,313	57,819	59,625	63,824	7.0%	-2.5%	63,422	1%	62,253	3%
Provisions	745	4,447	(6,818)	2,420	52	(13,817)	-26928.7%	-410.7%	731		195	-7,186%
PBT	50,793	61,013	55,132	55,399	59,573	77,640	30.3%	27.3%	62,690	24%	62,058	25%
PAT	41,549	51,090	45,015	44,619	47,633	63,246	32.8%	23.8%	50,492	25%	50,453	25%
AUM	5,038,240	5,431,200	5,497,860	5,612,090	5,696,269	5,801,153	1.8%	6.8%	6,006,077	-3.4%		
NIM (calc)	3.77%	4.52%	4.00%	3.81%	3.97%	3.84%	-16bps	20bps	3.74%	11bps		
Credit cost (calc)	0.06%	0.34%	-0.50%	0.17%	0.00%	-0.96%	-46bps	-86bps	0.05%	-101bps		
GS3	2.68%	1.94%	1.92%	1.87%	1.64%	1.09%	-83bps	-162bps	1.47%	-38bps		
NS3	0.71%	0.39%	0.38%	0.37%	0.26%	0.15%	-23bps	-56bps	0.23%	-8bps		

Source: Company, Emkay Research; Note: Adjusted reported NIM is 2.58%

Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
AUM	6,635,546	6,381,276	-3.8%	7,331,972	7,051,310	-3.8%	NA	7,791,698	NA
Net interest income	231,284	219,460	-5.1%	257,210	243,061	-5.5%	NA	269,796	NA
Total income	268,968	256,294	-4.7%	298,846	283,755	-5.0%	NA	314,762	NA
Opex	14,349	14,111	-1.7%	15,748	15,335	-2.6%	NA	16,713	NA
PPOP	254,619	242,182	-4.9%	283,098	268,419	-5.2%	NA	298,049	NA
Provisions	13,264	10,741	-19.0%	15,520	15,171	-2.3%	NA	16,764	NA
PBT	241,355	231,442	-4.1%	267,577	253,248	-5.4%	NA	281,285	NA
PAT	195,498	187,468	-4.1%	216,738	205,131	-5.4%	NA	227,841	NA
EPS (Rs)	59.2	56.8	-4.1%	65.7	62.2	-5.4%	NA	69.0	NA
BVPS (Rs)	357	350	-1.8%	403	394	-2.2%	NA	442	NA
Networth	1,177,649	1,156,547	-1.8%	1,329,365	1,300,139	-2.2%	NA	1,459,627	NA
NIM	3.57%	3.54%	-3bps	3.59%	3.56%	-3bps	NA	3.55%	NA
Cost-to-income ratio	3.1%	3.2%	2bps	3.1%	3.1%	-3bps	NA	3.2%	NA
Opex-to-AUM	0.2%	0.2%	0bps	0.2%	0.2%	0bps	NA	0.2%	NA
AUM growth	10.5%	10.0%	-48bps	10.5%	10.5%	0bps	NA	10.5%	NA
Credit costs	0.21%	0.18%	-4bps	0.23%	0.23%	0bps	NA	0.23%	NA
RoA	3.0%	2.9%	-9bps	3.0%	2.9%	-12bps	NA	2.9%	NA
RoE	17.3%	16.9%	-43bps	17.0%	16.4%	-57bps	NA	16.2%	NA

Source: Company, Emkay Research

Exhibit 3: Valuation matrix

PFC	CMP/TP (Rs/sh)	Upside	Mkt cap (Rs bn)	P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book value (Rs/sh)			Adj EPS (Rs)		
				FY26A	FY27E	FY28E	FY26A	FY27E	FY28E	FY26A	FY27E	FY28E	FY26A	FY27E	FY28E	FY26A	FY27E	FY28E	FY26A	FY27E	FY28E
At current market price	446	12.2%	1,471	1.4	1.3	1.1	7.3	7.9	7.2	3.4%	2.9%	2.9%	20.6%	16.7%	16.4%	311	350	394	61	56	62
At target price	500			1.6	1.4	1.3	8.2	8.9	8.0							311	350	394	61	56	62

Source: Company, Emkay Research

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

Exhibit 4: SOTP-based valuation

	Fair value per share (Rs)	No of shares (mn)	Market cap (Rs bn)	PFC's stake	PFC's stake value (Rs bn)	Holdco discount	Equity Fair Value (Rs bn)
PFC – Standalone	360.0	3,300	1,188,036	100%	1,188,036	0%	1,188,036
REC	440.0	2,633	1,158,520	52.63%	609,729	25%	457,297
PFC – Total							1,645,333
PFC – Fair value per share	500						
Standalone FY26E P/BV (x)	FY26	FY27E	FY28E	FY29E			
Adjusted BV (Rs mn)	272	307	350	398			
Standalone Mar-27E TP (Rs)	360	360	360	360			
P/BV (x)	1.32 (x)	1.17	1.03	0.90			
Standalone P/BV at CMP (x)	0.87	0.77	0.67	0.59			

Source: Company, Emkay Research

Exhibit 5: Quarterly earnings snapshot

(Rs mn)	Q3FY25A	Q4FY25A	Q1FY26A	Q2FY26A	Q3FY26A	Q4FY26A	QoQ chg	YoY chg
Net Interest Income	46,941	59,106	54,692	52,893	56,065	55,225	-1%	-7%
Other Income	6,354	12,222	379	12,835	7,248	14,230	96%	16%
Total Income	53,295	71,328	55,071	65,728	63,313	69,455	10%	-3%
Operating Expenses	1,757	5,868	6,757	7,909	3,688	5,631	53%	-4%
Operating Profit	51,538	65,460	48,313	57,819	59,625	63,824	7%	-3%
Provisions	744.80	4,447.10	-6,818.20	2,419.90	51.50	-13,816.80	-26,929%	-411%
Credit Costs	0.06%	0.34%	-0.50%	0.17%	0.00%	0.05%	55bps	15bps
PBT	50,793.00	61,013.10	55,131.60	55,398.90	59,573.40	77,640.30	30%	27%
Tax	9,243.80	9,923.60	10,116.60	10,779.50	11,940.10	14,394.70	21%	45%
Tax Rate	18%	16%	18%	19%	20%	19%	19bps	-130bps
PAT	41,549	51,090	45,015	44,619	47,633	63,246	33%	24%
Disbursements	341,510	679,670	361,530	498,420	394,110	400,090	2%	-41%
Total AUM	5,038,240	5,431,200	5,497,860	5,612,090	5,696,269	5,801,153	2%	7%
Networth	883,634	909,369	950,610	975,249	1,007,369	1,025,319	2%	13%
RoA	3.15%	3.68%	3.09%	3.02%	3.18%	4.15%	105bps	71bps
RoE	19.07%	22.80%	19.36%	18.53%	19.22%	24.89%	553bps	423bps
GS3	2.68%	1.94%	1.92%	1.87%	1.64%	1.09%	-83bps	-162bps
NS3	0.71%	0.39%	0.38%	0.37%	0.26%	0.15%	-23bps	-56bps
PCR	80.1%	80.1%	80.3%	80.2%	84.2%	86.2%	590bps	1,279bps

Source: Company, Emkay Research

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

Exhibit 6: AUM trend

(Rs bn)	Q2FY22A	Q4FY23A	Q1FY25A	Q2FY25A	Q3FY25A	Q4FY25A	Q1FY26A	Q2FY26A	Q3FY26A	Q4FY26A
Generation	2,198.2	2,270.2	2,301.2	2,350.0	2,395.7	2,538.8	2,596.7	2,586.0	2,720.0	2,778.0
Conventional Generation				1,707.2	1,701.5	1,728.5	1,781.6	1,781.6	1,828.3	1,876.6
RE				642.8	694.2	810.3	815.1	815.1	891.7	901.4
Transmission	281.0	311.2	352.1	369.0	366.3	377.8	381.8	396.5	402.1	420.3
Distribution	1,218.0	1,586.8	1,906.2	2,003.3	2,046.7	2,223.4	2,221.4	2,276.3	2,197.1	1,936.3
Infrastructure	-	-	74.2	94.3	121.7	125.3	169.2	147.7	159.4	520.8
Other loans	20.1	56.7	116.3	117.1	107.9	165.8	128.8	205.6	217.8	145.8
Total	3,717.3	4,225.0	4,750.0	4,933.6	5,038.2	5,431.2	5,497.9	5,612.1	5,696.3	5,801.2

Source: Company, Emkay Research

Exhibit 7: AUM mix

	Q2FY22A	Q4FY23A	Q1FY25A	Q2FY25A	Q3FY25A	Q4FY25A	Q1FY26A	Q2FY26A	Q3FY26A	Q4FY26A
Generation	59%	54%	48%	48%	48%	47%	47%	46%	48%	48%
Conventional Generation	0%	0%	0%	35%	34%	32%	32%	32%	32%	32%
RE	0%	0%	0%	13%	14%	15%	15%	15%	16%	16%
Transmission	8%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Distribution	33%	38%	40%	41%	41%	41%	40%	41%	39%	33%
Infrastructure	0%	0%	2%	2%	2%	2%	3%	3%	3%	9%
Other Loans	1%	1%	2%	2%	2%	3%	2%	4%	4%	3%

Source: Company, Emkay Research

Exhibit 8: Disbursement trend

(Rs bn)	Q2FY22A	Q4FY23A	Q1FY25A	Q2FY25A	Q3FY25A	Q4FY25A	Q1FY26A	Q2FY26A	Q3FY26A	Q4FY26A
Generation	26.17	149.28	53.96	149.1	94.57	262.32	111.3	149.5	229.7	189.2
Transmission	4.59	29.92	7.52	21.36	23.71	19.73	13.6	26.8	12.3	24.5
Distribution	110.7	181.17	114.88	270.53	203.67	335.17	227.9	261.7	126.9	155.4
Infrastructure	0	0	4.15	20.08	13.63	17.41	3.5	18.9	11.7	22.6
Other loans	0.15	27.51	14.32	5.56	5.93	45.04	5.2	41.6	13.6	8.5
Disbursement (Rs bn)	142	388	194.8	466.6	341.5	679.7	361.5	498.4	394.1	400.1

Source: Company, Emkay Research

Exhibit 9: Disbursement mix

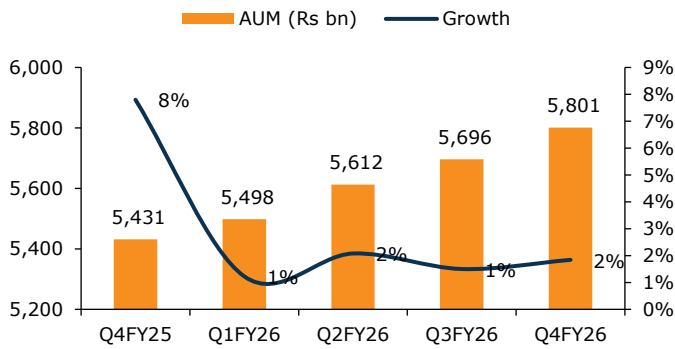
	Q2FY22A	Q4FY23A	Q1FY25A	Q2FY25A	Q3FY25A	Q4FY25A	Q1FY26A	Q2FY26A	Q3FY26A	Q4FY26A
Generation	18.5%	38.5%	27.7%	32.0%	27.7%	38.6%	30.8%	30.0%	58.3%	47.3%
Transmission	3.2%	7.7%	3.9%	4.6%	6.9%	2.9%	3.8%	5.4%	3.1%	6.1%
Distribution	78.2%	46.7%	59.0%	58.0%	59.6%	49.3%	63.0%	52.5%	32.2%	38.8%
Infrastructure	0.0%	0.0%	2.1%	4.3%	4.0%	2.6%	1.0%	3.8%	3.0%	5.6%
Other loans	0.1%	7.1%	7.3%	1.2%	1.7%	6.6%	1.4%	8.3%	3.4%	2.1%

Source: Company, Emkay Research

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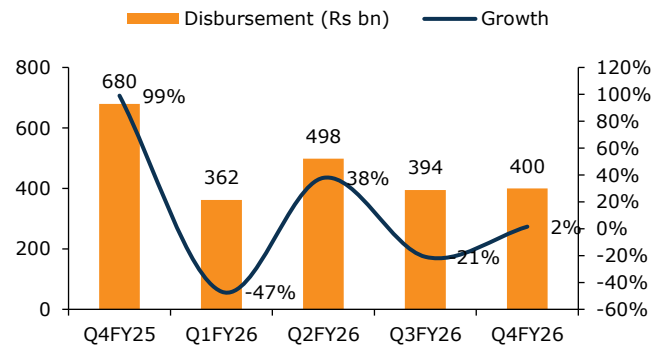
Results in charts

Exhibit 10: Softer growth YoY on account of prepayments



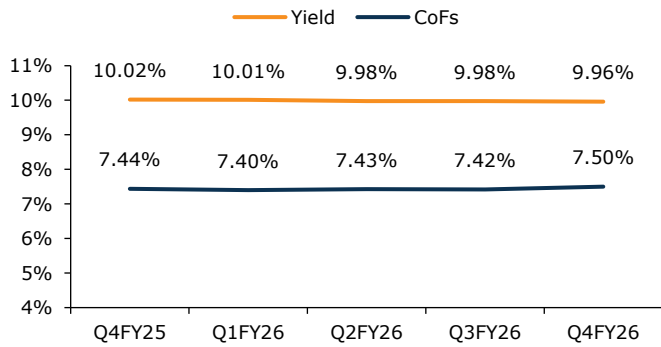
Source: Company, Emkay Research

Exhibit 11: Disbursements in earlier period include short-term funding under RBPf scheme



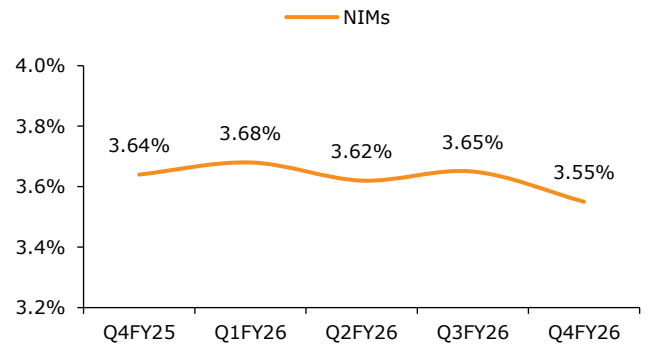
Source: Company, Emkay Research

Exhibit 12: Marginal moderation in yield due to competitive pressure



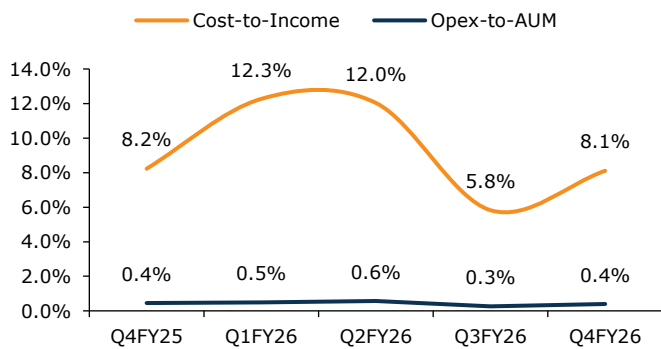
Source: Company, Emkay Research

Exhibit 13: NIMs impacted due to yield moderation and increasing CoFs



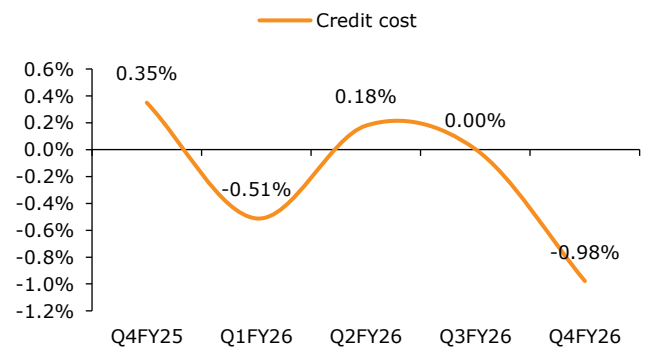
Source: Company, Emkay Research

Exhibit 14: Cost-to-income remains range bound



Source: Company, Emkay Research

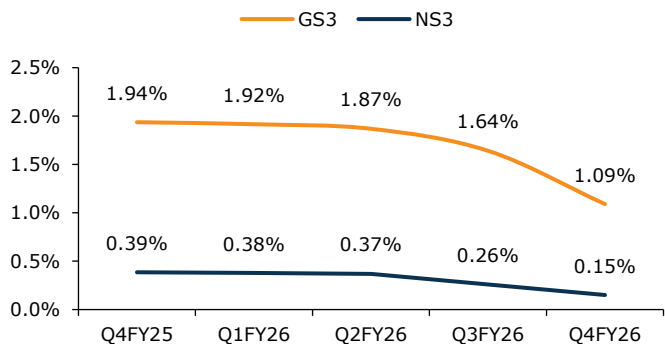
Exhibit 15: Writeback and recoveries result in negative credit cost



Source: Company, Emkay Research

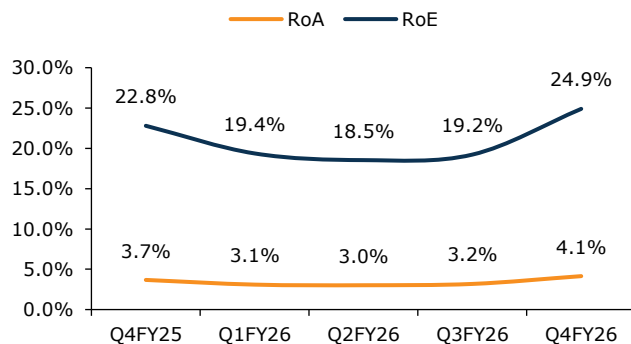
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Exhibit 16: Asset quality continues to improve



Source: Company, Emkay Research

Exhibit 17: RoA/RoE inflated due to negative credit cost

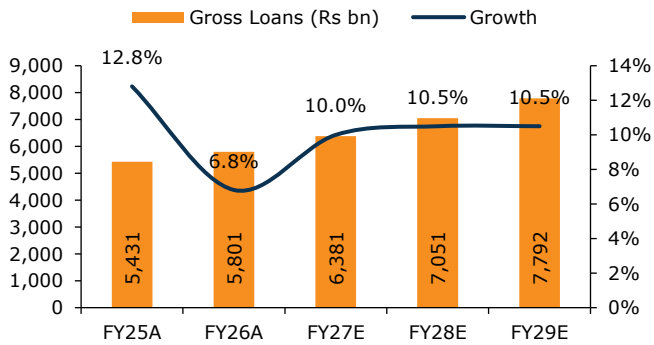


Source: Company, Emkay Research

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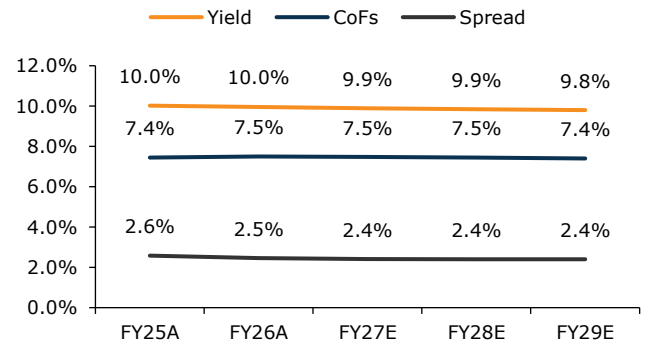
Story in charts

Exhibit 18: AUM expected to grow ~10% over FY27-28E



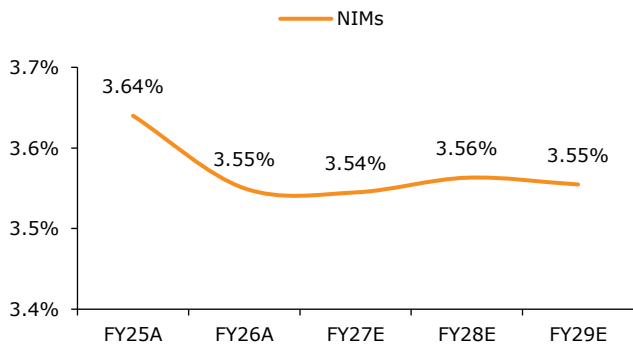
Source: Company, Emkay Research

Exhibit 19: Management guides for ~2.4-2.5% spread for FY27



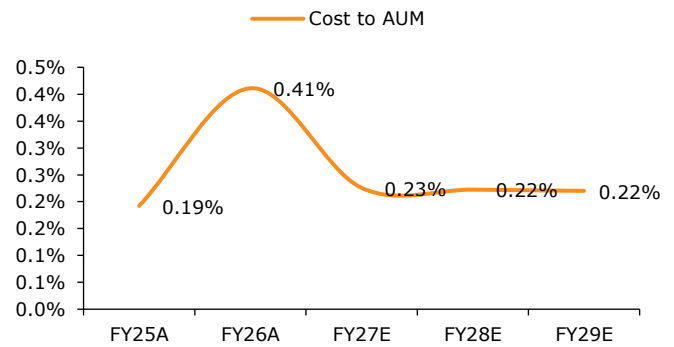
Source: Company, Emkay Research

Exhibit 20: NIMs to remain range-bound



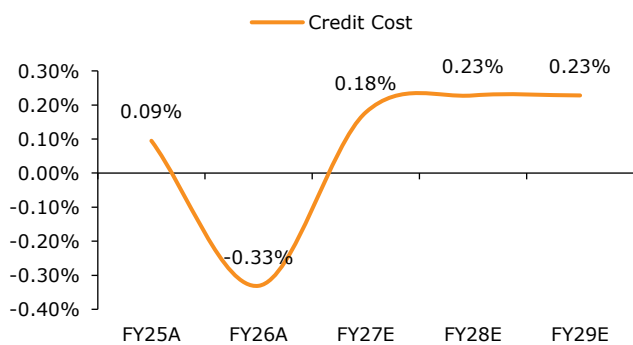
Source: Company, Emkay Research

Exhibit 21: Opex-to-AUM to remain at ~20-25bps



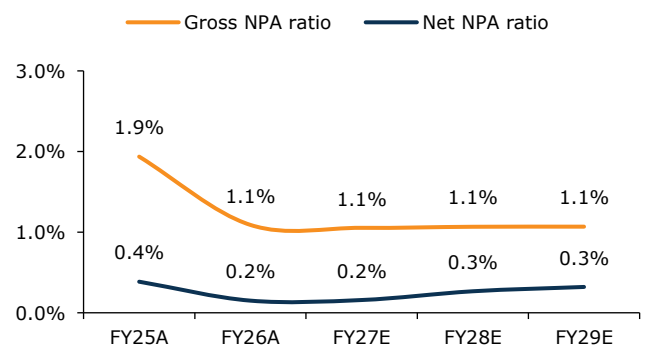
Source: Company, Emkay Research

Exhibit 22: Credit cost to inch up after the NPA resolution



Source: Company, Emkay Research

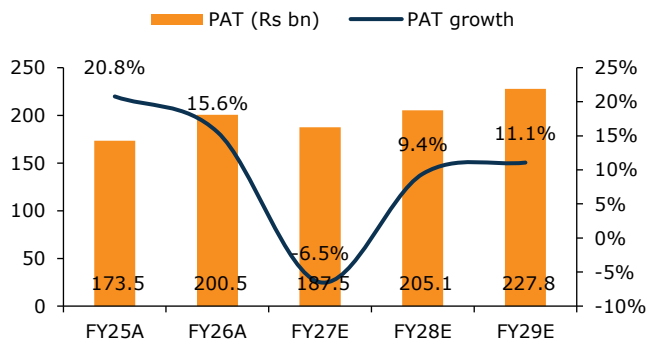
Exhibit 23: Asset quality to remain healthy



Source: Company, Emkay Research

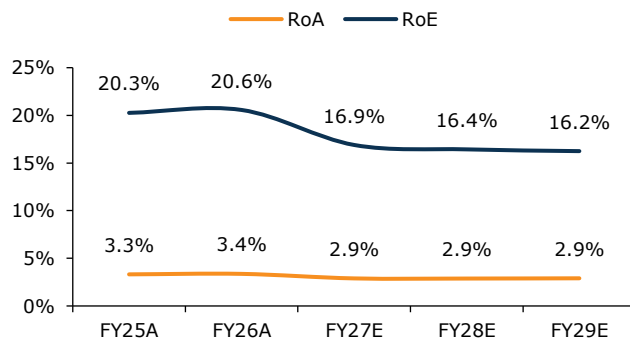
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Exhibit 24: PAT CAGR of ~5% over FY25-28E



Source: Company, Emkay Research

Exhibit 25: RoA/RoE trajectory



Source: Company, Emkay Research

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

Earnings call highlights

- PFC delivered a resilient FY26 performance despite elevated competitive intensity and refinancing pressure in operational renewable assets. The standalone loan book grew ~7% YoY to Rs5.8trn, while FY26 disbursements were broadly stable at Rs1.65trn. The management highlighted that without elevated prepayments, loan growth would have remained within the earlier guided range of 10-11%.
- Margins moderated marginally during FY26, with yields at 9.96% versus 10.02% in FY25, while CoFs increased slightly to 7.50% from 7.44%, resulting in spreads and NIMs of 2.46% and 3.55%, respectively. The management attributed pressure on yields to intense competition and lower lending rates in renewable refinancing, while CoFs were impacted by forex volatility and lagged repricing of liabilities.
- The management maintained FY27 loan growth guidance of ~10%, supported by a sanctioned-but-undisbursed pipeline of ~Rs2.3trn and rising opportunities across renewable energy, battery storage, pumped hydro, transmission, DISCOM financing, EV ecosystem financing, and energy-transition projects.
- PFC remains constructive on India's power sector outlook, highlighting that India added ~55GW of non-fossil fuel capacity during FY26, while peak power demand touched a record ~256GW. Around 40% of renewable tenders in FY26 included storage components, while PFC has already sanctioned ~Rs160bn toward battery storage and pumped storage projects.
- Asset quality improved materially during FY26, with GNPA/NNPA declining to 1.09%/0.15% – the lowest net impaired asset ratio in the last decade. PCR on GS3 assets remained strong at ~86%, while 16 of 19 stressed projects aggregating ~Rs46.8bn are already fully provided for.
- PFC successfully resolved the Sinner Thermal exposure (~Rs30bn), recovering ~42% of principal outstanding. Given the account already carried ~80% provisioning, the resolution led to provision write-backs of ~Rs6.7bn during Q4FY26. Resolution of TRN Energy (~Rs11.3bn exposure) also resulted in provision reversals of ~Rs1.3-1.6bn during FY26.
- Of the 19 stressed projects, 10 projects aggregating ~Rs54.7bn are under NCLT, of which six projects (~Rs26bn) are already under liquidation. The remaining nine projects (~Rs8.5bn) are under resolution outside NCLT, including Shiga Energy (~Rs5.2bn), where co-lender approval is awaited.
- Outstanding foreign borrowings stood at ~USD10.3bn, comprising 61% USD, 23% JPY and 16% Euro borrowings. Around 97% of foreign borrowings remain hedged, while ~65% of overall liabilities are fixed-rate in nature, largely through long-tenor bonds with 5-6-year maturity.
- The management highlighted that FY26 witnessed sharp forex volatility amid tariff-related uncertainty and geopolitical tensions, resulting in translation losses. However, most of these losses remain notional in nature and the actual impact would crystallize only at maturity.
- On the proposed PFC-REC merger/restructuring, the management indicated that both entities have granted in-principle approval and appointed legal advisors, valuers, and merchant bankers. The merger is targeted to be effective from 1-Apr-27, subject to regulatory and government approvals. It reiterated that the merged entity would retain the government-company status, although the final structure is still under discussion.
- The management acknowledged elevated competition from banks in refinancing operational renewable projects due to lower gestation risk and stable cash flows. However, it remains confident that sufficient market opportunities exist for both banks and NBFCs, given India's large power-sector funding requirement and growing energy-transition capex.
- Guidance:
 - FY27 loan growth guidance maintained at ~10%.
 - Spreads expected at 2.4-2.5%.

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

Power Finance Corporation: Standalone Financials and Valuations

Profit & Loss					
Y/E 2027 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	498,747	550,728	602,150	662,559	728,411
Interest Expense	305,380	331,854	382,689	419,498	458,615
Net interest income	193,367	218,874	219,460	243,061	269,796
NII growth (%)	23.7	13.2	0.3	10.8	11.0
Non interest income	32,531	34,692	36,834	40,694	44,967
Total income	225,897	253,566	256,294	283,755	314,762
Operating expenses	9,646	23,985	14,111	15,335	16,713
PPOP	216,251	229,581	242,182	268,419	298,049
PPOP growth (%)	23.9	6.2	5.5	10.8	11.0
Provisions & contingencies	4,571	(18,164)	10,741	15,171	16,764
PBT	211,680	247,744	231,442	253,248	281,285
Extraordinary items	-	-	-	-	-
Tax expense	38,202	47,231	43,974	48,117	53,444
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	173,478	200,513	187,468	205,131	227,841
PAT growth (%)	20.7	15.6	(6.5)	9.4	11.1
Adjusted PAT	173,478	200,513	187,468	205,131	227,841
Diluted EPS (Rs)	52.6	60.8	56.8	62.2	69.0
Diluted EPS growth (%)	14.8	15.6	(6.5)	9.4	11.1
DPS (Rs)	15.8	18.6	17.0	18.6	20.7
Dividend payout (%)	30.0	30.5	30.0	30.0	30.0
Effective tax rate (%)	18.0	19.1	19.0	19.0	19.0
Net interest margins (%)	3.6	3.6	3.5	3.6	3.6
Cost-income ratio (%)	4.3	9.5	5.5	5.4	5.3
PAT/PPOP (%)	80.2	87.3	77.4	76.4	76.4
Shares outstanding (mn)	3,300.1	3,300.1	3,300.1	3,300.1	3,300.1

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E 2027 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
GNPL - Stage 3	105,170	63,226	67,226	75,226	83,226
NNPL - Stage 3	20,930	8,743	10,084	18,806	24,968
GNPL ratio - Stage 3 (%)	1.9	1.1	1.1	1.1	1.1
NNPL ratio - Stage 3 (%)	0.4	0.2	0.2	0.3	0.3
ECL coverage - Stage 3 (%)	80.1	86.2	85.0	75.0	70.0
ECL coverage - 1 & 2 (%)	-	-	-	-	-
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	-	-	-	-	-
Total credit costs (%)	0.1	(0.3)	0.2	0.2	0.2
NNPA to networth (%)	2.3	0.9	0.9	1.4	1.7
Capital adequacy					
Total CAR (%)	22.1	23.4	24.1	24.6	25.1
Tier-1 (%)	20.2	21.5	22.2	22.7	23.2
Miscellaneous					
Total income growth (%)	25.4	12.2	1.1	10.7	10.9
Opex growth (%)	70.5	148.6	(41.2)	8.7	9.0
PPOP margin (%)	4.2	4.1	4.0	4.0	4.0
Credit costs-to-PPOP (%)	2.1	(7.9)	4.4	5.7	5.6
Loan-to-Assets (%)	91.4	92.8	93.2	93.6	93.9
Yield on loans (%)	10.0	10.0	9.9	9.9	9.8
Cost of funds (%)	7.4	7.5	7.5	7.5	7.4
Spread (%)	2.6	2.5	2.4	2.4	2.4

Source: Company, Emkay Research

Balance Sheet					
Y/E 2027 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	33,001	33,001	33,001	33,001	33,001
Reserves & surplus	876,368	992,318	1,123,546	1,267,138	1,426,626
Net worth	909,369	1,025,319	1,156,547	1,300,139	1,459,627
Borrowings	4,657,630	4,885,160	5,352,079	5,890,036	6,483,705
Other liabilities & prov.	214,775	274,667	267,691	267,255	265,747
Total liabilities & equity	5,781,773	6,185,147	6,776,317	7,457,430	8,209,080
Net loans	5,287,040	5,740,181	6,314,199	6,977,190	7,709,795
Investments	207,200	207,181	211,325	215,551	219,862
Cash, other balances	68,427	22,613	24,875	27,487	30,373
Interest earning assets	5,562,667	5,969,976	6,550,399	7,220,228	7,960,030
Fixed assets	467	621	641	661	682
Other assets	218,640	214,550	225,277	236,541	248,368
Total assets	5,781,773	6,185,147	6,776,317	7,457,430	8,209,080
BVPS (Rs)	275.6	310.7	350.5	394.0	442.3
Adj. BVPS (INR)	275.6	310.7	350.5	394.0	442.3
Gross loans	5,431,200	5,801,160	6,381,276	7,051,310	7,791,698
Total AUM	5,431,200	5,801,153	6,381,276	7,051,310	7,791,698
On balance sheet	5,431,200	5,801,160	6,381,276	7,051,310	7,791,698
Off balance sheet	0	(7)	0	0	0
Disbursements	-	-	-	-	-
Disbursements growth (%)	0	0	0	0	0
Loan growth (%)	12.6	8.6	10.0	10.5	10.5
AUM growth (%)	12.8	6.8	10.0	10.5	10.5
Borrowings growth (%)	14.3	4.9	9.6	10.1	10.1
Book value growth (%)	14.8	12.8	12.8	12.4	12.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E 2027	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	8.5	7.3	7.8	7.2	6.5
P/B (x)	1.6	1.4	1.3	1.1	1.0
P/ABV (x)	1.6	1.4	1.3	1.1	1.0
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	3.5	4.2	3.8	4.2	4.6
Dupont-RoE split (%)					
NII/avg AUM	3.8	3.9	3.6	3.6	3.6
Other income	0.6	0.6	0.6	0.6	0.6
Securitization income	-	-	-	-	-
Opex	0.2	0.4	0.2	0.2	0.2
Employee expense	-	-	-	-	-
PPOP	4.2	4.1	4.0	4.0	4.0
Provisions	0.1	(0.3)	0.2	0.2	0.2
Tax expense	4.1	4.4	3.8	3.8	3.8
RoAUM (%)	3.4	3.6	3.1	3.1	3.1
Leverage ratio (x)	6.0	5.8	5.6	5.5	5.4
RoE (%)	20.3	20.6	16.9	16.4	16.2

Quarterly data				
Rs mn, Y/E Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	54,692	52,893	56,065	55,225
NIM (%)	3.7	3.6	3.7	3.6
PPOP	48,313	57,819	59,625	63,824
PAT	0	0	0	0
EPS (Rs)	13.64	13.52	14.43	19.16

Source: Company, Emkay Research

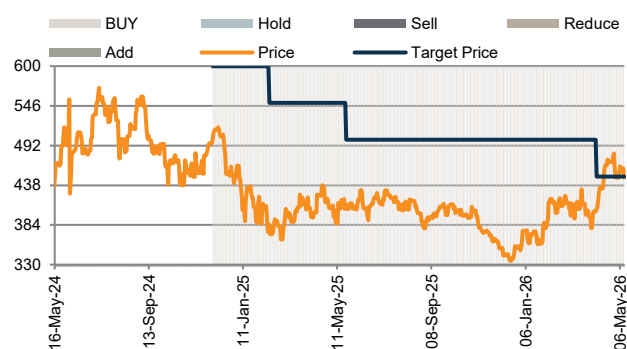
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
06-Apr-26	406	450	Buy	Avinash Singh
17-Mar-26	418	500	Buy	Avinash Singh
06-Jan-26	376	500	Buy	Avinash Singh
07-Nov-25	380	500	Buy	Avinash Singh
06-Oct-25	406	500	Buy	Avinash Singh
07-Jul-25	412	500	Buy	Avinash Singh
20-Jun-25	409	500	Buy	Avinash Singh
05-Jun-25	408	500	Buy	Avinash Singh
22-May-25	407	500	Buy	Avinash Singh
10-Apr-25	394	550	Buy	Avinash Singh
03-Apr-25	421	550	Buy	Avinash Singh
27-Feb-25	378	550	Buy	Avinash Singh
13-Feb-25	385	550	Buy	Avinash Singh
06-Jan-25	447	600	Buy	Avinash Singh
03-Dec-24	501	600	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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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

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