PL Capital
PRABHUDAS LILLADHER

Q1FY27 Result Update

Bajaj Finance (BAF IN)

July 31, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,125		1,100	
NII (INR. mn)	548,853	669,982	541,513	650,205
% Chng.	*1.4*	*3.0*		
PPoP (INR mn)	445,897	550,577	441,143	537,583
% Chng.	*1.1*	*2.4*		
EPS (INR)	42.8	53.4	41.9	52.1
% Chng.	*2.1*	*2.5*		

Key Data

Key Data	BJFN.BO | BAF IN
BSE Code	500034
NSE Code	BAJFINANCE
52-W High / Low	INR 1,101 / INR 787
Face Value	1
Sensex / Nifty	77,928 / 24,317
Market Cap	INR 6,559 bn / $ 68,553 mn
Shares Outstanding	6225.96 mn
3M Avg. Daily Value	INR 9,669.74 mn

Shareholding Pattern (%)

Promoters	54.67
FIIs	20.21
Mutual Funds	9.63
Domestic Institutions	6.77
Public & Others	8.73
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	4.9	12.5	13.4	19.1
Relative	2.9	11.0	19.7	24.6

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	363,928	441,109	548,853	669,982
NIM (%)	*9.8*	*9.6*	*9.6*	*9.6*
PPOP (INR mn)	291,674	355,637	445,897	550,577
PAT (INR mn)	167,791	193,324	266,092	332,583
EPS (INR)	27.0	31.1	42.8	53.5
Gr. (%)	*14.7*	*15.2*	*37.5*	*24.9*
DPS (INR)	5.6	6.0	4.3	5.3
Yield (%)	*0.5*	*0.5*	*0.4*	*0.5*
RoAE (%)	*19.0*	*17.9*	*20.7*	*21.4*
RoAA (%)	*4.0*	*3.7*	*4.2*	*4.4*
P/BV (x)	6.6	5.6	4.7	3.8
P/ABV (x)	6.7	5.7	4.8	3.9
PE (x)	39.0	33.8	24.6	19.7
CAR (%)	*22.0*	*24.3*	*23.6*	*23.5*

Strong growth with improving asset quality trends

Quick Pointers

- Expect 24% AUM growth in FY27E aided by new verticals and recovery in MSME
- NIM to remain stable at ~9.6% with controlled CoF
- Credit cost outlook positive backed by improving asset quality

AUM grew 24% YoY to INR5,469.4bn driven by strong momentum across mortgages and urban/ rural consumer finance on the back of deeper customer penetration and wider distribution reach. Management expects MSME growth to recover from Q3FY27 following portfolio pruning and we build AUM growth of 24%/23% for FY27/FY28E supported by FINAI-led sourcing capabilities. NIM remained resilient at ~9.6% and we expect it to be range-bound in FY27E with CoF under control. Asset quality improved sequentially with healthy vintage performance supporting a positive credit cost outlook; we factor in credit cost of ~1.6% for FY27E. Opex is likely to moderate by ~30bps in FY27E benefited from improved operating efficiencies. We slightly tweak our estimates to account for positive growth momentum, stable margin and improved opex and credit cost outlook in FY27E. Maintain "Accumulate" with a multiple of 4.2x (vs. 4.1x earlier) and a TP of INR1,125.

Expect AUM growth of ~24% in FY27E: AUM grew ~24% YoY/7.2% QoQ to INR 5,469.4bn, driven by Mortgages (+27% YoY), Urban Sales Finance (+38% YoY), Urban B2C (+19% YoY) and Rural B2C (+27% YoY). MSME growth remained subdued (+2% YoY) due to portfolio pruning amid elevated delinquencies, though management expects growth to recover by Q3FY27. Consumer finance continued to witness healthy traction, supported by deeper customer penetration, wider distribution reach and higher ticket sizes. Gold loan portfolio is expected to scale up to INR 290–300bn with ~2,800 branches by FY27. While competitive intensity remains elevated across personal loans, MSME and consumer finance, the company believes its FINAI capabilities will be a key growth lever in increasing loan origination and customer acquisition. New loans booked in 1QFY27 grew ~20% YoY to 16.1mn and BAF added 5.1mn new customers during the quarter, taking the total customer franchise to 124.4mn. It expects to disburse 60-62mn new loans in FY27 and remains confident of adding ~18-20mn new customers in FY27. Management reiterated its long-term growth guidance of 23%-25% driven by (1) ramp-up in new segments, (2) recovery in MSME portfolio and (3) AI-led lending opportunities. We build an AUM growth of 24%/23% for FY27/FY28E.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
NII (INR mn)	1,22,515	1,25,706	*2.6*	1,02,278	*22.9*
PPoP (INR mn)	1,00,228	1,01,424	*1.2*	83,365	*21.7*
Margin (%)	*9.4*	*9.5*	*14 bps*	*9.6*	*-12 bps*
PAT (INR mn)	58,327	60,806	*4.3*	47,653	*27.6*

Source: Company, PL

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NIM resilient; efficiency gains to support profitability: NII grew 22.9% YoY/ 6.7% QoQ to INR125.7bn. NIM (calc.) improved marginally to 9.51% vs 9.48% QoQ, while reported CoF remained stable at 7.40% (vs. 7.41% in Q4). Management expects CoF to remain broadly range-bound, with a marginal uptick due to hardening bond yields, inflationary pressures and monsoon-related uncertainties. We build a similar range for NIM at ~9.6% for FY27E. Reported opex/ NTI ratio stood elevated at 33.4% in Q1 (vs. 33.1% YoY) primarily due to (1) implementation of new labor code (~10bps impact) and (2) continued investments in gold loan/ MFI branch expansion. While the company plans to add 200-250 branches annually, it expects opex ratio to improve by 25-40bps in FY27 with productivity gains from FINAI capabilities. We build 30/20 bps improvement in C/I ratio in FY27/FY28E and expect BAF to deliver RoA/RoE of 4.4%/ 21.4% by FY28E.

Asset quality improves; credit cost outlook supportive: Headline GNPA/NNPA improved sequentially to 0.96%/0.39% vs. 1.01%/0.41% in Q4FY26 while PCR stood comfortable at 60%. Company reiterated its focus on maintaining a resilient balance sheet amid an uncertain global environment, thereby creating a management and macro-economic overlay of INR3bn. Management highlighted a meaningful improvement in vintage credit performance across 3MOB, 6MOB and 9MOB and remains optimistic on credit cost outlook for FY27. We build a credit cost of 1.6% for FY27E supported by prudent provisioning, normalization of MSME stress and the gradual run-down of captive 2W/3W share in the AUM mix.

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	*YoY gr. (%)*	Q2FY27E	*YoY gr. (%)*	Q3FY27E	*YoY gr. (%)*	Q4FY27E	*YoY gr. (%)*
NII	125,706	*22.9*	134,126	*24.4*	140,047	*23.7*	148,974	*26.5*
PPoP	101,424	*21.7*	109,822	*23.7*	113,938	*24.9*	120,713	*28.2*
NIM (%)	9.5	*-12 bps*	9.6	*-10 bps*	9.5	*-16 bps*	9.6	*17 bps*
PAT	60,806	*27.6*	65,521	*32.4*	67,760	*66.6*	72,006	*29.7*

Source: Company, PL

Exhibit 2: Q1FY27 Result Overview (INR mn)

Y/e March	Q1FY27	Q1FY26	*YoY gr. (%)*	Q1FY27E	*% Var*	Q4FY26	*QoQ gr. (%)*	FY27E	FY26	*YoY gr. (%)*
NII	**125,706**	**102,278**	***22.9***	**122,515**	***2.6***	**117,806**	***6.7***	**548,853**	**441,109**	***24.4***
NIM (%) (calc)	*9.5*	*9.6*	*-12bps*	*9.4*	*14bps*	*9.5*	*4bps*	9.6	9.6	*-5bps*
Other Income	26,588	22,325	*19.1*	27,453	*(3.2)*	24,378	*9.1*	116,439	92,300	*26.2*
Net Revenue	152,294	124,603	*22.2*	149,969	*1.6*	142,184	*7.1*	665,293	533,408	*24.7*
Opex	50,870	41,238	*23.4*	49,741	*2.3*	48,011	*6.0*	219,396	177,771	*23.4*
PPOP	**101,424**	**83,365**	***21.7***	**100,228**	***1.2***	**94,174**	***7.7***	**445,897**	**355,637**	***25.4***
Provisions	19,934	19,689	*1.2*	22,459	*(11.2)*	20,075	*(0.7)*	90,692	96,702	*(6.2)*
PBT	**81,490**	**63,676**	***28.0***	**77,769**	***4.8***	**74,098**	***10.0***	**355,204**	**258,935**	***37.2***
Tax	20,684	16,023	*29.1*	19,442	*6.4*	18,565	*11.4*	89,113	64,843	*37.4*
ETR (%)	*25.4*	*25.2*		*25.0*		*25.1*		25.1	25.0	
PAT	**60,806**	**47,653**	***27.6***	**58,327**	***4.3***	**55,533**	***9.5***	**266,092**	**193,324**	***37.6***
Business Metrics										
AUM	5,469,440	4,414,500	*23.9*	5,469,000	*0.0*	5,099,750	*7.2*	6,317,883	5,099,750	*23.9*
Borrowings	3,484,750	2,914,210	*19.6*	3,379,389	*3.1*	3,228,180	*7.9*	3,817,204	3,228,180	*18.2*
Asset Quality Metrics										
GNPA (%)	*0.96*	*1.03*	*7bps*	*0.93*	*-3bps*	*1.01*	*5bps*	0.92	1.01	*9bps*
NNPA (%)	*0.39*	*0.50*	*11bps*	*0.38*	*0bps*	*0.41*	*2bps*	0.38	0.41	*3bps*
PCR (%)	*59.7*	*51.9*	*774bps*	*58.7*	*93bps*	*59.7*	*-5bps*	59.4	59.7	*-33bps*

Source: Company, PL

Exhibit 3: Change in Estimates

(INR mn)	Revised Estimate		Earlier Estimate		% Revision	
	FY27E	FY28E	FY27E	FY28E	*FY27E*	*FY28E*
Net interest income	548,853	669,982	541,513	650,205	*1.4%*	*3.0%*
Operating profit	445,897	550,577	441,143	537,583	*1.1%*	*2.4%*
Profit after tax	266,092	332,583	260,644	323,955	*2.1%*	*2.7%*
ABVPS (INR)	221	269	220	268	*0.3%*	*0.7%*

Source: PL

Q1FY27 Conference Call Highlights

Growth

- Competitive intensity remains elevated across personal loans, MSME and consumer finance; however, company continues to focus on improving franchise economics through customer centricity, digital transformation and AI-led underwriting/servicing.
- Gold loan customer mix remains healthy, with existing customers contributing ~70% and new customers ~30%.
- Management plans to add 200–250 branches annually and 520-550 MFI branches in FY27
- AI currently contributes ~20%/25%/20% of sourcing in personal loans/gold loans/business loans, respectively.
- AI-led insights generated INR 5.2bn of disbursement opportunities, while AI voice/text bots contributed INR 25bn disbursements; contribution is expected to scale to INR110-120bn in FY27.
- MSME growth remained subdued due to risk-led portfolio pruning initiated from July-25; management expects growth momentum to recover from Q3FY27.
- Growth in urban and rural finance is being driven by deeper customer penetration, wider distribution reach and higher average ticket sizes (ATS)
- BAF targets expansion to 2,700–2,800 gold loan branches in FY27, with expected AUM of INR 29–30bn and mature branch capacity of ~INR 14cr AUM per branch.

Operating profitability

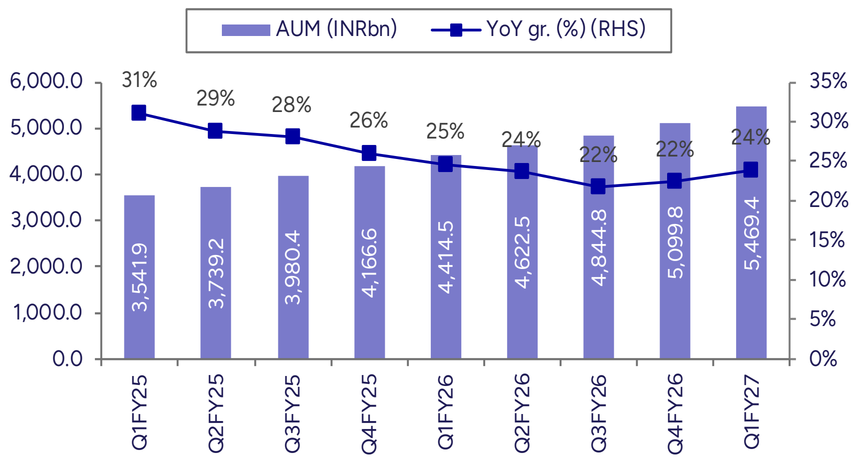
- Opex ratio was elevated due to new labour code impact (~INR 600mn/~10bps) and investments in gold/MFI branch expansion; it is expected to normalize over the coming quarters,
- Management expects 25–40bps improvement in opex ratio during FY27, driven by productivity gains and operating efficiencies.
- Profit growth is expected to outpace balance sheet growth, supported by stronger internal capital generation.
- AI-led underwriting initiatives are delivering 20%+ efficiency improvement, while AI use cases are estimated to cost 1/3rd–1/5th of human intervention costs.
- Management remains focused on deploying smaller and faster AI models which provide better cost economics compared to LLMs.

- CoF is expected to remain largely range-bound, with a marginal uptick risk from higher fixed-income yields, inflationary pressures and monsoon-related uncertainties

Asset quality

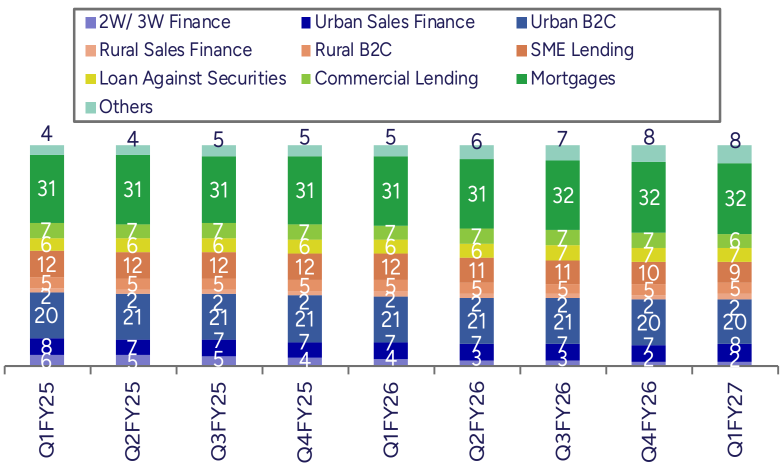
- Management created a macroeconomic overlay provision of INR 3bn in Q1FY27 amid uncertain global conditions and reiterated its focus on maintaining a resilient balance sheet.
- Stage 2 assets are expected to improve over the coming quarters.
- Vintage credit performance has shown significant improvement and is approaching pre-Covid benchmarks across key buckets.
- Management remains confident about the FY27 credit cost.
- PCR is expected to be maintained at ~60%.

Exhibit 4: AUM grew 24% YoY to INR 5,469.4bn



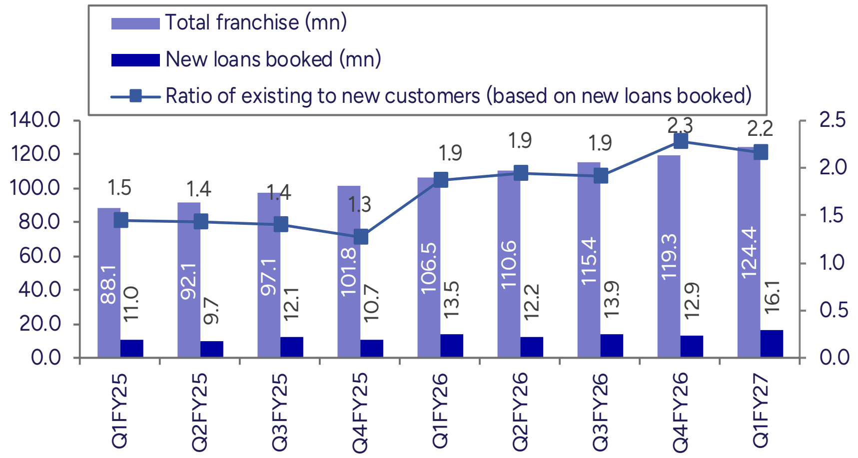
Source: Company, PL

Exhibit 5: AUM mix led by Mortgages, Sales Finance and MSME (%)



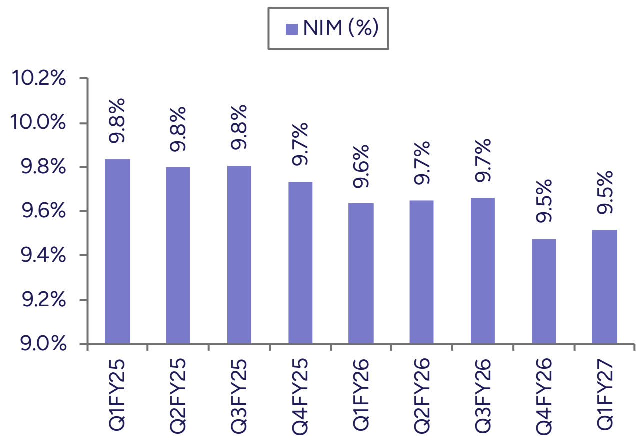
Source: Company, PL

Exhibit 6: Customer addition run-rate/ new loans booked remains strong



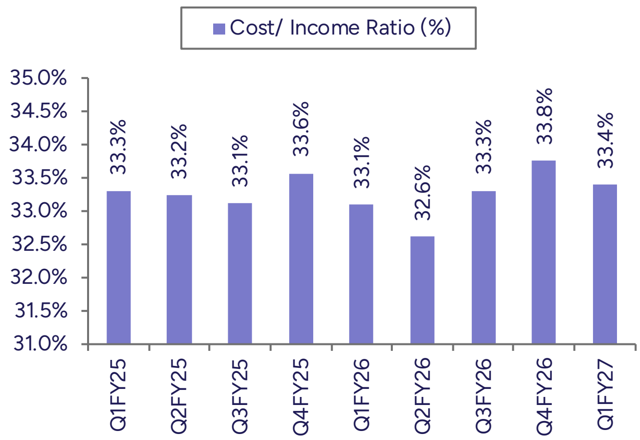
Source: Company, PL

Exhibit 7: Calc. NIM stood broadly stable, improving ~3bps QoQ



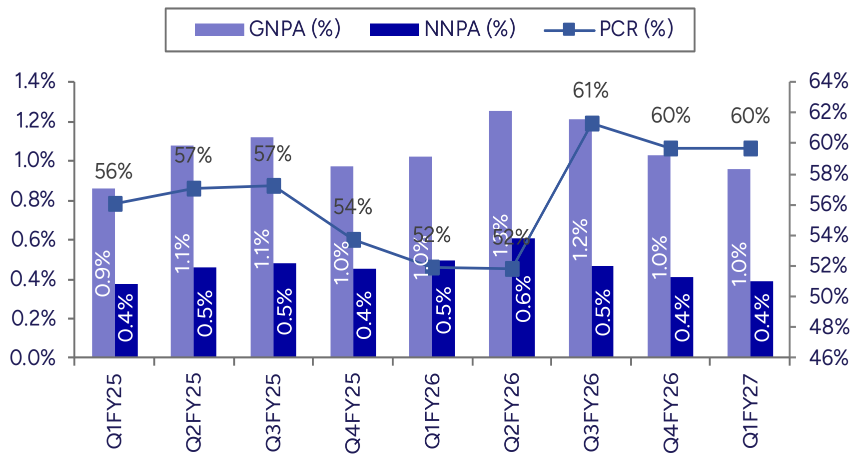
Source: Company, PL

Exhibit 8: Calc. Cost/income ratio moderates sequentially



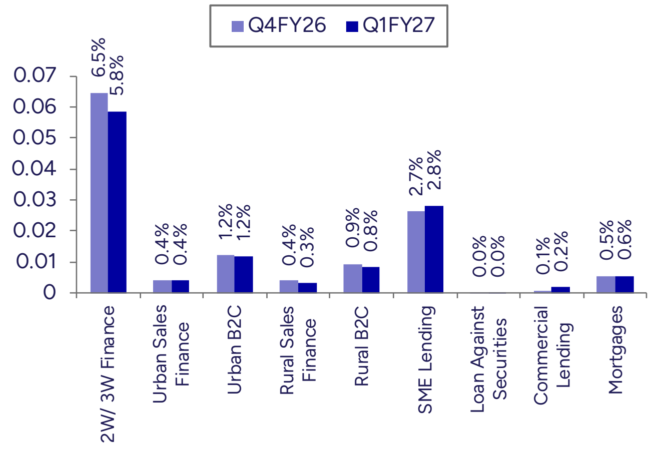
Source: Company, PL

Exhibit 9: Headline asset quality improves QoQ; PCR stable at 60%



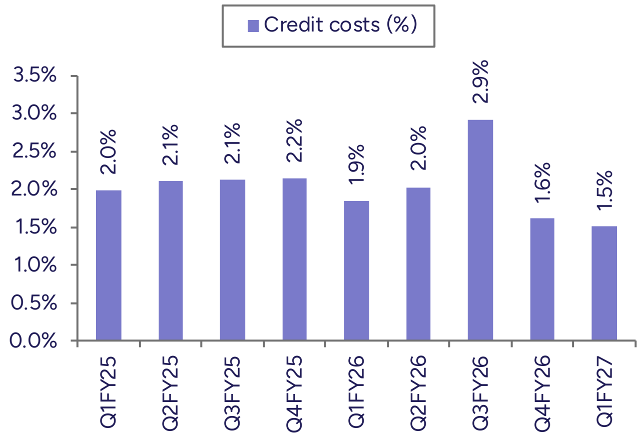
Source: Company, PL

Exhibit 10: 2W/3W finance witnessed easing of stress



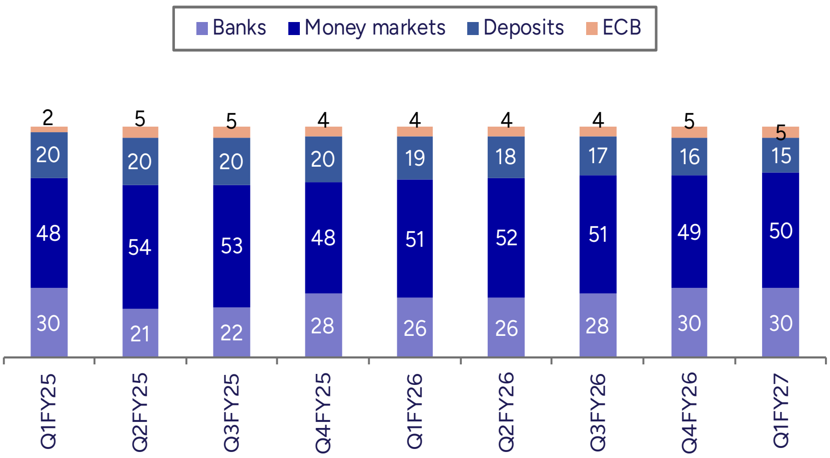
Source: Company, PL

Exhibit 11: Credit cost normalizes further in Q1 to 1.5%



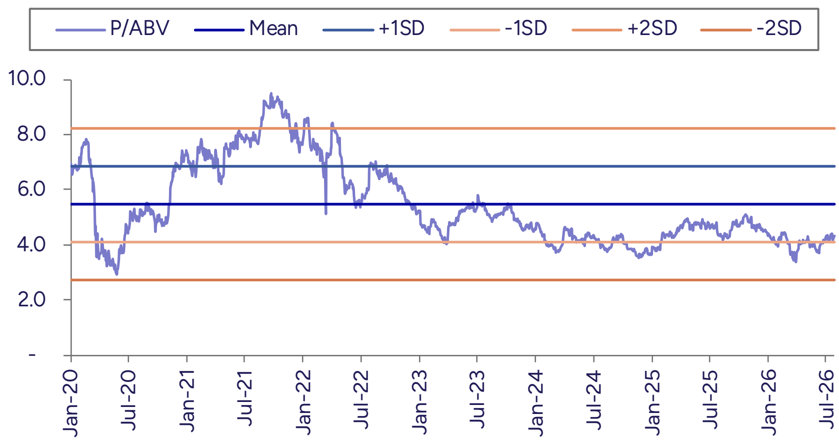
Source: Company, PL

Exhibit 12: Funding mix remains largely stable QoQ (%)



Source: Company, PL

Exhibit 13: One-year forward P/ABV of BAF trades at 4.3x



Source: Company, PL

Exhibit 14: FINAI transformation update (1/5)

FINAI transformation update (1/5)

#	Stage	Metric	UoM	Q1 FY26	Q4 FY26	Q1 FY27	YoY
1	People	Dedicated employees working in AI unit	# as of	107	203	230	115%
		Employee AI text BOT *	# as of	-	-	25	-
2	Data for AI	Voice to Data conversion for all customer interactions	# MM	-	31	45	-
		Text to Data conversion for all customer interactions	# MM	0.6	0.5	0.6	-
		New loan offers generated from all voice and text AI initiatives*	# MM	0.1	0.1	0.4	252%
3	Product and service discovery	Videos generated	# MM	0.53	0.10	0.01	-
		Banners generated	# MM	0.07	0.22	0.13	74%
		Podcasts generated*	#	-	297	711	-
4	Customer Engagement	Outbound & Inbound AI Voice BOTs live	# as of	8	10	10	25%
		Consumer AI Text BOTs live	# as of	2	17	24	-
		Promotional SMS with AI BOT penetration	%	-	11%	35%	-
		Click-through-rate of AI BOT in Promotional SMS	x times	-	-	1.98X	-
5	Branch and point-of-sale	Face recognition cameras in store	# as of	-	60	92	-
		Face recognition cameras in service branch	# as of	-	-	452	-

Source: Company

Exhibit 15: FINAI transformation update (2/5)

FINAI transformation update (2/5)

#	Stage	Metric	UoM	Q1 FY26	Q4 FY26	Q1 FY27	YoY
6	Customer Onboarding	Existing customer face match	# MM	-	6.3	6.0	-
		Documents processed for application	# MM	11	25	32	196%
		AI summaries live for products on App and Web	# as of	-	-	2	
7	Operations processing	Underwriter efficiency *	%	-	-	20%	-
		Auto quality check (QC) of documents*	#MM	6.6	16.6	22.5	-
8	Disbursement	Disbursal from leads generated by Voice & Text AI BOTs*	₹ in Cr	761	1,895	2,551	235%
		Disbursal from leads generated through voice log processing	₹ in Cr	-	372	517	-
9	Servicing	DIY Customers servicing through AI Voice and Text BOTs	%	50%	72%	71%	-

Source: Company

Exhibit 16: FINAI transformation update (3/5)

FINAI transformation update (3/5)

#	Stage	Metric	UoM	Q1 FY26	Q4 FY26	Q1 FY27	YoY
10	Debt Management Service	Receipts through AI Text BOTs*	# MM	-	0.01	0.10	-
		SMS with AI Text BOT penetration	%	-	-	14%	-
		Click-through-rate of AI BOT in SMS	X times	-	-	1.0X	-
11	Technology development	Business Requirement Document (BRD) generated by AI	%	19%	99%	100%	-
		Test cases generated by AI	%	48%	40%	40%	-
		Software developer Efficiency	%	20%	28%	26%	-
		AI agents *	# as of	-	27	62	-
		Agentic AI use cases deployments*	# as of	-	-	23	-

Source: Company

Exhibit 17: FINAI transformation update (4/5)

FINAI transformation update (4/5)

#	Details	Timelines	Status
1	**Data Intelligence**		
1.1	Build and scale "Data for AI" capabilities, including feature marts, embeddings and data annotation across voice, text, video, images, unstructured data and knowledge graphs	FY27	On track
2	**Consumer AI**		
2.1	Re-architect 22 business and 2 service journeys; inject AI features like AI-summaries, AI in-page search, AI vision for document scans on existing digital platforms *	FY27	On track
2.2	Deploy AI-enabled experiences across App and Website covering all business and service journeys	FY27	On track
2.3	Enable customer discovery across leading AI platforms such as ChatGPT and Gemini	Q2 FY27	On track
2.4	Build a new consumer AI platform with "Explore" as a core capability for business and service journeys	FY27	On track
3	**Agentic AI**		
3.1	Scale Agentic AI capabilities by implementing 600+ autonomous AI agents across Sales, Operations, DMS, HR, IT and Risk	FY27	On track
3.2	Scale Agentic AI deployments to 118 use cases in FY27 *	FY27	On track
4	**Custom AI model**		
4.1	Use AI to expand data variables for NTB and NTC customers for improved approval rates and enable incremental volume of ~5 lakh accounts for sales finance business *	Q2 FY27	On track
4.2	Leverage AI-driven data variables and risk scorecard for Personal Loans to strengthen risk assessment and improve approval rates/offer coverage*	FY27	Initiated

Source: Company

Exhibit 18: FINAI transformation update (5/5)

FINAI transformation update (5/5)

#	Details	Timelines	Status
5	**AI Fraud model**		
5.1	Define fraud detection framework with AI-driven capabilities	Q3 FY27	On track
5.2	Deploy inline, proactive fraud detection model using Vision AI, Voice AI, network and anomaly detection	Q3 FY27	On track
6	**AI Governance and Security**		
6.1	Progressively deploy the AI governance policy across all 08 AI domains	FY27	Completed
6.2	Conduct Red Teaming of AI systems in a structured format	FY27	Initiated
7	**Vibe Coding**		
7.1	Vibe coding to be standard operating procedure for all new BRDs *	Q3 FY27	On track
8	**AI in Service**		
8.1	Embed AI BOTs across service communications to drive a 1.5x increase in CTR*	Q2 FY27	On track

Source: Company

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income statement (INR mn)								
Interest earned	149,870	157,682	163,591	171,447	177,960	186,565	191,789	205,127
Interest expended	61,493	63,856	65,520	69,169	70,113	73,387	73,983	79,421
Net interest income	**88,377**	**93,826**	**98,072**	**102,278**	**107,847**	**113,178**	**117,806**	**125,706**
Other income	21,118	22,931	19,558	22,325	23,881	23,599	24,378	26,588
Total income	170,989	180,613	183,150	193,772	201,841	210,164	216,167	231,715
Operating expenses	**36,390**	**38,670**	**39,493**	**41,238**	**42,959**	**45,563**	**48,011**	**50,870**
Employees	18,348	19,555	19,432	21,026	21,545	22,501	24,714	26,448
Others	18,041	19,114	20,061	20,213	21,414	23,062	23,297	24,422
Operating profit	**73,106**	**78,088**	**78,137**	**83,365**	**88,769**	**91,214**	**94,174**	**101,424**
Provisions	**19,091**	**20,433**	**21,670**	**19,689**	**22,688**	**34,251**	**20,075**	**19,934**
Profit before tax	54,015	57,654	56,467	63,676	66,081	56,963	74,098	81,490
Tax	13,877	14,572	11,018	16,023	16,604	13,651	18,565	20,684
Profit after tax	**40,137**	**43,082**	**45,449**	**47,653**	**49,478**	**40,660**	**55,533**	**60,806**
Balance sheet (INR mn)								
AUM	3,739,240	3,980,430	4,166,610	4,414,500	4,622,500	4,844,770	5,099,750	5,469,440
AUM growth (%)	*28.8*	*28.0*	*26.0*	*24.6*	*23.6*	*21.7*	*22.4*	*23.9*
Disbursements	1,035,450	1,123,410	1,035,930	1,123,520	1,148,510	1,235,360	1,280,530	1,322,030
Disbursal growth (%)	*37.7*	*33.8*	*25.5*	*5.7*	*10.9*	*10.0*	*23.6*	*17.7*
Borrowings	2,447,080	2,557,550	2,752,180	2,914,210	2,968,100	3,069,150	3,228,180	3,484,750
Borrowings growth (%)	*27.4*	*27.8*	*24.9*	*25.9*	*21.3*	*20.0*	*17.3*	*19.6*
Debt / Equity (x)	2.7	2.7	2.8	2.9	2.8	2.8	2.8	2.9
Assets / Equity (x)	4.3	4.4	4.3	4.6	4.5	4.6	4.5	4.8
Capital ratios (%)								
Total CAR	21.7	21.6	21.9	22.0	21.2	21.5	21.6	20.9
Tier-1	20.9	20.8	21.1	21.2	20.5	20.6	20.7	20.0
Tier-2	0.8	0.8	0.8	0.8	0.7	0.9	0.9	0.9
Profitability ratios (%)								
Yield on AUM	16.6	16.5	16.2	16.1	15.9	15.9	15.4	15.5
Cost of funds	10.3	10.2	9.9	9.8	9.5	9.7	9.4	9.5
NIM	9.8	9.8	9.7	9.6	9.7	9.7	9.5	9.5
Spread	6.3	6.3	6.4	6.4	6.4	6.2	6.0	6.1
Cost / Income	33.2	33.1	33.6	33.1	32.6	33.3	33.8	33.4
Opex / AUM	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
RoA	4.0	4.0	4.0	4.0	4.0	3.1	4.0	4.2
RoE	19.1	18.8	18.8	19.0	19.2	15.1	19.6	20.6
Asset quality ratios (%)								
GNPA	1.1	1.1	1.0	1.0	1.3	1.2	1.0	1.0
NNPA	0.5	0.5	0.4	0.5	0.6	0.5	0.4	0.4
Provision coverage	57.1	57.2	53.7	51.9	51.8	61.3	59.7	59.7
Credit costs	2.1	2.1	2.2	1.9	2.0	2.9	1.6	1.5

Source: Company, PL

Financials

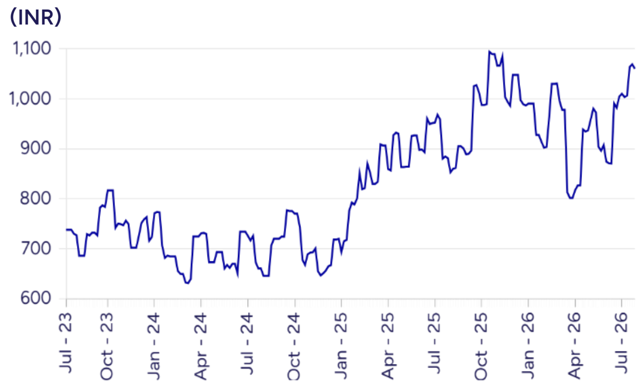
Y/e Mar	FY25	FY26	FY27E	FY28E
Profit & Loss (INR mn)				
Interest income	611,636	727,760	891,999	1,069,244
Interest expense	247,708	286,651	343,145	399,262
NII	**363,928**	**441,109**	**548,853**	**669,982**
Other income	77,008	92,300	116,439	147,071
Total income	688,644	820,060	1,008,438	1,216,315
Operating expenses	149,261	177,771	219,396	266,476
Employee	75,083	89,785	111,748	133,996
Others	74,178	87,986	107,648	132,480
PPOP	**291,674**	**355,637**	**445,897**	**550,577**
Provisions	70,882	94,819	90,692	107,132
PBT	220,792	260,819	355,204	443,444
Tax	53,002	64,843	89,113	110,861
PAT	**167,791**	**193,324**	**266,092**	**332,583**
Growth ratios (%)				
AUM	26.0	22.4	23.9	22.6
Borrowings	24.9	17.3	18.2	17.6
NII	23.0	21.2	24.4	22.1
Opex	21.1	19.1	23.4	21.5
PPoP	21.8	21.9	25.4	23.5
Provisions	53.1	33.8	(4.4)	18.1
PAT	16.1	15.2	37.6	25.0
Profitability ratios (%)				
Yield on AUM	16.5	15.9	15.5	15.3
Cost of funds	10.1	9.6	9.5	9.7
NIM	9.8	9.6	9.6	9.6
Spread	6.3	6.3	6.0	5.7
Other Income/Assets	1.8	1.8	1.9	1.9
Cost/Income	33.9	33.3	33.0	32.6
Opex/Assets	3.5	3.4	3.5	3.5
Tax Rate	24.0	24.9	25.1	25.0
RoA	4.0	3.7	4.2	4.4
RoE	19.0	17.9	20.7	21.4
DuPont analysis (%)				
Interest income	14.5	14.0	14.2	14.0
Interest expense	5.9	5.5	5.5	5.2
NII	8.6	8.5	8.7	8.8
Other income	1.8	1.8	1.9	1.9
Total income	10.5	10.3	10.6	10.7
Operating expenses	3.5	3.4	3.5	3.5
Employee	1.8	1.7	1.8	1.8
Others	1.8	1.7	1.7	1.7
PPOP	6.9	6.9	7.1	7.2
Provisions	1.7	1.8	1.4	1.4
PBT	5.2	5.0	5.7	5.8
Tax	1.3	1.3	1.4	1.5
PAT	4.0	3.8	4.2	4.4

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance sheet (INR mn)				
Cash & Bank	135,435	157,553	129,802	152,595
Loans	4,078,441	5,099,750	6,317,883	7,746,011
Investments	344,408	305,778	251,919	296,155
Fixed Assets	38,215	40,660	32,046	33,446
Other Assets	64,768	106,097	126,358	154,920
Total Assets	**4,661,268**	**5,709,838**	**6,858,007**	**8,383,127**
Borrowings	2,752,180	3,228,180	3,817,204	4,487,501
Other Liabilities & Provisions	914,753	1,311,812	1,642,103	2,190,953
Total Liabilities	**3,666,933**	**4,539,992**	**5,459,308**	**6,678,454**
Share capital	6,209	6,209	6,221	6,221
Other equity	988,127	1,163,638	1,392,478	1,698,452
Total equity	**994,336**	**1,169,846**	**1,398,699**	**1,704,673**
Total Liabilities & Equity	**4,661,268**	**5,709,838**	**6,858,007**	**8,383,127**
Balance Sheet ratios (%)				
Debt/Equity	2.8	2.8	2.7	2.6
Assets/Equity	4.7	4.9	4.9	4.9
Cash/Borrowings	0.1	0.1	0.1	0.1
CRAR	22.0	24.3	23.6	23.5
Asset quality (%)				
GNPA (INR mn)	39,650	51,190	58,414	72,750
NNPA (INR mn)	18,340	20,620	23,722	29,288
GNPA	1.0	1.0	0.9	0.9
NNPA	0.4	0.4	0.4	0.4
PCR	53.7	59.7	59.4	59.7
Credit Cost	2.1	2.1	1.6	1.5
Per share (Rs)				
EPS	27.0	31.1	42.8	53.5
BVPS	160.2	188.4	224.8	274.0
ABVPS	157.2	185.1	221.0	269.3
Valuation (x)				
P/E	39.0	33.8	24.6	19.7
P/ABV	6.7	5.7	4.8	3.9
P/BV	6.6	5.6	4.7	3.8

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	Accumulate	1100	1029
2	30-Apr-26	BUY	1100	930
3	09-Apr-26	ACCUMULATE	1025	915
4	04-Feb-26	BUY	1125	964
5	08-Jan-26	BUY	1125	969
6	08-Dec-25	Accumulate	1125	1048
7	11-Nov-25	Hold	1030	1085
8	07-Oct-25	Hold	950	1017
9	25-Jul-25	Hold	900	959
10	08-Jul-25	Hold	900	925

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	AAVAS Financiers	Accumulate	1675	1522
2	Bajaj Finance	Accumulate	1100	1029
3	BSE	BUY	4850	3803
4	Can Fin Homes	BUY	1075	857
5	Cholamandalam Investment and Finance Company	Accumulate	1950	1753
6	HDFC Life Insurance Company	BUY	765	569
7	Home First Finance Company India	BUY	1385	1181
8	ICICI Prudential Life Insurance Company	BUY	715	525
9	LIC Housing Finance	HOLD	575	549
10	Mahindra & Mahindra Financial Services	Accumulate	380	350
11	Max Financial Services	BUY	2035	1597
12	SBI Life Insurance Company	BUY	2200	1859
13	Shriram Finance	BUY	1250	1005
14	Sundaram Finance	Accumulate	4900	4608

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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