

# Bajaj Finance (BAF IN)

Rating: BUY | CMP: Rs964 | TP: Rs1,125

February 4, 2026

## Q3FY26 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

| Rating       | Current  |          | Previous |          |
|--------------|----------|----------|----------|----------|
|              | FY27E    | FY28E    | FY27E    | FY28E    |
| Rating       | BUY      | BUY      | BUY      | BUY      |
| Target Price | 1,125    | 1,125    | 1,125    | 1,125    |
| NII (Rs.)    | 5,48,899 | 6,62,609 | 5,44,097 | 6,69,074 |
| % Chng.      | 0.9      | (1.0)    |          |          |
| PPoP (Rs.)   | 4,55,332 | 5,54,059 | 4,58,749 | 5,63,894 |
| % Chng.      | (0.7)    | (1.7)    |          |          |
| EPS (Rs.)    | 42.4     | 52.3     | 43.1     | 53.6     |
| % Chng.      | (1.8)    | (2.5)    |          |          |

### Key Financials - Consolidated

| Y/e Mar             | FY25     | FY26E    | FY27E    | FY28E    |
|---------------------|----------|----------|----------|----------|
| Net Int.Inc. (Rs m) | 3,63,928 | 4,47,805 | 5,48,899 | 6,62,609 |
| Growth (%)          | 23.0     | 23.0     | 22.6     | 20.7     |
| Op. Profit (Rs m)   | 3,00,457 | 3,67,973 | 4,55,332 | 5,54,059 |
| PAT (Rs m)          | 1,67,795 | 1,99,462 | 2,63,068 | 3,24,551 |
| EPS (Rs.)           | 27.0     | 32.1     | 42.4     | 52.3     |
| Gr. (%)             | 14.7     | 18.9     | 31.9     | 23.4     |
| DPS (Rs.)           | 2.7      | 3.2      | 4.2      | 5.2      |
| Yield (%)           | 0.3      | 0.3      | 0.4      | 0.5      |
| Margin (%)          | 9.7      | 9.7      | 9.6      | 9.5      |
| RoAE (%)            | 19.0     | 18.3     | 20.5     | 20.9     |
| RoAA (%)            | 4.0      | 3.9      | 4.2      | 4.3      |
| PE (x)              | 35.7     | 30.0     | 22.8     | 18.4     |
| P/BV (x)            | 6.0      | 5.2      | 4.3      | 3.5      |
| P/ABV (x)           | 6.1      | 5.3      | 4.3      | 3.6      |

### Key Data

#### BJFN.BO | BAF IN

|                     |                         |
|---------------------|-------------------------|
| 52-W High / Low     | Rs.1,103 / Rs.787       |
| Sensex / Nifty      | 83,739 / 25,728         |
| Market Cap          | Rs.6,001bn / \$ 66,480m |
| Shares Outstanding  | 6,222m                  |
| 3M Avg. Daily Value | Rs.7265.97m             |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 54.70 |
| Foreign                 | 21.50 |
| Domestic Institution    | 16.31 |
| Public & Others         | 7.49  |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M    | 6M   | 12M  |
|----------|-------|------|------|
| Absolute | (2.6) | 10.1 | 14.6 |
| Relative | (0.3) | 6.0  | 5.6  |

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## Steady growth; accelerated provision in Q3

### Quick Pointers:

- Expect AUM to grow 23%/24% in FY26/FY27E
- Credit cost elevated due to accelerated provision in Q3

**AUM grew steady at 22% YoY to Rs4,844.8bn led by strong growth in mortgages, sales finance and consumer B2C. Company is seeing strong traction in new verticals (Cars, Gold, MFI) and new customer addition (~17-18 mn in FY26) and we build an AUM growth of 23%/24% in FY26/FY27E. Expect FY26 NIM to remain stable aided by a lower cost of borrowing. Asset quality ratios stood flat as stress persists in the captive auto/ MSME portfolio. Credit cost remained elevated in the quarter (3.1%) due to accelerated provisions; however commentary indicated a healthy trend in early-stage delinquencies and expects a moderation in FY27E. We slightly tweak our estimates to account for higher credit cost and roll-forward to Mar-28E with a multiple of 4.2x and an unchanged TP of Rs 1,125. Maintain BUY on recovery in growth and credit cost outlook in FY27E.**

- Expect AUM growth of ~23% in FY26:** AUM grew 22% YoY/5% QoQ to Rs4,844.8bn, driven by Mortgages (+25% YoY), Sales Finance (+22% YoY), Consumer B2C (+20% YoY) and commercial lending (+27% YoY). New businesses non-captive auto, car loans, MFI and gold continue to see strong traction. While company has seen a strong momentum in the consumption finance portfolio, it has cut 25% of unsecured MSME volumes, resulting in 11% growth for the segment. New loans booked in 3QFY26 were +15% YoY to 13.9mn and BAF added 4.8mn new customers in the quarter, taking the total number of customers to 115.4mn. Company remains confident of adding ~17-18 mn new customers in FY26. Expansion in new verticals (Gold/MFI/Cars), and strong customer addition run-rate is likely to aid growth. Company has guided for an AUM growth of 22%-23% for FY26E; we build the same. Post FY26E, we expect AUM to growth 24% in FY27E with a recovery in MSME and ramp-up in new business verticals.

- Expect NIM to remain stable in FY26:** NII grew 21% YoY/ 5% QoQ and NIM (calc.) was stable QoQ at 9.6%. Cost of funds (reported) improved by 7bps QoQ to 7.45% and company expects it to trend between 7.55%- 7.60% in FY26. We expect NIM to remain stable in FY26E, aided by a lower cost of borrowing. However, expect a moderation to 9.5% by FY28E as the company grows in the secured segment. Cost/ Income Ratio stood at 32.8% (+20 bps QoQ) as the company accounted for a one-time charge of Rs 2.65bn due to the new labor codes. We build some improvement in FY27E/FY28E opex led by higher operating efficiencies (FINAI capabilities, service and contact centers). With a focus on growth in new and secured verticals, we expect BAF to deliver RoA/RoE of 4.3%/ 20.9% by FY28E.

- **Credit cost elevated; expect moderation in FY27:** Headline GNPA/NNPA stood largely flat at 1.21%/0.5% vs. 1.24% / 0.6% in Q2FY26. PCR got a significant boost to 61% (vs. 52% as of Sep-25) as the company implemented a minimum Loss Given Default (LGD) floor across all businesses. Consequently, BAF made an accelerated ECL provision of Rs14.1bn in Q3. Management indicated an improvement in vintage credit performance across 3MOB, 6MOB and 9MOB and remains optimistic about credit cost outlook for FY27. We build a higher credit cost of 2.2% for FY26E due to accelerated provisions in 9MFY26. Post that, we expect a moderation to 1.8% / 1.7% in FY27/ FY28E, as the stress in MSME subsides and the share of captive 2W/3W in the portfolio runs down.

**Exhibit 1: Q3FY26 Result Overview (Rs mn)**

| Y/e March                    | Q3FY26         | Q3FY25         | YoY gr. (%)   | Q3FY26E        | % Var         | Q2FY26         | QoQ gr. (%)   | 9MFY26         | 9MFY25         | YoY gr. (%)   |
|------------------------------|----------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|----------------|---------------|
| <b>NII</b>                   | <b>113,178</b> | <b>93,826</b>  | <b>20.6</b>   | <b>111,710</b> | <b>1.3</b>    | <b>107,847</b> | <b>4.9</b>    | <b>323,294</b> | <b>265,856</b> | <b>21.6</b>   |
| <i>Spread (%) (calc)</i>     | <i>9.6</i>     | <i>9.7</i>     | <i>-16bps</i> | <i>9.4</i>     | <i>14bps</i>  | <i>9.5</i>     | <i>2bps</i>   | <i>9.6</i>     | <i>9.8</i>     | <i>-22bps</i> |
| Other income                 | 25,603         | 22,931         | 11.7          | 24,889         | 2.9           | 23,881         | 7.2           | 73,322         | 64,606         | 13.5          |
| <b>Net Revenue</b>           | <b>138,781</b> | <b>116,757</b> | <b>18.9</b>   | <b>136,599</b> | <b>1.6</b>    | <b>131,728</b> | <b>5.4</b>    | <b>396,617</b> | <b>330,462</b> | <b>20.0</b>   |
| Opex                         | 45,563         | 38,670         | 17.8          | 44,126         | 3.3           | 42,959         | 6.1           | 129,752        | 109,769        | 18.2          |
| <b>PPOP</b>                  | <b>93,218</b>  | <b>78,088</b>  | <b>19.4</b>   | <b>92,474</b>  | <b>0.8</b>    | <b>88,769</b>  | <b>5.0</b>    | <b>266,864</b> | <b>220,693</b> | <b>20.9</b>   |
| Provisions                   | 36,255         | 20,433         | 77.4          | 22,519         | 61.0          | 22,688         | 59.8          | 80,144         | 56,371         | 42.2          |
| <b>PBT</b>                   | <b>56,963</b>  | <b>57,654</b>  | <b>(1.2)</b>  | <b>69,955</b>  | <b>(18.6)</b> | <b>66,081</b>  | <b>(13.8)</b> | <b>186,720</b> | <b>164,323</b> | <b>13.6</b>   |
| Tax                          | 13,651         | 14,572         | (6.3)         | 17,489         | (21.9)        | 16,604         | (17.8)        | 46,278         | 41,983         | 10.2          |
| <b>ETR (%)</b>               | <b>24.0</b>    | <b>25.3</b>    |               | <b>25.0</b>    |               | <b>25.1</b>    |               | <b>24.8</b>    | <b>25.5</b>    |               |
| <b>PAT*</b>                  | <b>40,660</b>  | <b>43,082</b>  | <b>(5.6)</b>  | <b>52,466</b>  | <b>(22.5)</b> | <b>49,478</b>  | <b>(17.8)</b> | <b>137,791</b> | <b>122,339</b> | <b>12.6</b>   |
| <b>Business Metrics</b>      |                |                |               |                |               |                |               |                |                |               |
| AUM                          | 4,844,770      | 3,980,430      | 21.7          | 4,859,000      | (0.3)         | 4,622,500      | 4.8           | 4,844,770      | 3,980,430      | 21.7          |
| Borrowings                   | 3,069,150      | 2,557,550      | 20.0          | 3,627,908      | (15.4)        | 2,968,100      | 3.4           | 3,069,150      | 2,557,550      | 20.0          |
| <b>Asset Quality Metrics</b> |                |                |               |                |               |                |               |                |                |               |
| GNPA (%)                     | 1.21           | 1.12           | -9bps         | 1.16           | -5bps         | 1.23           | 2bps          | 1.21           | 1.12           | -9bps         |
| NNPA (%)                     | 0.47           | 0.48           | 1bps          | 0.49           | 2bps          | 0.59           | 12bps         | 0.47           | 0.48           | 1bps          |
| PCR (%)                      | 61.3           | 57.2           | 415bps        | 57.5           | 383bps        | 51.8           | 956bps        | 61.3           | 57.2           | 415bps        |

Source: Company, PL \*Includes exceptional item - impact of the new labor codes of Rs2.7bn

**Exhibit 2: Change in Estimates**

|                            | Revised Estimate |         |         | Earlier Estimate |         |         | Change in estimates |       |       |
|----------------------------|------------------|---------|---------|------------------|---------|---------|---------------------|-------|-------|
|                            | FY26E            | FY27E   | FY28E   | FY26E            | FY27E   | FY28E   | FY26E               | FY27E | FY28E |
| Net interest income (Rsmn) | 447,805          | 548,899 | 662,609 | 446,870          | 544,097 | 669,074 | 0.2%                | 0.9%  | -1.0% |
| Operating profit (Rsmn)    | 367,973          | 455,332 | 554,059 | 368,943          | 458,749 | 563,894 | -0.3%               | -0.7% | -1.7% |
| PAT (Rsmn)                 | 199,462          | 263,068 | 324,551 | 208,955          | 267,891 | 332,982 | -4.5%               | -1.8% | -2.5% |
| ABVPS (Rs)                 | 183              | 222     | 269     | 185              | 224     | 273     | -1.0%               | -1.1% | -1.4% |

Source: PL

## Q3FY26 Concall Highlights

### Growth

- Customer addition for FY26 is expected to be 17- 18mn, with the overall franchise on track to exceed 120mn customers.
- Competitive intensity in urban B2C and rural B2C segments particularly personal loans has magnified significantly, with public sector banks like SBI being major participants
- MSME business is anticipated to return to 20% growth range in 2-3 quarters
- The company's long-term ambition is to build a 200mn customer base within the next 3-4 years.
- Gold loan business is expected to continue strong growth through sustained distribution expansion with new branches planned
- Vehicle finance business is expected to grow at ~20%, with new car finance growing in ~30% and used car growth improving in second half of FY27; CV and tractor segments are projected to grow 30-40%
- Management has guided AUM growth of 22-23% for FY26

### Operating Profitability

- Fee income growth is expected to normalize to 17-20% YoY in FY27
- Reported CoF in Q3FY26 stood at 7.45% and management expects it to be in the range of 7.55%-7.6% by FY26
- The company incurred a one-time exceptional charge of Rs2.65bn in Q3FY26 due to impact of new labor code
- A 2% stake in BHFL was sold via block deal for MPS compliance reducing BFL's shareholding to 86.7% and resulting in a Rs14.2bn gain recognized as an exceptional item in standalone financials

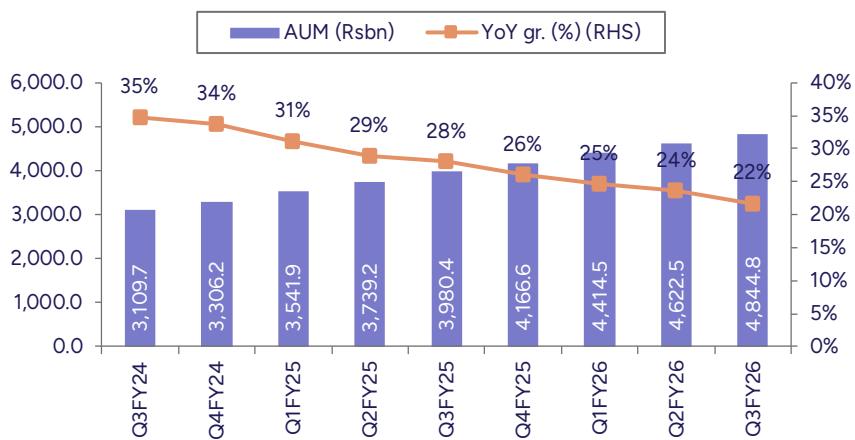
### Asset quality

- Credit cost is anticipated to be in the range of 165-175bps in FY27, including the impact of permanent provisioning changes
- Management proactively strengthened its provisioning framework by implementing a minimum LGD floor across all businesses, a permanent change to enhance balance sheet resilience
- Accelerated ECL provision of Rs14.1bn made in Q3 across stages

### Other highlights

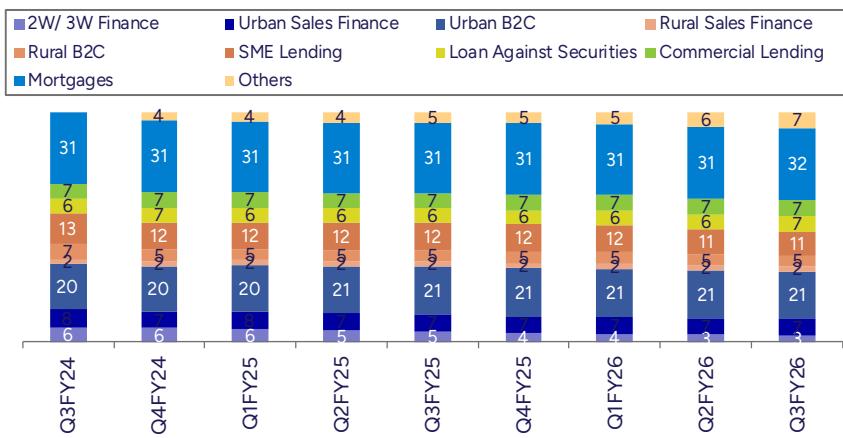
- 41% of quality check was automated through FINAI transformation while company recorded disbursements of Rs18.9bn through AI Voice & text BOTs
- Liquidity buffer stood at Rs150.8bn as of Q3FY26

**Exhibit 3: AUM growth was at 22% YoY to Rs4,844.8bn**



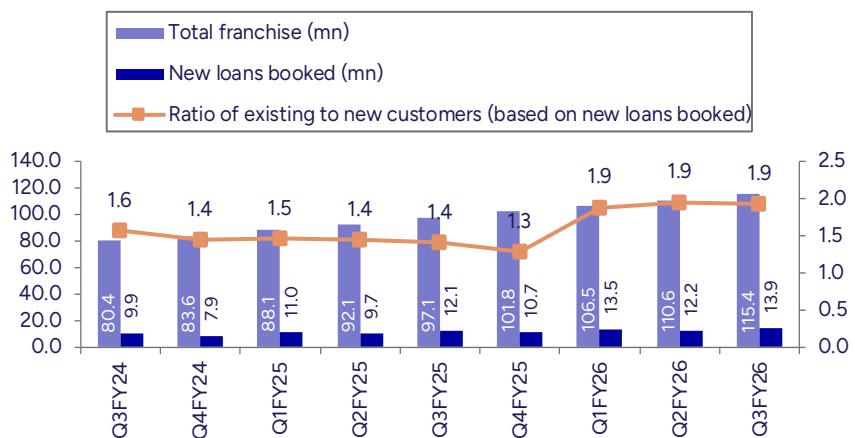
Source: Company, PL

**Exhibit 4: AUM mix over the past quarters**



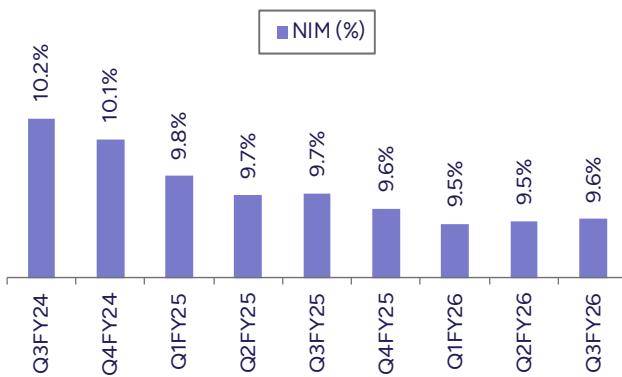
Source: Company, PL

**Exhibit 5: Customer addition run-rate/ new loans booked remains strong**



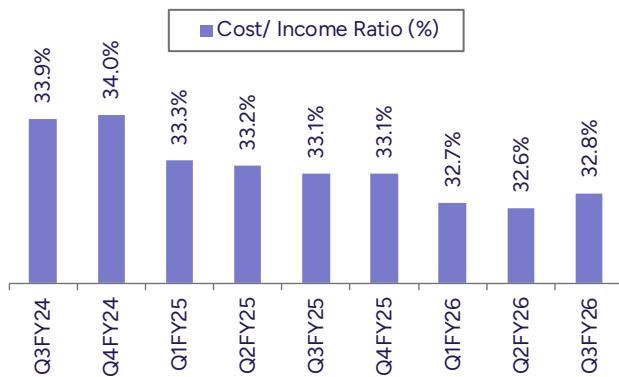
Source: Company, PL

Exhibit 6: Calc. NIM was largely stable in Q3 (+2bps QoQ)



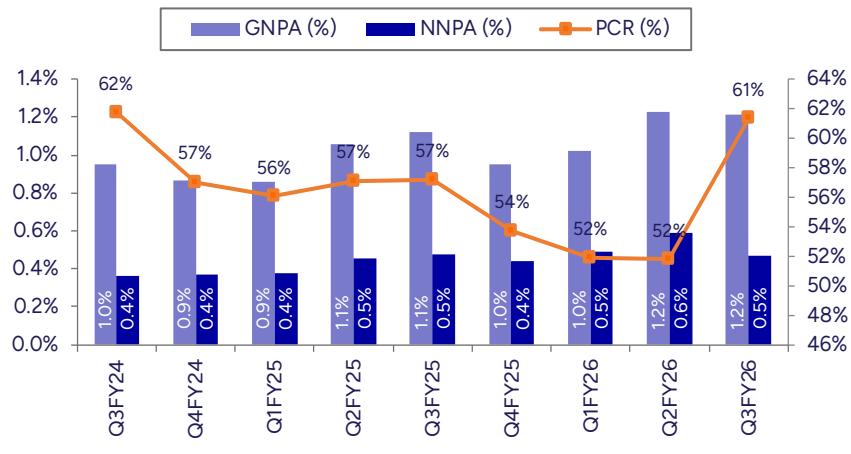
Source: Company, PL

Exhibit 7: Cost to income ratio saw a slight uptick QoQ



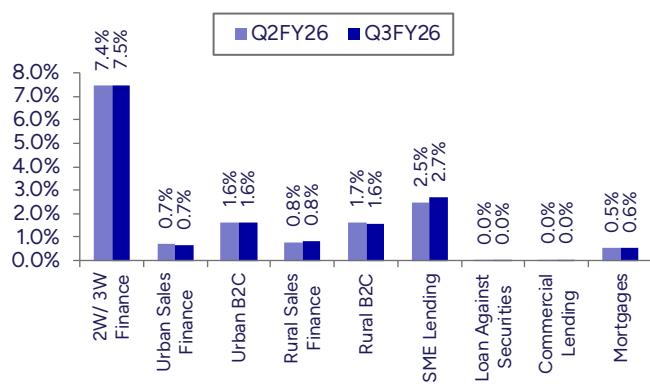
Source: Company, PL

Exhibit 8: Headline asset quality remained largely flat; PCR increases QoQ



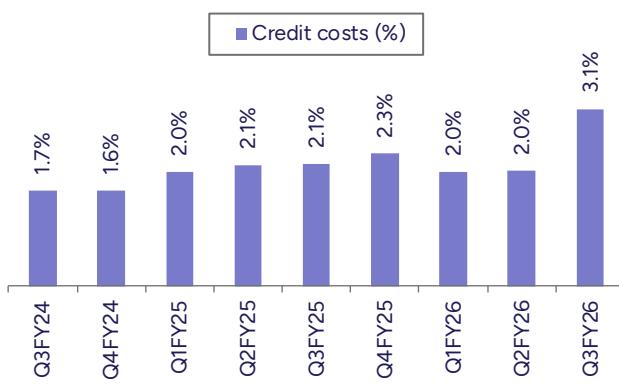
Source: Company, PL

Exhibit 9: 2W/3W finance & MSME continue to see stress



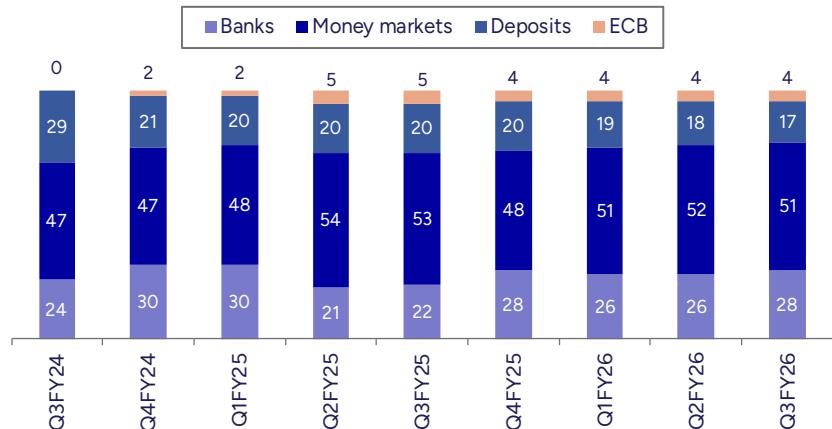
Source: Company, PL

Exhibit 10: Credit cost was elevated due to accelerated prov.



Source: Company, PL

**Exhibit 11: Funding mix over the past quarters**



Source: Company, PL

**Exhibit 12: FINAI transformation update (1/3)**

| FINAI remains central to our long-term vision. Its implementation across businesses and functions is underway and has begun to show early signs of costs and productivity benefits. We are on track to become a future-ready financial services company. |                               |  |         |         |         |         |
|--|-------------------------------|--|---------|---------|---------|---------|
| #  | Stage                         | Metric   | UoM     | Q1 FY26 | Q2 FY26 | Q3 FY26 |
| 1  | Data for AI                   | Voice to text conversion for all customer interactions           | # MM    | -       | -       | 20.7    |
|  |                               | Text to data conversion for all customer interactions            | # Lacs  | 6.3     | 5.8     | 5.2     |
|  |                               | New loan offers generated from all voice and text AI initiatives | # Lacs  | 1.1     | 1.0     | 1.0     |
| 2  | Product and service discovery | Videos generated   | # Lacs  | 5.3     | 6.4     | 2.7     |
|  |                               | Banners generated  | # Lacs  | 0.7     | 1.0     | 1.2     |
| 3  | Customer Engagement           | Outbound and Inbound AI Voice BOTs live                          | # as of | 8       | 9       | 9       |
|  |                               | AI text BOTs live  | # as of | 2       | 7       | 11      |
| 4  | Branch and point-of-sale      | Face recognition cameras piloted                                 | # as of | -       | -       | 10      |
|  |                               | Existing customer face match                                     | # Lacs  | -       | 12.4    | 45.9    |
| 5  | Customer Onboarding           | Documents processed for auto fill of application                 | # Lacs  | 107     | 121     | 215     |
|  |                               | Home appliances energy label scans                               | #       | -       | -       | 25,400  |

Source: Company

**Exhibit 13: FINAI transformation update (2/3)**

| #  | Stage                   | Metric   | UoM     | Q1 FY26 | Q2 FY26 | Q3 FY26  |
|----|-------------------------|--|---------|---------|---------|----------|
| 6  | Ops processing          | Auto quality check (QC) of documents                   | %       | -       | -       | 41%      |
| 7  | Disbursement            | Loan disbursement through AI Voice & text BOTs         | ₹ in Cr | 761     | 1,295   | 1,568    |
|    |                         | Loan disbursement through voice log processing         | ₹ in Cr | -       | -       | 325      |
| 8  | Servicing               | DIY Customers servicing through AI voice and text BOTs | %       | 26%     | 42%     | 48%      |
| 9  | Debt Management Service | Receipts through AI Voice BOTs                         | #       | -       | 56,150  | 1,13,300 |
| 10 | Technology development  | Business Requirement Document generated                | #       | 1,470   | 5,820   | 7,740    |
|    |                         | Test cases generated                                   | #       | 17,760  | 16,230  | 23,300   |
|    |                         | Software developer efficiency                          | %       | 21%     | 22%     | 25%      |

Source: Company

**Exhibit 14: FINAI transformation update (3/3)**

- 1. Data Intelligence**
  - The Company is on course to define data architecture for AI by Q4 FY26.
  - In FY27, to enable intelligent capabilities, the Company will implement and scale data for AI-including feature marts, embeddings and data annotation across voice, text, video, images, unstructured data, and knowledge graphs.
- 2. Consumer AI**
  - Over next 6 months, 22 business journeys and 2 service journeys will be re-architected and AI injections like AI summary, AI in-page search, document scan via AI vision will be live on current digital platforms.
  - In FY27, the Company will enable AI injections across the App & Website for all business and service journeys.
  - In FY27, the Company will enable discovery across leading AI platforms such as ChatGPT and Gemini.
  - In FY27, the Company will also build a new consumer AI platform with "Explore" as a core capability for all businesses and service journeys.
- 3. Agentic AI**
  - The Company is on course to build the multi-agent platform, with the first 25 autonomous agents going live to support priority enterprise functions. This will be implemented by Q4 FY26.
  - In FY27, the Company will progressively scale its Agentic AI capabilities by implementing 800+ autonomous agents across sales, operations, DMS, HR, IT, and Risk.

Source: Company

**Exhibit 15: One-year forward P/ABV of BAF trades at 4.2x**



Source: Company, PL

**Income Statement (Rs. m)**

| Y/e Mar                    | FY25            | FY26E           | FY27E           | FY28E           |
|----------------------------|-----------------|-----------------|-----------------|-----------------|
| Int. Inc. / Opt. Inc.      | 6,11,636        | 7,29,006        | 8,73,156        | 10,51,952       |
| Interest Expenses          | 2,47,708        | 2,81,201        | 3,24,257        | 3,89,344        |
| <b>Net interest income</b> | <b>3,63,928</b> | <b>4,47,805</b> | <b>5,48,899</b> | <b>6,62,609</b> |
| Growth(%)                  | 23.0            | 23.0            | 22.6            | 20.7            |
| Non-interest income        | 85,791          | 99,475          | 1,22,514        | 1,48,618        |
| Growth(%)                  | 28.4            | 16.0            | 23.2            | 21.3            |
| Net operating income       | 4,49,718        | 5,47,280        | 6,71,413        | 8,11,227        |
| <b>Expenditures</b>        |                 |                 |                 |                 |
| Employees                  | 75,083          | 89,725          | 1,08,394        | 1,28,467        |
| Other Expenses             | 74,178          | 89,583          | 1,07,687        | 1,28,701        |
| Depreciation               | -               | -               | -               | -               |
| Operating Expenses         | 1,49,261        | 1,79,307        | 2,16,081        | 2,57,168        |
| <b>PPP</b>                 | <b>3,00,457</b> | <b>3,67,973</b> | <b>4,55,332</b> | <b>5,54,059</b> |
| Growth(%)                  | 25.5            | 22.5            | 23.7            | 21.7            |
| Provisions                 | 79,660          | 1,02,561        | 1,04,575        | 1,21,324        |
| <b>Profit Before Tax</b>   | <b>2,20,796</b> | <b>2,65,412</b> | <b>3,50,757</b> | <b>4,32,735</b> |
| Tax                        | 53,002          | 65,950          | 87,689          | 1,08,184        |
| Effective Tax rate(%)      | 24.0            | 24.8            | 25.0            | 25.0            |
| <b>PAT</b>                 | <b>1,67,795</b> | <b>1,99,462</b> | <b>2,63,068</b> | <b>3,24,551</b> |
| Growth(%)                  | 16.1            | 18.9            | 31.9            | 23.4            |

**Quarterly Financials (Rs. m)**

| Y/e Mar                          | Q4FY25          | Q1FY26          | Q2FY26          | Q3FY26          |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Int. Inc. / Operating Inc.       | 1,63,591        | 1,71,447        | 1,77,960        | 1,86,565        |
| Income from securitization       | 16,642          | 18,852          | 19,767          | 20,882          |
| Interest Expenses                | 65,520          | 69,177          | 70,113          | 73,387          |
| <b>Net Interest Income</b>       | <b>1,14,714</b> | <b>1,21,122</b> | <b>1,27,614</b> | <b>1,34,060</b> |
| Growth (%)                       | 22.7            | 21.6            | 22.2            | 21.0            |
| Non-Interest Income              | 21,184          | 23,838          | 23,881          | 25,603          |
| <b>Net Operating Income</b>      | <b>1,19,256</b> | <b>1,26,108</b> | <b>1,31,728</b> | <b>1,38,781</b> |
| Growth (%)                       | 22.7            | 21.0            | 20.3            | 18.9            |
| Operating expenditure            | 39,493          | 41,230          | 42,959          | 45,563          |
| <b>PPP</b>                       | <b>79,763</b>   | <b>84,878</b>   | <b>88,769</b>   | <b>93,218</b>   |
| Growth (%)                       | -               | -               | -               | -               |
| Provision                        | 23,289          | 21,202          | 22,688          | 36,255          |
| Exchange Gain / (Loss)           | -               | -               | -               | -               |
| Profit before tax                | 56,474          | 63,676          | 66,081          | 56,963          |
| Tax                              | 11,018          | 16,023          | 16,604          | 13,651          |
| Prov. for deferred tax liability | -               | -               | -               | -               |
| Effective Tax Rate               | 19.5            | 25.2            | 25.1            | 24.0            |
| <b>PAT</b>                       | <b>45,456</b>   | <b>47,653</b>   | <b>49,478</b>   | <b>40,660</b>   |
| Growth                           | 19              | 22              | 23              | (6)             |
| AUM                              | 41,66,610       | 44,14,500       | 46,22,500       | 48,44,770       |
| YoY growth (%)                   | 26.0            | 24.6            | 23.6            | 21.7            |
| Borrowing                        | 27,52,180       | 29,14,210       | 29,68,100       | 30,69,150       |
| YoY growth (%)                   | 24.9            | 25.9            | 21.3            | 20.0            |

**Balance Sheet (Rs. m)**

| Y/e Mar                                | FY25             | FY26E            | FY27E            | FY28E            |
|--|------------------|------------------|------------------|------------------|
| <b>Source of funds</b>                 |                  |                  |                  |                  |
| Equity                                 | 6,209            | 6,209            | 6,209            | 6,209            |
| Reserves and Surplus                   | 9,88,127         | 11,55,663        | 13,99,050        | 16,97,294        |
| Networth                               | 9,94,336         | 11,61,871        | 14,05,258        | 17,03,503        |
| Growth (%)                             | 28.8             | 16.8             | 20.9             | 21.2             |
| Loan funds                             | 27,52,180        | 28,89,469        | 36,97,517        | 44,20,536        |
| Growth (%)                             | 24.9             | 5.0              | 28.0             | 19.6             |
| Deferred Tax Liability                 | -                | -                | -                | -                |
| Other Current Liabilities              | -                | -                | -                | -                |
| Other Liabilities                      | 8,16,859         | 14,88,939        | 17,75,735        | 22,67,957        |
| <b>Total Liabilities</b>               | <b>45,63,375</b> | <b>55,40,279</b> | <b>68,78,511</b> | <b>83,91,996</b> |
| <b>Application of funds</b>            |                  |                  |                  |                  |
| Net fixed assets                       | 1,21,547         | 1,33,012         | 1,59,040         | 1,88,671         |
| Advances                               | 41,66,610        | 51,18,320        | 63,49,719        | 77,61,271        |
| Growth (%)                             | 27.7             | 22.8             | 24.1             | 22.2             |
| Investments                            | -                | -                | -                | -                |
| Current Assets                         | 2,75,218         | 2,88,947         | 3,69,752         | 4,42,054         |
| <b>Net current assets</b>              | <b>2,75,218</b>  | <b>2,88,947</b>  | <b>3,69,752</b>  | <b>4,42,054</b>  |
| Other Assets                           | -                | -                | -                | -                |
| <b>Total Assets</b>                    | <b>45,63,375</b> | <b>55,40,279</b> | <b>68,78,511</b> | <b>83,91,996</b> |
| Growth (%)                             | 21.4             | 21.4             | 24.2             | 22.0             |
| <b>Business Mix</b>                    |                  |                  |                  |                  |
| AUM                                    | 41,66,610        | 51,18,320        | 63,49,719        | 77,61,271        |
| Growth (%)                             | 26.0             | 22.8             | 24.1             | 22.2             |
| On Balance Sheet                       | 41,66,610        | 51,18,320        | 63,49,719        | 77,61,271        |
| % of AUM                               | 100.00           | 100.00           | 100.00           | 100.00           |
| Off Balance Sheet                      | -                | -                | -                | -                |
| % of AUM                               | -                | -                | -                | -                |
| <b>Profitability &amp; Capital (%)</b> |                  |                  |                  |                  |
| Y/e Mar                                | FY25             | FY26E            | FY27E            | FY28E            |
| NIM                                    | 9.7              | 9.7              | 9.6              | 9.5              |
| ROAA                                   | 4.0              | 3.9              | 4.2              | 4.3              |
| ROAE                                   | 19.0             | 18.3             | 20.5             | 20.9             |

**Key Ratios**

| Y/e Mar                  | FY25  | FY26E | FY27E | FY28E |
|--------------------------|-------|-------|-------|-------|
| CMP (Rs)                 | 964   | 964   | 964   | 964   |
| EPS (Rs)                 | 27.0  | 32.1  | 42.4  | 52.3  |
| Book value (Rs)          | 160.2 | 187.1 | 226.3 | 274.4 |
| Adj. BV(Rs)              | 157.2 | 183.2 | 221.8 | 268.9 |
| P/E(x)                   | 35.7  | 30.0  | 22.8  | 18.4  |
| P/BV(x)                  | 6.0   | 5.2   | 4.3   | 3.5   |
| P/ABV(x)                 | 6.1   | 5.3   | 4.3   | 3.6   |
| DPS (Rs)                 | 2.7   | 3.2   | 4.2   | 5.2   |
| Dividend Payout Ratio(%) | 10.0  | 9.9   | 10.0  | 10.0  |
| Dividend Yield(%)        | 0.3   | 0.3   | 0.4   | 0.5   |

**Asset Quality**

| Y/e Mar                      | FY25   | FY26E  | FY27E  | FY28E  |
|------------------------------|--------|--------|--------|--------|
| Gross NPAs(Rs m)             | 39,650 | 58,097 | 69,941 | 84,502 |
| Net NPA(Rs m)                | 18,340 | 24,621 | 28,224 | 33,930 |
| Gross NPAs to Gross Adv. (%) | 1.0    | 1.1    | 1.1    | 1.1    |
| Net NPAs to net Adv. (%)     | 0.4    | 0.5    | 0.4    | 0.4    |
| NPA coverage(%)              | 53.7   | 57.6   | 59.6   | 59.8   |

**Du-Pont as a % of AUM**

| Y/e Mar                    | FY25 | FY26E | FY27E | FY28E |
|----------------------------|------|-------|-------|-------|
| NII                        | 8.7  | 8.9   | 8.8   | 8.7   |
| NII INCL. Securitization   | 8.7  | 8.9   | 8.8   | 8.7   |
| Total income               | 10.8 | 10.8  | 10.8  | 10.6  |
| Operating Expenses         | 3.6  | 3.5   | 3.5   | 3.4   |
| PPOP                       | 7.2  | 7.3   | 7.3   | 7.3   |
| Total Provisions           | 1.9  | 2.0   | 1.7   | 1.6   |
| RoAA                       | 4.0  | 3.9   | 4.2   | 4.3   |
| Avg. Assets/Avg. net worth | 4.7  | 4.6   | 4.8   | 4.9   |
| RoAE                       | 19.0 | 18.3  | 20.5  | 20.9  |

Source: Company Data, PL Research

Source: Company Data, PL Research

Price Chart



Recommendation History

| No. | Date      | Rating     | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|------------|----------|-------------------|
| 1   | 08-Jan-26 | BUY        | 1,125    | 969               |
| 2   | 08-Dec-25 | Accumulate | 1,125    | 1,048             |
| 3   | 11-Nov-25 | Hold       | 1,030    | 1,085             |
| 4   | 07-Oct-25 | Hold       | 950      | 1,017             |
| 5   | 25-Jul-25 | Hold       | 900      | 959               |
| 6   | 08-Jul-25 | Hold       | 900      | 925               |
| 7   | 30-Apr-25 | Hold       | 9,000    | 9,093             |

Analyst Coverage Universe

| Sr. No. | Company Name                                 | Rating     | TP (Rs) | Share Price (Rs) |
|---------|--|------------|---------|------------------|
| 1       | AAVAS Financiers                             | BUY        | 1,700   | 1,470            |
| 2       | Bajaj Finance                                | BUY        | 1,125   | 969              |
| 3       | Can Fin Homes                                | Accumulate | 1,015   | 938              |
| 4       | Cholamandalam Investment and Finance Company | BUY        | 1,850   | 1,594            |
| 5       | HDFC Life Insurance Company                  | BUY        | 900     | 761              |
| 6       | ICICI Prudential Life Insurance Company      | Accumulate | 725     | 684              |
| 7       | LIC Housing Finance                          | Accumulate | 525     | 496              |
| 8       | Mahindra & Mahindra Financial Services       | Accumulate | 395     | 371              |
| 9       | Max Financial Services                       | BUY        | 1,925   | 1,672            |
| 10      | SBI Life Insurance Company                   | Hold       | 2,125   | 2,053            |
| 11      | Shriram Finance                              | BUY        | 1,175   | 1,004            |
| 12      | Sundaram Finance                             | Hold       | 5,000   | 5,288            |

PL's Recommendation Nomenclature (Absolute Performance)

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

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