

October 19, 2025

## Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
<b>Rating</b>	<b>HOLD</b>		<b>HOLD</b>	
<b>Target Price</b>	<b>840</b>		<b>780</b>	
NII (Rs. m)	2,04,194	2,39,784	2,03,365	2,37,053
% Chng.	0.4	1.2		
Op. Profit (Rs. m)	1,08,502	1,39,586	1,10,566	1,36,406
% Chng.	(1.9)	2.3		
EPS (Rs.)	56.1	88.2	57.4	80.9
% Chng.	(2.2)	9.0		

### Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
NII (Rs m)	1,90,313	1,79,476	2,04,194	2,39,784
Op. Profit (Rs m)	1,06,449	90,268	1,08,502	1,39,586
PAT (Rs m)	26,429	4,861	43,711	68,723
EPS (Rs.)	33.9	6.2	56.1	88.2
Gr. (%)	(70.5)	(81.6)	799.2	57.2
DPS (Rs.)	-	0.8	7.3	11.5
Yield (%)	-	0.1	1.0	1.5
NIM (%)	3.8	3.5	3.9	4.1
RoAE (%)	4.2	0.8	6.5	9.5
RoAA (%)	0.5	0.1	0.8	1.1
P/BV (x)	0.9	0.9	0.8	0.8
P/ABV (x)	1.0	0.9	0.9	0.8
PE (x)	22.1	120.4	13.4	8.5
CAR (%)	16.2	14.3	13.5	13.1

### Key Data INBK.BO | IIB IN

52-W High / Low	Rs.1,360 / Rs.605
Sensex / Nifty	83,952 / 25,710
Market Cap	Rs.585bn / \$ 6,651m
Shares Outstanding	779m
3M Avg. Daily Value	Rs.3388.27m

### Shareholding Pattern (%)

Promoter's	15.82
Foreign	32.73
Domestic Institution	30.46
Public & Others	20.99
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	1.6	(5.5)	(44.3)
Relative	0.1	(11.6)	(46.2)

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## Core performance stabilizing

### Quick Pointers:

- Net loss due to MFI write-offs; core PPoP was stable QoQ.
- MFI underwriting tightened; VF and corporate loan growth to pick up.

**IIB saw net loss due to Rs16bn MFI write-off that led to additional provision of Rs8.9bn. Core PPoP is stabilizing since adjusted for one-time recovery of 14bps in Q1'26, it grew by 4.2% QoQ to Rs19.2bn. As per the CEO, improving asset-liability mix would be prioritized over growth. Incremental focus would be to scale-up segments like MSME, housing, gold, agri etc. to increase granularity. IIB has further tightened MFI underwriting by conducting income assessment, voter ID check and field verification which along with credit guarantee scheme would help reduce provisions' volatility across cycles. Target is to reach NNPA of 50-60bps over medium term (now 104bps). With new MD&CEO at the bank's helm, earnings downgrade cycle largely is over, however, visibility in terms of time-line to reach 1.0% RoA is still hazy. We keep multiple at 0.9x and maintain 'HOLD' but raise TP to Rs840 from Rs780 as we also roll forward to Sep'27 ABV.**

- Weak quarter due to miss on provisions/NII resulting in loss:** NII was lower at Rs44.1bn (PLe Rs45.6bn); NIM (calc.) was a miss at 3.51% (PLe 3.59%); reported NIM (adjusted) declined by 3bps QoQ to 3.32%. Loans de-grew 8.8% YoY (PLe 8.3%). Deposit de-growth was largely in-line at 5.5% YoY (PLe 5.7%). CASA ratio fell to 30.7% (31.5% in Q1'26). LDR decreased to 83.6% (84% QoQ). Other income was lower at Rs16.5bn (PLe Rs19.6bn). Opex at Rs40.3bn was 1.9% below PLe led by higher employee cost. Core PPoP at Rs19.2bn was 5.8% below PLe; PPoP was Rs20.3bn. On asset quality; GNPA was lower at 3.6% (PLe 3.89%) due to write-offs. Gross slippages were Rs25.4bn (PLe Rs25bn) while recoveries were slower at Rs2.4bn (PLe Rs5bn). Due to higher MFI write-offs of Rs25.2bn (PLe Rs11.5bn), provisions were higher at Rs26.2bn (PLe Rs15.6bn). Core net loss was Rs5.3bn while net loss was Rs4.4bn.

- Focus more on asset-liability mix than growth:** Loans de-grew by 2.3% QoQ driven by 25% fall in MFI and 1.5% decline in corporate. VF disbursements that fell by 9% QoQ were impacted led by deferment in purchases due to GST changes in Q1'26. However, disbursements have picked-up materially post 22<sup>nd</sup> Sep and bank expects this traction to continue in Q3 as well aided by the on-going festive season too. Corporate disbursements have resumed, that had moderated in past few quarters for prudent balance sheet management. Focus remains largely on granular mid and small corporates offering better risk-adjusted returns, while maintaining a selective approach toward large corporates.

- Underwriting further tightened in MFI:** IIB continues to be cautious on MFI; it has increased scrutiny incl. conducting income assessment of every loan, additional voter ID checks & more field verification above the conservative bank rule engine for underwriting approval. Tighter norms may result in near term impact on MFI disbursements but along with credit guarantee scheme these norms should help reduce the extreme swings in credit costs across cycles. However, disbursements would certainly pick-up in H2FY26 vs H1FY26.

**Exhibit 1: PAT was miss due to lower NII, other income and higher provisions**

Financial Statement (Rs mn)	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	% Var.	Q1FY26	QoQ gr. (%)
Interest Income	1,16,086	1,26,863	(8.5)	1,21,537	(4.5)	1,20,789	(3.9)
Interest Expense	71,993	73,390	(1.9)	75,978	(5.2)	76,241	(5.6)
<b>Net interest income (NII)</b>	<b>44,094</b>	<b>53,473</b>	<b>(17.5)</b>	<b>45,559</b>	<b>(3.2)</b>	<b>44,548</b>	<b>(1.0)</b>
Other income	16,480	21,839	(24.5)	19,571	(15.8)	21,562	(23.6)
Fee income	15,430	21,250	(27.4)	15,933	(3.2)	15,320	0.7
Other Non-interest income	1,050	589	78.2	3,638	(71.1)	6,242	(83.2)
<b>Total income</b>	<b>60,573</b>	<b>75,312</b>	<b>(19.6)</b>	<b>65,130</b>	<b>(7.0)</b>	<b>66,111</b>	<b>(8.4)</b>
Operating expenses	40,293	39,394	2.3	41,076	(1.9)	41,439	(2.8)
-Staff expenses	12,671	10,927	16.0	12,310	2.9	12,958	(2.2)
-Other expenses	27,622	28,467	(3.0)	28,766	(4.0)	28,481	(3.0)
<b>Operating profit</b>	<b>20,280</b>	<b>35,918</b>	<b>(43.5)</b>	<b>24,054</b>	<b>(15.7)</b>	<b>24,672</b>	<b>(17.8)</b>
<b>Core operating profit</b>	<b>19,230</b>	<b>35,329</b>	<b>(45.6)</b>	<b>20,416</b>	<b>(5.8)</b>	<b>18,429</b>	<b>4.3</b>
Total provisions	26,224	18,201	44.1	15,640	67.7	17,378	50.9
<b>Profit before tax</b>	<b>(5,944)</b>	<b>17,717</b>	<b>(133.5)</b>	<b>8,414</b>	<b>(170.6)</b>	<b>7,294</b>	<b>(181.5)</b>
Tax	(1,496)	4,462	(133.5)	2,104	(171.1)	2,301	(165.0)
<b>Profit after tax</b>	<b>(4,448)</b>	<b>13,255</b>	<b>(133.6)</b>	<b>6,311</b>	<b>(170.5)</b>	<b>4,993</b>	<b>(189.1)</b>
Deposits (Rs bn)	3,898	4,127	(5.5)	3,893	0.1	3,971	(1.9)
Advances (Rs bn)	3,259	3,572	(8.8)	3,273	(0.4)	3,337	(2.3)
<b>Profitability ratios</b>							
Yield on IEA	9.3	10.5	(127)	9.6	(33)	9.6	(34)
Cost of Funds	6.5	6.8	(39)	6.7	(29)	6.8	(38)
<b>NIM</b>	<b>3.5</b>	<b>4.4</b>	<b>(92)</b>	<b>3.6</b>	<b>(8)</b>	<b>3.5</b>	<b>(2)</b>
RoaA	(0.3)	1.0	(133)	0.5	(80)	0.5	(78)
RoaE	(2.7)	8.1	(1,079)	3.8	(652)	3.7	(639)
Yield on Advances	8.8	9.7	(94)	11.2	(248)	9.2	(40)
Cost of Deposits	6.2	6.6	(32)			6.4	(21)
<b>Asset Quality ratios</b>							
Gross NPL (Rs m)	1,20,578	76,385	57.9	1,30,990	(7.9)	1,24,806	(3.4)
Net NPL (Rs m)	33,994	22,820	49.0	37,987	(10.5)	37,215	(8.7)
Gross NPL ratio	3.6	2.1	149	3.9	(29)	3.6	(4)
Net NPL ratio	1.0	0.6	40	1.2	(12)	1.1	(7)
Coverage ratio	71.8	70.1	168	71.0	81	70.2	163
<b>Business &amp; Other Ratios</b>							
Low-cost deposit mix	30.7	35.8	(512)	30.8	(7)	31.5	(77)
Cost-income ratio	66.5	52.3	1,421	63.1	345	62.7	384
Non int. inc / total income	27.2	29.0	(179)	30.0	(284)	32.6	(541)
Credit deposit ratio	83.6	86.5	(294)	84.1	(48)	84.0	(42)
CAR	17.1	16.5	59			16.6	46
Tier-I	15.9	15.2	67			15.5	40

Source: Company, PL

## Q2FY26 conference call highlights

### Assets/Liabilities

- Bank expects upcycle in the auto industry to support business while being cautious on microfinance business.
- VF disbursements were impacted due to deferment of purchases due to GST changes in the last quarter. However, disbursements have picked-up significantly post 22<sup>nd</sup> September and bank expects this traction to continue in Q3 as well. VF purchases are further aided by the on-going festive season too.
- IIB continues to be cautious on MFI with scrutiny increasing; some steps include conducting income assessment of every loan, additional voter ID checks & further field verification over and above the conservative bank rule engine for underwriting approval.
- Tighter norms may result in near term impact on MFI disbursements but along with credit guarantee scheme these norms should help reduce the extreme swings in credit costs across the cycle.
- MFI will continue to remain an integral part of the bank's approach in meeting its financial inclusion and PSL targets.
- Disbursements in corporate have resumed, that were moderated in past few quarters for prudent balance sheet management. Focus remains largely on granular mid and small corporates offering better risk-adjusted returns, while maintaining a selective approach toward large corporates.
- While VF/MFI/corporate are strengths, segments like MSME, HL, affordable housing, gold, agri financing etc. are sub-scale. Hence incremental focus would also be on these products which will also make the book more granular.
- IIB expects to scale up HL which gives it better cross selling opportunities. MSME segment under retail is also where banks sees opportunities for growth.
- MFI disbursements were Rs13bn, write-off Rs15.8bn and repayments Rs67bn.
- IIB continuous to optimize its deposit mix by exiting some of the non-LCR accretive wholesale and CDs.
- Bank aims to have a ROA of 1% over medium-term.

### Fees/NIMs

- Adjusted for one-time recovery in the last quarter of 14bps, NIM declined by only 3bps QoQ to 3.32% due to 26bps reduction in cost of funds.
- NIM was lower on account of lower disbursements in MFI which contributed 20bps while one-off recovery in Q1FY26 was 14bps. However, as bank recalibrates its corporate and retail portfolio NIMs are expected to improve.
- Fee income to be stronger going forward with Fee to Assets ratio aimed at 1.5% over a period of time.

## Asset Quality

- A dedicated collections has been carved out team to focus exclusively on 90+ DPD. The 31-90dpd book was 3.2% in Sep'25 vs 2.2% in Jun'25.
- Bank started availing the Credit guarantee scheme CGFMU for disbursements done in FY26 and it covers 22% of standard book for Sep'25 which is expected to grow in coming quarters helping it to normalize gross slippages.
- Provisions were elevated due to incremental provisioning of Rs8.7bn in MFI as bank wrote-off Rs15.8bn of MFI loans.
- Slippages: MFI-Rs10.83bn (Q1'26-Rs8.88bn), VF-Rs6.94bn (Q1'26-Rs7.43bn), retail-Rs6.97bn (Q1'26-Rs6.92bn), corporate-Rs0.64bn (Q1'26-Rs2.45bn).
- Gems and Jewelry business has no SMA1 and SMA2 as on Sep'25.
- Management aims NNPA to be 50-60bps in medium term.
- Bank revamped its management and has hired a new CEO for BFIL business among other changes in the team.

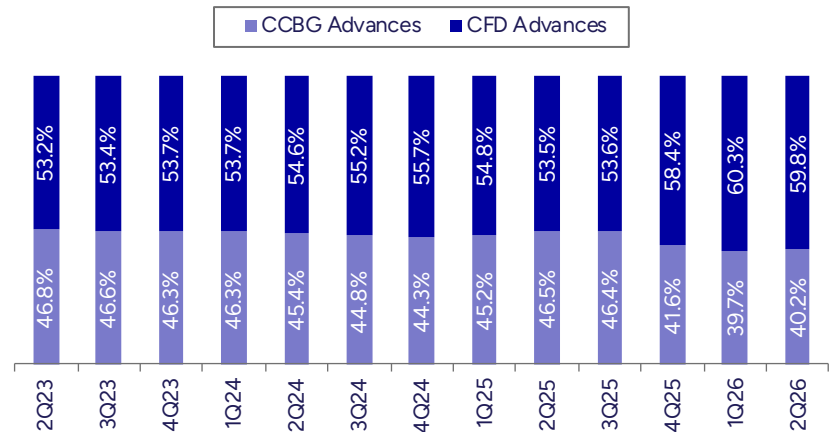
### Exhibit 2: Lower loan growth across segments

Loan Book mix	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
CV Loans	3,58,800	3,41,830	5.0	3,59,860	(0.3)
3W/Small CV	44,240	40,910	8.1	43,660	1.3
2W Loans	49,670	49,140	1.1	52,520	(5.4)
Car Loans	3,04,900	2,74,380	11.1	3,01,260	1.2
Tractors	75,080	81,560	(7.9)	76,080	(1.3)
Equipment Financing	1,29,390	1,18,370	9.3	1,30,190	(0.6)
Credit Card	1,07,470	1,09,320	(1.7)	1,10,590	(2.8)
LAP	1,25,810	1,14,010	10.3	1,24,810	0.8
Others	3,01,610	2,78,670	8.2	2,99,990	0.5
MFI	2,13,210	3,27,230	(34.8)	2,84,080	(24.9)
BBG	1,81,950	1,74,990	4.0	1,79,730	1.2
<b>Consumer Finance (incl BBG)</b>	<b>18,92,130</b>	<b>19,10,410</b>	<b>(1.0)</b>	<b>19,62,770</b>	<b>(3.6)</b>
<b>Corporate Finance</b>	<b>13,11,210</b>	<b>16,61,180</b>	<b>(21.1)</b>	<b>13,24,210</b>	<b>(1.0)</b>

Loan Mix					
Vehicle Finance	30.0%	25.4%	4.7	29.3%	1
Non-Vehicle Consumer	28.4%	30.3%	(2.0)	24.3%	4
<b>Consumer Finance</b>	<b>58.4%</b>	<b>55.7%</b>	<b>2.7</b>	<b>53.6%</b>	<b>5</b>
<b>Corporate Finance</b>	<b>41.6%</b>	<b>44.3%</b>	<b>(2.7)</b>	<b>46.4%</b>	<b>-5</b>

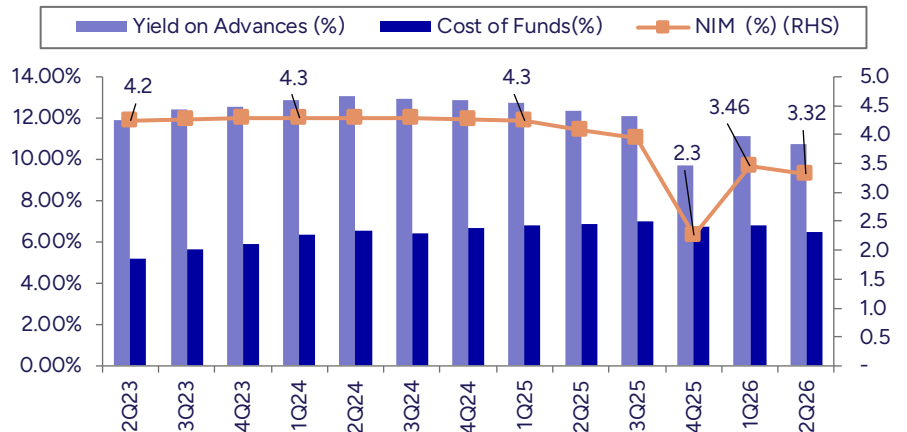
Source: Company, PL Research; Note – Car Loans includes Utility Vehicles

**Exhibit 3: CCBG share increased to 40.2%**



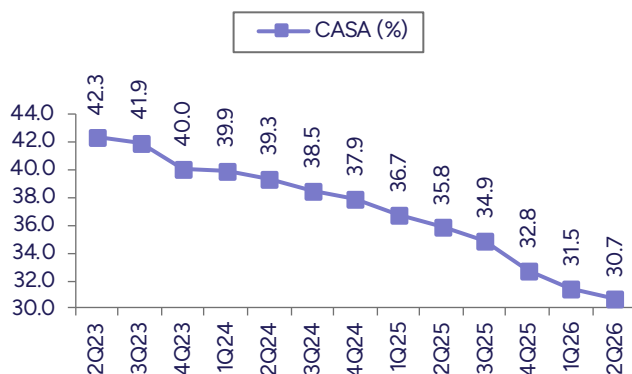
Source: Company, PL Research

**Exhibit 4: Margins (calc) fell to 3.32%**



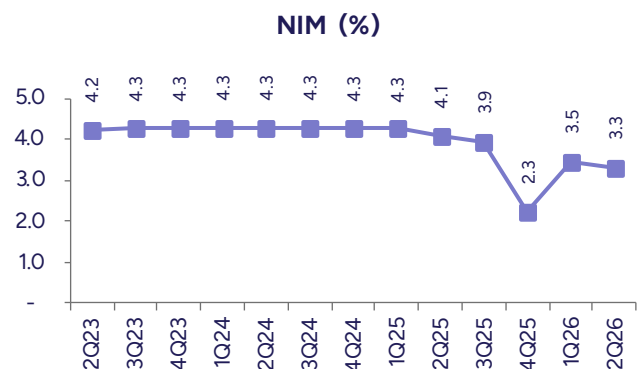
Source: Company, PL

**Exhibit 5: CASA further declined to 30.7%**



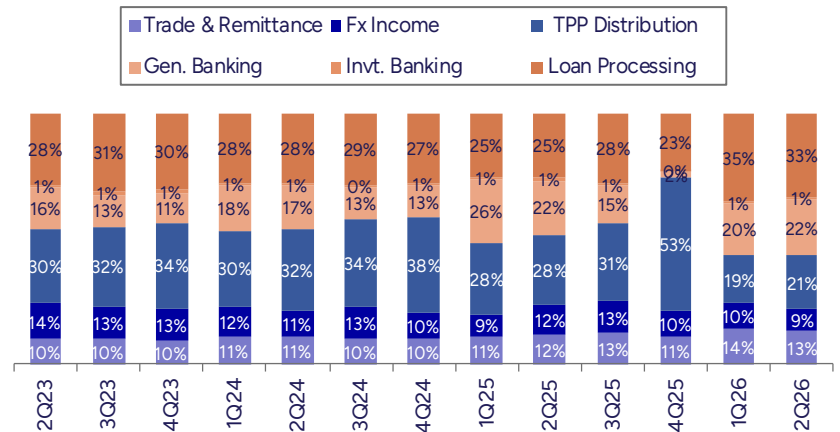
Source: Company, PL

**Exhibit 6: NIM (rep.) fell by 14bps QoQ**



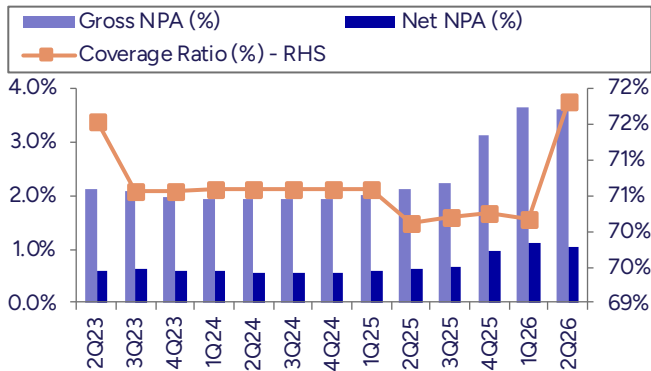
Source: Company, PL

**Exhibit 7: TPP distribution+loan proc fee account for 55% of other income**



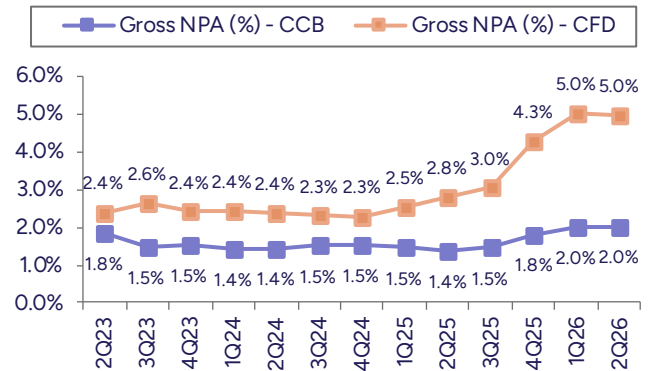
Source: Company, PL

**Exhibit 8: GNPA/NNPA decreased to 3.60%/1.04%**



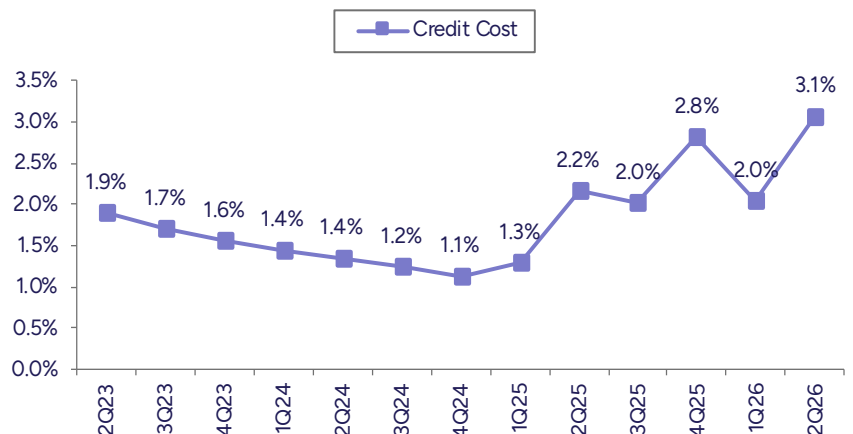
Source: Company, PL

**Exhibit 9: GNPA ratios steady for both CCB/CFD book**



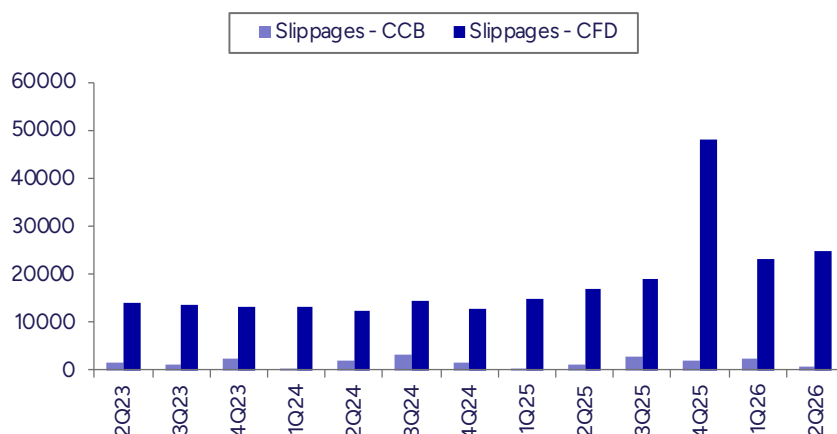
Source: Company, PL

**Exhibit 10: Credit cost (calc) increased by 101bps to 3.1%**



Source: Company, PL

**Exhibit 11: Slippages for CCB and CFD steady QoQ**



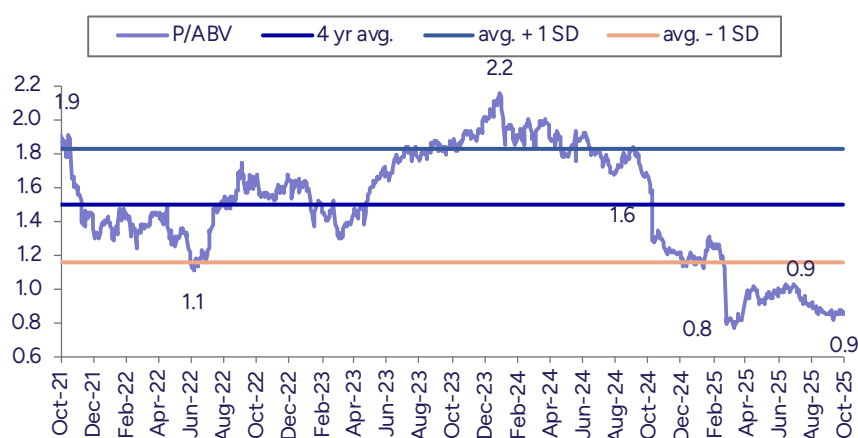
Source: Company, PL

**Exhibit 12: Return ratios to normalize over the medium term.**

RoE decomposition (%)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Interest income	8.7	8.1	8.5	9.4	9.1	8.6	8.4	8.5
Interest expenses	4.6	4.1	4.4	5.2	5.5	5.3	4.9	4.7
<b>Net interest income</b>	<b>4.0</b>	<b>3.9</b>	<b>4.1</b>	<b>4.2</b>	<b>3.6</b>	<b>3.3</b>	<b>3.6</b>	<b>3.8</b>
Other Inc. from operations	2.0	1.9	1.9	1.9	1.4	1.4	1.4	1.5
<b>Total income</b>	<b>6.0</b>	<b>5.9</b>	<b>6.0</b>	<b>6.2</b>	<b>5.0</b>	<b>4.6</b>	<b>5.0</b>	<b>5.3</b>
Employee expenses	0.7	0.7	0.7	0.8	0.8	0.9	1.0	1.0
Other operating expenses	1.8	1.8	1.9	2.1	2.2	2.0	2.1	2.1
<b>Operating profit</b>	<b>3.5</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>	<b>2.0</b>	<b>1.6</b>	<b>1.9</b>	<b>2.2</b>
Tax	0.3	0.4	0.6	0.6	0.2	0.0	0.3	0.4
Loan loss provisions	2.4	1.7	1.0	0.8	1.3	1.5	0.9	0.8
<b>RoAA</b>	<b>0.8</b>	<b>1.2</b>	<b>1.7</b>	<b>1.8</b>	<b>0.5</b>	<b>0.1</b>	<b>0.8</b>	<b>1.1</b>
<b>RoAE</b>	<b>7.3</b>	<b>10.2</b>	<b>14.5</b>	<b>15.3</b>	<b>4.2</b>	<b>0.8</b>	<b>6.5</b>	<b>9.5</b>

Source: Company, PL

**Exhibit 13: One year forward P/ABV of IIB trades at 0.9x**



Source: Company, PL

**Income Statement (Rs. m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Int. Earned from Adv.	3,95,912	3,72,695	3,80,670	4,28,507
Int. Earned from invt.	76,630	78,913	81,638	86,538
Others	2,069	3,662	3,300	3,786
Total Interest Income	4,86,677	4,72,310	4,80,237	5,33,183
Interest Expenses	2,96,364	2,92,835	2,76,043	2,93,399
<b>Net Interest Income</b>	<b>1,90,313</b>	<b>1,79,476</b>	<b>2,04,194</b>	<b>2,39,784</b>
Growth(%)	(7.7)	(5.7)	13.8	17.4
Non Interest Income	76,842	74,708	81,802	94,838
Net Total Income	2,67,155	2,54,184	2,85,996	3,34,621
Growth(%)	2.2	(2.9)	2.7	11.7
Employee Expenses	43,011	51,737	56,798	62,071
Other Expenses	1,12,845	1,12,178	1,20,696	1,32,964
Operating Expenses	1,60,707	1,63,916	1,77,494	1,95,035
<b>Operating Profit</b>	<b>1,06,449</b>	<b>90,268</b>	<b>1,08,502</b>	<b>1,39,586</b>
Growth(%)	(32.4)	(15.2)	20.2	28.6
NPA Provision	71,483	80,300	46,390	43,126
Total Provisions	70,301	83,163	50,220	47,955
<b>PBT</b>	<b>36,147</b>	<b>7,105</b>	<b>58,281</b>	<b>91,631</b>
Tax Provision	9,718	2,244	14,570	22,908
Effective tax rate (%)	26.9	31.6	25.0	25.0
<b>PAT</b>	<b>26,429</b>	<b>4,861</b>	<b>43,711</b>	<b>68,723</b>
Growth(%)	(70.5)	(81.6)	799.2	57.2

**Balance Sheet (Rs. m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Face value	10	10	10	10
No. of equity shares	779	779	779	779
Equity	7,791	7,791	7,791	7,791
Networth	6,44,926	6,51,875	6,94,954	7,63,045
Growth(%)	2.7	1.1	6.6	9.8
Adj. Networth to NNPA's	32,871	31,258	24,116	24,973
Deposits	41,10,781	40,51,861	44,57,697	50,36,210
Growth(%)	6.8	(1.4)	10.0	13.0
CASA Deposits	13,50,051	13,10,936	15,36,677	18,02,726
% of total deposits	32.8	32.4	34.5	35.8
<b>Total Liabilities</b>	<b>55,40,184</b>	<b>54,37,638</b>	<b>59,32,498</b>	<b>66,46,211</b>
Net Advances	34,50,186	34,03,563	37,44,465	42,30,416
Growth(%)	0.5	(1.4)	10.0	13.0
Investments	11,44,968	12,76,336	13,37,309	14,60,501
<b>Total Assets</b>	<b>55,40,184</b>	<b>54,37,638</b>	<b>59,32,498</b>	<b>66,46,211</b>
Growth (%)	7.6	(1.9)	9.1	12.0

**Asset Quality**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Gross NPAs (Rs m)	1,10,464	1,15,786	1,04,866	1,13,527
Net NPAs (Rs m)	32,871	31,258	24,116	24,973
Gr. NPAs to Gross Adv.(%)	3.0	3.2	2.7	2.5
Net NPAs to Net Adv. (%)	0.9	0.9	0.6	0.6
NPA Coverage %	70.2	73.0	77.0	78.0

**Profitability (%)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
NIM	3.8	3.5	3.9	4.1
RoAA	0.5	0.1	0.8	1.1
RoAE	4.2	0.8	6.5	9.5
Tier I	15.1	13.3	12.5	12.2
CRAR	16.2	14.3	13.5	13.1

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Interest Income	1,28,008	1,06,339	1,20,789	1,16,086
Interest Expenses	75,727	75,855	76,241	71,993
<b>Net Interest Income</b>	<b>52,281</b>	<b>30,483</b>	<b>44,548</b>	<b>44,094</b>
YoY growth (%)	(1.3)	(43.3)	(17.6)	(17.5)
CEB	21,230	23,050	15,320	15,430
Treasury	2,272	3,638	6,242	1,080
Non Interest Income	23,502	7,088	21,562	16,480
<b>Total Income</b>	<b>1,51,510</b>	<b>1,13,427</b>	<b>1,42,351</b>	<b>1,32,566</b>
Employee Expenses	10,695	10,995	12,958	12,671
Other expenses	29,099	31,302	28,481	27,622
Operating Expenses	39,794	42,297	41,439	40,293
<b>Operating Profit</b>	<b>35,989</b>	<b>(4,725)</b>	<b>24,672</b>	<b>20,280</b>
YoY growth (%)	(10.1)	(111.7)	(37.2)	(43.5)
Core Operating Profits	33,717	(8,363)	18,429	19,200
NPA Provision	-	-	-	-
Others Provisions	17,436	24,166	17,378	26,224
Total Provisions	17,436	24,166	17,378	26,224
<b>Profit Before Tax</b>	<b>18,553</b>	<b>(28,891)</b>	<b>7,294</b>	<b>(5,944)</b>
Tax	4,540	(6,531)	2,301	(1,496)
<b>PAT</b>	<b>14,013</b>	<b>(22,360)</b>	<b>4,993</b>	<b>(4,448)</b>
YoY growth (%)	(39.0)	(195.3)	(76.8)	(133.6)
<b>Deposits</b>	<b>40,94,380</b>	<b>41,10,781</b>	<b>39,71,440</b>	<b>38,97,874</b>
YoY growth (%)	11.0	6.8	(0.3)	(5.5)
<b>Advances</b>	<b>36,68,890</b>	<b>34,50,186</b>	<b>33,36,940</b>	<b>32,58,807</b>
YoY growth (%)	12.2	0.5	(4.1)	(8.8)

**Key Ratios**

Y/e Mar	FY25	FY26E	FY27E	FY28E
CMP (Rs)	751	751	751	751
EPS (Rs)	33.9	6.2	56.1	88.2
Book Value (Rs)	824	833	888	976
Adj. BV (Rs)	782	793	857	944
P/E (x)	22.1	120.4	13.4	8.5
P/BV (x)	0.9	0.9	0.8	0.8
P/ABV (x)	1.0	0.9	0.9	0.8
DPS (Rs)	-	0.8	7.3	11.5
Dividend Payout Ratio (%)	-	13.0	13.0	13.0
Dividend Yield (%)	-	0.1	1.0	1.5

**Efficiency**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Cost-Income Ratio (%)	60.2	64.5	62.1	58.3
C-D Ratio (%)	83.9	84.0	84.0	84.0
Business per Emp. (Rs m)	168	149	149	155
Profit per Emp. (Rs lacs)	6	1	8	11
Business per Branch (Rs m)	2,454	2,189	2,207	2,302
Profit per Branch (Rs m)	9	1	12	17

**Du-Pont**

Y/e Mar	FY25	FY26E	FY27E	FY28E
NII	3.56	3.27	3.59	3.81
Total Income	5.00	4.63	5.03	5.32
Operating Expenses	3.01	2.99	3.12	3.10
PPoP	1.99	1.64	1.91	2.22
Total provisions	1.32	1.52	0.88	0.76
RoAA	0.49	0.09	0.77	1.09
RoAE	4.17	0.75	6.52	9.46

Source: Company Data, PL Research



Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-25	Hold	780	749
2	29-Jul-25	Hold	780	808
3	07-Jul-25	Hold	780	854
4	22-May-25	Hold	780	770
5	08-Apr-25	Hold	860	676
6	11-Mar-25	Hold	1,000	901
7	01-Feb-25	BUY	1,500	991
8	08-Jan-25	BUY	1,500	984
9	07-Jan-25	BUY	1,500	970
10	25-Oct-24	BUY	1,600	1,280

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,925	1,672
2	Axis Bank	BUY	1,425	1,170
3	Bank of Baroda	BUY	270	262
4	Can Fin Homes	BUY	875	805
5	City Union Bank	BUY	245	219
6	DCB Bank	BUY	155	132
7	Federal Bank	BUY	235	213
8	HDFC Asset Management Company	BUY	6,175	5,764
9	HDFC Bank	BUY	1,150	1,003
10	ICICI Bank	BUY	1,800	1,437
11	IndusInd Bank	Hold	780	749
12	Kotak Mahindra Bank	BUY	2,350	2,127
13	LIC Housing Finance	BUY	725	567
14	Nippon Life India Asset Management	BUY	900	875
15	State Bank of India	BUY	960	865
16	Union Bank of India	BUY	150	139
17	UTI Asset Management Company	BUY	1,400	1,332

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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