

# Ujjivan Small Finance Bank

India | Banking & Financials | Result Update

Elara Capital

23 January 2026

## Improving performance, durability key

Ujjivan Small Finance Bank (UJJIVANS IN) posted a strong Q3FY26, driven by robust revenue momentum and controlled credit costs. Key highlights in Q3 were: a) better NIM outcome (lower funding costs), b) healthy loan growth which with better NIM resulted in improved NII growth (up 8.5% QoQ), c) higher core other income (up ~24% QoQ) partially offset by elevated opex, which resulted in higher core PPoP and d) better asset quality outcomes, aided by improvement in MFI collections.

We believe Q3 results reflect healthy business and operating performance, and sustained momentum will be key to further re-rating. We see some turnaround at play and anticipate better growth and improved performance. Hence, we raise our TP to INR 72 (from INR 60), as we roll forward to December '27E and maintain **BUY**.

**Healthy business momentum, with improved margins:** NIMs improved 30bps QoQ to 8.2%, given sharp reduction in funding cost, CRR cut benefits and steady yields on lower reversals. The bank has undertaken deposit rate actions, the full impact of which is yet to flow through, which may support margins in the near term. That said, we continue to monitor margin durability, as a higher mix of secured assets could impact NIMs over time. Loan growth outcomes were healthy, with unsecured segments beginning to see traction, which is already visible in QoQ growth. Going forward, management expects growth momentum to continue, with strategic focus on the secured portfolio and increasing its share to 50% by FY26. Opex growth was faster (up ~9% QoQ), due to the new labor code and higher disbursement momentum. This would remain elevated in the near term and we would continue to monitor the same. Overall, UJJIVANS reported RoA (annualized) of 1.5% in Q3FY26, and reiterated its FY26 RoA guidance of 1.2-1.4%, led by further reduction in cost of funds.

**Better asset quality outcomes:** Slippages were curtailed at INR 2.2bn, at ~2.6% (versus 3.3% QoQ), led by lower slippage trends in the micro-banking segment. Management remained confident of sustaining momentum, aided by better collection efficiency in the unsecured book. Credit cost for the quarter was 2.3%, including accelerated provisions of INR 90mn. Management guided that credit cost would remain within 2.3-2.4% for FY26, with likely improvement in H2FY27. While Q3 marked a meaningful improvement, we remain watchful of evolving trends but expect gradual stabilization in asset quality

**Maintain BUY with a raised TP of INR 72:** Q3FY26 was better quarter with improvement in core performance. Considering better industry tailwinds and improving growth momentum and profitability trajectory, we raise our TP to INR 72 (from INR 60) as we roll forward to Dec '27E. We believe sustained funding cost benefits, moderation in credit costs and improving return ratios could support a valuation re-rating in the medium term. Progress on the universal bank licence application remains a key monitorable, with any adverse outcome posing a downside risk.

## Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
PPoP (INR mn)	19,171	16,893	17,184	20,953	24,775
YoY (%)	29.1	(11.9)	1.7	21.9	18.2
NP (INR mn)	12,815	7,261	6,688	9,519	11,485
YoY (%)	16.5	(43.3)	(7.9)	42.3	20.7
EPS (INR)	6.6	3.8	3.5	4.9	5.9
YoY (%)	30.0	(43.4)	(7.9)	42.3	20.7
P/PPoP (x)	4.9	5.6	5.5	4.5	3.8
RoAE (%)	26.1	12.4	10.4	13.4	14.5
RoAA (%)	3.6	1.7	1.3	1.6	1.6
P/E (x)	9.3	16.5	17.9	12.6	10.4
P/ABV (x)	2.2	2.0	1.8	1.6	1.5

Note: Pricing as on 22 January 2026; Source: Company, Elara Securities Estimate

Rating: **Buy**

Target Price: **INR 72**

Upside/Downside: **18%**

CMP: **INR 61**

As on 22 January 2026

## Key data

Bloomberg	UJJIVANS IN
Reuters Code	UJJI. NS
Shares outstanding (mn)	1,939
Market cap (INR bn/USD mn)	120/1,311
EV (INR bn/USD mn)	0/0
ADTV 3M (INR mn/USD mn)	730/8
52 week high/low	63/31
Free float (%)	97

Note: as on 22 January 2026; Source: Bloomberg

## Price chart



Source: Bloomberg

Shareholding (%)	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
Promoter	0.0	0.0	0.0	0.0
% Pledge	0.0	0.0	0.0	0.0
FII	19.5	19.6	17.0	15.5
DII	8.5	16.8	20.1	28.7
Others	72.0	63.6	62.8	55.9

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(2.2)	0.9	9.2
Ujjivan Small Finance Bank	23.3	31.3	80.1
NSE Mid-cap	(2.5)	(0.9)	8.8
NSE Small-cap	(9.6)	(12.4)	(3.7)

Source: Bloomberg

## Prakhar Agarwal

Banking & Financials

+91 22 6164 8502  
prakhar.agarwal@elaracapital.com



Associates  
Kartik Solanki  
kartik.solanki@elaracapital.com  
Palak Shah  
palak.shah@elaracapital.com

## Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Net interest income</b>	<b>34,095</b>	<b>36,363</b>	<b>38,775</b>	<b>46,691</b>	<b>55,814</b>
Fee income	5,062	5,670	6,690	7,640	8,733
Trading profits	240	450	1,200	1,200	1,200
Non-interest income	7,868	8,462	10,701	12,073	13,650
Net operating revenue	41,962	44,825	49,476	58,763	69,464
Operating expenses	22,791	27,932	32,293	37,810	44,688
<b>Pre-provisioning operating profit</b>	<b>19,171</b>	<b>16,893</b>	<b>17,184</b>	<b>20,953</b>	<b>24,775</b>
Total provisions	2,149	7,477	8,247	8,232	9,427
Profit before tax	17,022	9,416	8,937	12,721	15,348
Tax	4,207	2,155	2,249	3,202	3,863
Minorities/exceptionals	-	-	-	-	-
<b>Profit after tax</b>	<b>12,815</b>	<b>7,261</b>	<b>6,688</b>	<b>9,519</b>	<b>11,485</b>
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Customer loans	268,829	313,900	380,133	458,815	552,358
Investments	97,660	117,300	127,566	149,044	173,684
Cash & bank balances	25,368	31,698	28,330	32,510	35,568
Fixed assets	4,267	4,569	4,969	5,369	5,769
Other assets	8,279	9,425	10,838	12,464	14,333
<b>Total Assets</b>	<b>404,403</b>	<b>476,892</b>	<b>551,836</b>	<b>658,201</b>	<b>781,712</b>
Net worth	56,135	60,834	67,522	74,762	83,566
Deposits	314,622	376,305	444,040	530,627	636,222
Borrowings	21,708	28,454	28,124	39,717	47,784
Other liabilities	11,938	11,299	12,151	13,094	14,140
<b>Total Liabilities</b>	<b>404,403</b>	<b>476,891</b>	<b>551,836</b>	<b>658,201</b>	<b>781,712</b>
Key operating ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Lending yield	20.6	19.0	17.7	17.6	17.5
Cost of Funds	7.1	7.1	7.0	7.0	6.9
Spreads	8.8	7.8	7.1	7.3	7.4
Net interest margin	9.5	8.5	7.8	7.9	8.0
CASA Ratio	26.5	25.5	25.7	26.0	26.4
Non-interest income / operating income	18.7	18.9	21.6	20.5	19.7
Cost/income	54.3	62.3	65.3	64.3	64.3
Operating expense/avg assets	(6.4)	(6.5)	(6.5)	(6.4)	(6.4)
Credit costs / avg loans	(0.6)	(1.7)	(1.7)	(1.4)	(1.3)
Effective tax rate	24.7	22.9	25.2	25.2	25.2
Loan deposit ratio	85.4	83.4	85.6	86.5	86.8
ROA decomposition (%)	FY24	FY25	FY26E	FY27E	FY28E
NII /Assets	9.5	8.5	7.8	7.9	8.0
Fees/Assets	1.4	1.3	1.3	1.3	1.2
Invst profits/Assets	0.1	0.1	0.2	0.2	0.2
Net revenues/Assets	11.7	10.4	9.7	9.8	9.7
Opex /Assets	(6.4)	(6.5)	(6.5)	(6.4)	(6.4)
Provisions/Assets	(0.6)	(1.7)	(1.7)	(1.4)	(1.3)
Taxes/Assets	(1.2)	(0.5)	(0.5)	(0.5)	(0.6)
Total costs/Assets	(8.2)	(8.8)	(8.6)	(8.4)	(8.3)
ROA	3.6	1.7	1.3	1.6	1.6
Equity/Assets	13.7	13.7	12.8	12.1	11.3
ROAE	26.1	12.4	10.4	13.4	14.5
Key financial ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Gross NPL	2.2	2.2	2.4	2.1	1.8
Net NPL	0.3	0.5	0.6	0.5	0.4
Slippage ratio	2.1	4.1	3.4	2.9	2.5
Per share data (INR)					
EPS	7	4	3	5	6
BVPS	29	31	35	39	43
Adj- BVPS	29	31	34	38	42
Valuation (x)					
P/BV	2.1	2.0	1.8	1.6	1.4
P/ABV	2.2	2.0	1.8	1.6	1.5
P/E	9.3	16.5	17.9	12.6	10.4

Note: Pricing as on 22 January 2026; Source: Company, Elara Securities Estimate

### UJJIVANS – Q3FY26 earnings conference call highlights

- ▶ The operating environment remains favourable, as reflected in GDP growth of 8.2% in Q2FY26. This marks the fastest pace of expansion in the economy with FY26 growth expectation of 7.3%.
- ▶ Domestic demand saw continued strength with improving industrial and manufacturing capacity utilization, supported by healthier corporate revenues. These strong macro fundamentals translate into supportive growth environment as well as improving asset quality.
- ▶ Rate cut by the RBI in Dec '25 lends further growth impetus.

#### Business momentum

- ▶ Deposits grew 24% YoY/7% QoQ with CD ratio comfortable at 88% (it will be maintained in this range).
- ▶ CASA remains a key focus area, and has remained above 27% for two quarters. There is improvement in MAB and month end balances. In Q4FY26, CASA ratio would remain in this range and see improvement from Q1FY27.
- ▶ Gross advances grew 7.1% QoQ/21.6% YoY, driven by highest quarterly disbursement across secured and unsecured products.
- ▶ Secured book continues to be in-line with long term objective and stood at 48%. By FY26, secured to unsecured book ratio would be 50:50 and by FY30, 35% would be unsecured book.
- ▶ Group loans continued to witness increase in ticket sizes, in line with the larger market trend.
- ▶ AFH was supported by high growth in the micro mortgage book, which doubled YoY (on a low base).
- ▶ Housing loans: This is the mature business of UJJIVANS and continues to be a focus area. Key driver would be scaling this franchise in a calibrated and sustainable manner, leveraging distribution strengths.
- ▶ Gold loan book: LTV is below 70% and the portfolio can absorb any shock in gold prices.
- ▶ Vehicle finance book growth was led by new 2W segment, which is high yielding at 20% and growth was driven by the festival season.
- ▶ UJJIVANS is in the process to introduce mid-corporate offerings in FIG business in Q4FY26, which will further help the liability business.
- ▶ As the working capital business grows, liability cross-sell would improve.

#### Asset quality

- ▶ X-Bucket collection came in at 99.7%, seeing consistent improvement. The new MFIN guardrails are leading to this improvement.
- ▶ As expected by UJJIVANS, PAR improved to sub-4% and SMA came down to 1.6%.
- ▶ Slippages and write off have moderated.
- ▶ PCR moved to 76% (up 3 percentage points QoQ).
- ▶ SMA of individual loans in West Bengal, 90+DPD continues to be higher, but Bucket-X collection efficiency continues to improve. In West Bengal, UJJIVANS has presence in urban and metro areas, thus reducing risks to certain extent.
- ▶ On secured assets, PCR is above 55%, while unsecured book is above 85%.
- ▶ In MFI, 3+ lenders have come down to 2.4%. Thus, rejection rates have come down to 35-36%, due to MFIN 2.0.
- ▶ Management expects normalisation of credit cost in FY27.
- ▶ PAR 0 on micro mortgages was nil due to lower books. It has increased to 0.3% due to maturity of the book. There is stress in lower ticket sizes, thus UJJIVANS now disburses between INR 0.6mn

and INR 1.2mn and will continue to grow there. LTV is 44-45% and 96% of the properties are self-owned (it is majorly sources in-house).

- ▶ Of the overall slippages of INR 2.1bn, 80% is from MFI. Within this, 70% is from group loans and 30% from individual loans.
- ▶ As highlighted earlier, there was issue in North Gujarat, which is now seeing improvement. Bihar has not been an issue for the bank.

#### **Cost and margins**

- ▶ Yield on advances in MFI: UJJIVANS has not made any changes in lending rate, and the increase is due lower slippages.
- ▶ Cost of funds was 7.08%, down 40bps. UJJIVANS continues to monitor the tight liquidity scenario. Management expects Q4FY26 exit cost of funds to be 7%
- ▶ SA rates in the lowest two brackets was reduced by 25bps and 50bps respectively (~46% of the deposits lie in this bucket).
- ▶ Cost of SA is 5.2% and management expects improvement of ~5bps.
- ▶ Management expects NIM to stay at 8.2% levels, and possibilities of improvement exists – growth in MFI, rate cuts in SA and TD.

#### **Other highlights**

- ▶ In-line with guidance, UJJIVANS continues to increase its footprint. It added 11 branches in Q3FY26, meeting the guidance of 24 branches in FY26.
- ▶ New customer additions were 0.14mn in Q3FY26, and expect Q4FY26 to be better.
- ▶ UJJIVANS is in the process of starting a trade build up to handle FX, LCs and BGs.
- ▶ New Labour Code impact was accounted for in Q3FY26 at INR 180mn.
- ▶ With respect to the application of a universal bank licence, UJJIVANS is hopeful of the decision.
- ▶ Opex would continue in distribution, tech, process and digital marketing in the medium term.
- ▶ LCR was 165.6% in Q3FY26.
- ▶ Opex/assets was 6.7% in Q3FY26, and the increase was due to new labour code (impact of 10bps) with the balance due to business growth. Management expects this to remain at similar levels with improvement expected in FY27.
- ▶ From Q1FY27, UJJIVANS will see a decline in employee count by 100-150 every quarter.
- ▶ CGFMU insurance payment was INR 170mn in Q3FY26.
- ▶ Management reiterated its RoA guidance of 1.2-1.4% for FY26.

**Exhibit 1: UJJIVANS reported PAT of INR ~1.8bn (up 52.6% QoQ) led by better NII and other income**

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
NII	7,927	8,233	8,599	9,335	9,415	9,438	8,867	8,643	8,560	9,217	10,005
Other Income	1,772	1,886	1,848	2,361	1,971	2,073	1,722	2,697	2,490	2,564	2,955
Net revenue	9,699	10,120	10,447	11,697	11,386	11,510	10,589	11,340	11,049	11,780	12,960
Opex	5,120	5,286	5,874	6,511	6,290	6,902	6,997	7,742	7,445	7,828	8,562
PPoP	4,579	4,834	4,573	5,186	5,095	4,608	3,592	3,598	3,605	3,952	4,398
Provisions	261	469	629	790	1,099	1,505	2,228	2,645	2,249	2,350	1,953
PAT	3,241	3,277	3,001	3,296	3,011	2,330	1,086	834	1,032	1,217	1,857
<b>YoY (%)</b>											
NII	32.2	24.2	23.4	26.5	18.8	14.6	3.1	(7.4)	(9.1)	(2.3)	12.8
Other Income	42.3	28.6	33.0	31.8	11.2	9.9	(6.8)	14.2	26.3	23.7	71.6
Net revenue	33.9	25.0	25.0	27.5	17.4	13.7	1.4	(3.0)	(3.0)	2.3	22.4
Opex	20.8	24.4	31.4	28.6	22.9	30.6	19.1	18.9	18.4	13.4	22.4
PPoP	52.3	25.6	17.6	26.3	11.3	(4.7)	(21.5)	(30.6)	(29.3)	(14.2)	22.4
Provisions	(12.6)	(572.0)	(28,695.5)	(4,193.3)	320.7	220.8	254.2	234.8	104.8	56.1	(12.3)
PAT	59.7	11.4	2.3	6.5	(7.1)	(28.9)	(63.8)	(74.7)	(65.7)	(47.8)	71.0
<b>QoQ (%)</b>											
NII	7.4	3.9	4.4	8.6	0.8	0.2	(6.0)	(2.5)	(1.0)	7.7	8.5
Other Income	(1.0)	6.4	(2.1)	27.8	(16.5)	5.2	(16.9)	56.6	(7.7)	3.0	15.3
Net revenue	5.8	4.3	3.2	12.0	(2.7)	1.1	(8.0)	7.1	(2.6)	6.6	10.0
Opex	1.1	3.3	11.1	10.8	(3.4)	9.7	1.4	10.6	(3.8)	5.1	9.4
PPoP	11.5	5.6	(5.4)	13.4	(1.7)	(9.6)	(22.1)	0.2	0.2	9.6	11.3
Provisions	(1,452.8)	79.7	34.1	25.6	39.1	37.0	48.0	18.7	(15.0)	4.5	(16.9)
PAT	4.7	1.1	(8.4)	9.9	(8.7)	(22.6)	(53.4)	(23.2)	23.8	17.9	52.6

Source: Company, Elara Securities Research

**Exhibit 2: MSME book supported growth, micro-banking sees some improvement in growth**

Particulars	INR mn			Growth		% Share		
	Q3FY26	Q2FY26	Q3FY25	YoY (%)	QoQ (%)	Q3FY26	Q2FY26	Q3FY25
Micro Group Loans	136,850	131,060	136,630	0.2	4.4	36.9	37.9	44.8
Individual Loans	56,870	54,640	44,360	28.2	4.1	15.3	15.8	14.6
<b>MSME</b>	<b>28,650</b>	<b>25,590</b>	<b>16,940</b>	<b>69.1</b>	<b>12.0</b>	<b>7.7</b>	<b>7.4</b>	<b>5.6</b>
<i>Affordable Housing (incl. Micro LAP)</i>	95,600	87,500	63,930	49.5	9.3	25.8	25.3	21.0
<i>FIG Lending</i>	26,610	24,890	22,570	17.9	6.9	7.2	7.2	7.4
<i>Agri &amp; Allied</i>	6,070	5,100	7,120	-14.7	19.0	1.6	1.5	2.3
Vehicle Loans	8,230	6,560	3,047	170.1	25.5	2.2	1.9	1.0
Gold Loans	5,570	4,120	1,231	352.5	35.2	1.5	1.2	0.4
Others	6,110	6,430	8,833	-30.8	-5.0	1.6	1.9	2.9
<b>Gross Advances</b>	<b>370,560</b>	<b>345,890</b>	<b>304,660</b>	<b>21.6</b>	<b>7.1</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Company, Elara Securities Research

### Exhibit 3: Deposits grew by 22.4% YoY and 7.7% QoQ; CASA ratio stable at 27.3%

(In mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Deposits	266,600	291,390	296,690	314,622	325,140	340,698	344,940	376,305	386,190	392,109	422,230
-YoY %	44.5	42.9	27.9	23.2	22.0	16.9	16.3	19.6	18.8	15.1	22.4
-QoQ %	4.4	9.3	1.8	6.0	3.3	4.8	1.2	9.1	2.6	1.5	7.7
CA	6,330	5,630	6,720	7,680	7,500	8,490	8,290	11,180	9,340	10,050	10,970
-YoY %	44.5	14.2	39.4	31.3	18.5	50.8	23.4	45.6	24.5	18.4	32.3
-QoQ %	8.2	(11.1)	19.4	14.3	(2.3)	13.2	(2.4)	34.9	(16.5)	7.6	9.2
SA	59,220	64,500	68,850	75,660	75,850	79,840	78,340	84,940	84,470	97,780	104,380
-YoY %	26	29	23	23	28	24	14	12	11	22	33
-QoQ %	(3.8)	8.9	6.7	9.9	0.3	5.3	(1.9)	8.4	(0.6)	15.8	6.7
CASA ratio %	24.8	24.4	25.6	26.6	25.7	25.9	25.1	25.5	24.3	27.5	27.3

Source: Company, Elara Securities Research

### Exhibit 4: NIM saw improvement of ~30bps QoQ, led by sharp decline in cost of funds

(%) - Reported	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Yield on advances	19.10	19.20	19.30	19.30	19.10	18.90	18.20	17.90	17.60	17.50	17.50
Cost of funds	7.20	7.40	7.50	7.20	7.50	7.50	7.60	7.60	7.60	7.50	7.10
Spreads	11.90	11.80	11.80	12.10	11.60	11.40	10.60	10.30	10.00	10.00	10.40
NIM	9.20	8.80	8.80	9.40	9.30	9.20	8.60	8.30	7.70	7.90	8.20

Source: Company, Elara Securities Research

### Exhibit 5: Slippages moderate with improvement in collections

INR mn	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Opening GNPA	6,310	5,970	5,860	5,710	6,130	6,980	7,510	8,110	6,970	8,350	8,450
Additions	1,030	1,130	1,310	1,030	1,920	2,380	3,500	3,490	3,450	2,780	2,210
Reductions	1,370	1,240	1,460	730	1,070	1,850	2,900	4,630	2,070	2,680	1,860
Closing GNPA	5,970	5,860	5,710	6,010	6,980	7,510	8,110	6,970	8,350	8,450	8,800
GNPL (%)	2.6	2.4	2.2	2.2	2.5	2.5	2.7	2.2	2.5	2.5	2.4
NNPL (%)	0.1	0.1	0.2	0.3	0.4	0.6	0.6	0.5	0.7	0.7	0.6
PCR (%)	97.9	96.3	92.5	87.5	84.0	78.1	79.7	78.1	72.9	73.3	76.3
Slippages as % of lagged loans	1.7	1.8	2.0	1.5	2.6	3.2	4.6	4.6	4.3	3.3	2.6
Credit cost (%)	0.5	0.8	1.0	1.2	1.6	2.2	3.1	3.6	2.9	2.9	2.3

Source: Company, Elara Securities Research

**Exhibit 6: Q3FY26 results highlights**

INR mn	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Interest income	17,519	15,911	10.1	16,823	4.1
Interest expenses	7,515	7,043	6.7	7,606	(1.2)
Net interest income	10,005	8,867	12.8	9,217	8.5
Other income	2,955	1,722	71.6	2,564	15.3
Operating expenses	8,562	6,997	22.4	7,828	9.4
Staff expense	4,738	3,712	27.6	4,355	8.8
Other opex	3,823	3,286	16.4	3,473	10.1
Pre prov op profit (PPP)	4,398	3,592	22.4	3,952	11.3
Provisions	1,953	2,228	(12.3)	2,350	(16.9)
Profit before tax	2,445	1,364	79.3	1,603	52.5
Provision for tax	587	278	111.7	386	52.3
Profit after tax	1,857	1,086	71.0	1,217	52.6
EPS (INR)	1.0	0.6		0.6	
<b>Ratios (%)</b>					
NII / GII	77.2	83.7		78.2	
Cost - income	66.1	66.1		66.4	
Provisions / PPOP	44.4	62.0		59.4	
Tax rate	24.0	20.3		24.1	
<b>Balance sheet data</b>					
Advances	362,280	296,210	22.3	338,076	7.2
Deposits	422,230	344,940	22.4	392,109	7.7
CD ratio (%)	85.8	85.9		86.2	
<b>Asset quality</b>					
Gross NPA	8,794	8,112	8.4	8,431	4.3
Gross NPAs (%)	2.4	2.7		2.5	
Net NPA	2,081	1,649	26.2	2,250	(7.5)
Net NPA(%)	0.6	0.6		0.7	
Provision coverage (%)	76.3	79.7		73.3	

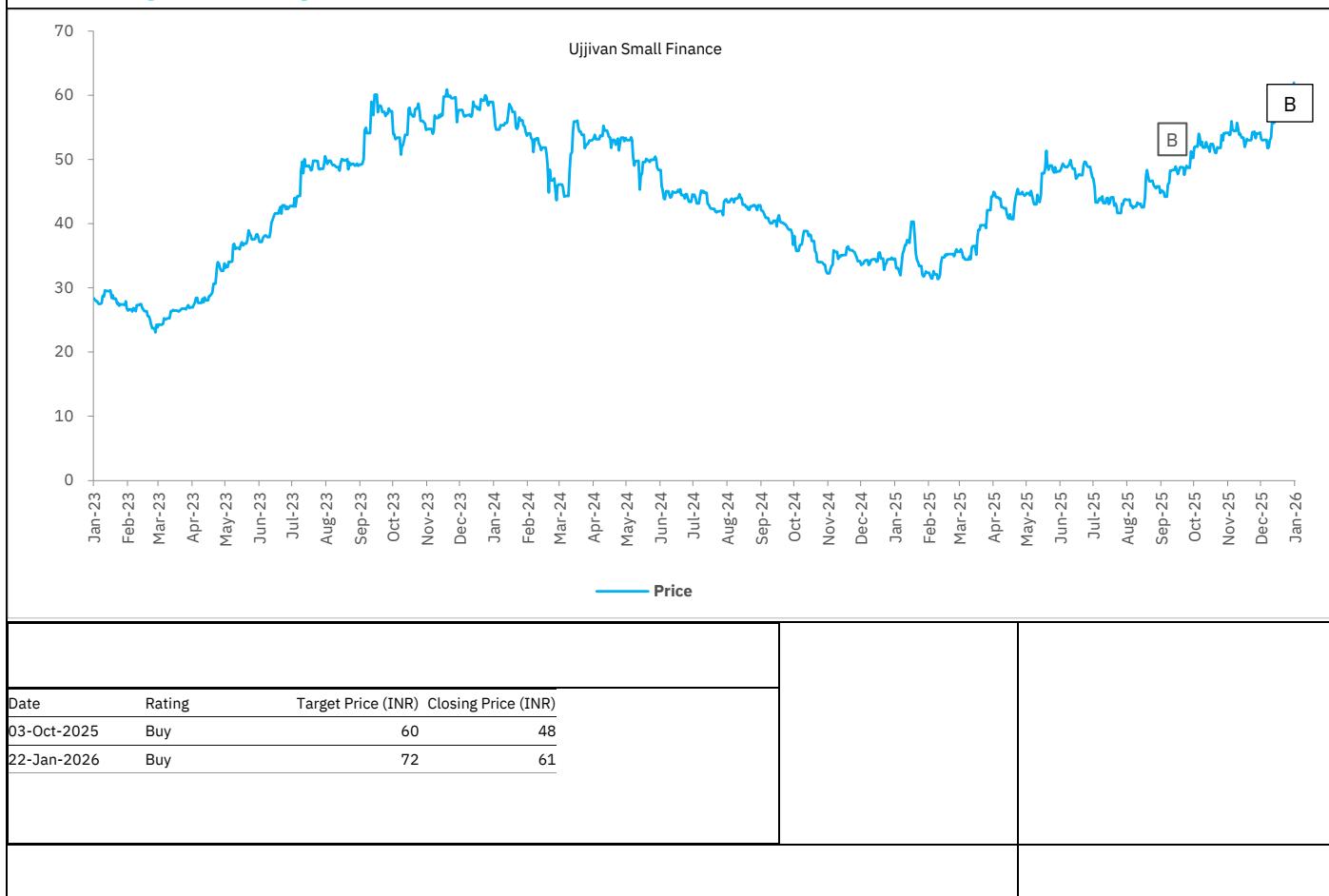
Source: Company, Elara Securities Research

**Exhibit 7: Change in estimates**

INR mn	Revised			Old			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	38,775	46,691	55,814	38,572	46,834	55,629	0.5	(0.3)	0.3
Operating Profit	17,184	20,953	24,775	17,203	20,779	24,227	(0.1)	0.8	2.3
Net Profit	6,688	9,519	11,485	6,581	9,537	11,592	1.6	(0.2)	(0.9)
<b>TP (INR)</b>		<b>72</b>				<b>60</b>			<b>20</b>

Source: Company, Elara Securities Estimate

## Coverage History



## Guide to Research Rating

**BUY (B)** Absolute Return >+20%

**ACCUMULATE (A)** Absolute Return +5% to +20%

**REDUCE (R)** Absolute Return -5% to +5%

**SELL (S)** Absolute Return < -5%

## Disclosures & Confidentiality for non U.S. Investors

The Note is based on our estimates and is being provided to you (herein referred to as the "Recipient") only for information purposes. The sole purpose of this Note is to provide preliminary information on the business activities of the company and the projected financial statements in order to assist the recipient in understanding / evaluating the Proposal. Nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. Nevertheless, Elara Securities (India) Private Limited or any of its affiliates is committed to provide independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Elara Securities (India) Private Limited or any of its affiliates have not independently verified all the information given in this Note and expressly disclaim all liability for any errors and/or omissions, representations or warranties, expressed or implied as contained in this Note. The user assumes the entire risk of any use made of this information. Elara Securities (India) Private Limited or any of its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for or solicit investment banking or other business from any company referred to in this Note. Each of these entities functions as a separate, distinct and independent of each other. This Note is strictly confidential and is being furnished to you solely for your information. This Note should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This Note is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Elara Securities (India) Private Limited or any of its affiliates to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. Upon request, the Recipient will promptly return all material received from the company and/or the Advisors without retaining any copies thereof. The Information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This Information is subject to change without any prior notice. Elara Securities (India) Private Limited or any of its affiliates reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Elara Securities (India) Private Limited is under no obligation to update or keep the information current. Neither Elara Securities (India) Private Limited nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. This Note should not be deemed an indication of the state of affairs of the company nor shall it constitute an indication that there has been no change in the business or state of affairs of the company since the date of publication of this Note. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Elara Securities (India) Private Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Any clarifications / queries on the proposal as well as any future communication regarding the proposal should be addressed to Elara Securities (India) Private Limited. It is important to note that any dispute with respect to this research report, would not have access to stock exchange investor redressal forum or arbitration mechanism.

Elara Securities (India) Private Limited was incorporated in July 2007 as a subsidiary of Elara Capital (India) Private Limited.

Elara Securities (India) Private Limited is a SEBI registered Stock Broker in the Capital Market and Futures & Options Segments of National Stock Exchange of India Limited [NSE] and BSE Limited [BSE] and a Depository Participant registered with Central Depository Services (India) Limited [CDSL].

Elara Securities (India) Private Limited's business, amongst other things, is to undertake all associated activities relating to its broking business.

The activities of Elara Securities (India) Private Limited were neither suspended nor has it defaulted with any stock exchange authority with whom it is registered in last five years. However, during the routine course of inspection and based on observations, the exchanges have issued advise letters or levied minor penalties on Elara Securities (India) Private Limited for minor operational deviations in certain cases. Elara Securities (India) Private Limited has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has the certificate of registration been cancelled by SEBI at any point of time.

Elara Securities (India) Private Limited offers research services primarily to institutional investors and their employees, directors, fund managers, advisors who are registered or proposed to be registered.

Details of Associates of Elara Securities (India) Private Limited are available on group company website [www.elaracapital.com](http://www.elaracapital.com)

Elara Securities (India) Private Limited is maintaining arms-length relationship with its associate entities.

Research Analyst or his/her relative(s) may have financial interest in the subject company. Elara Securities (India) Private Limited does not have any financial interest in the subject company, whereas its associate entities may have financial interest. Research Analyst or his/her relative does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Elara Securities (India) Private Limited does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Associate entities of Elara Securities (India) Private Limited may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relative or Elara Securities (India) Private Limited or its associate entities does not have any other material conflict of interest at the time of publication of the Research Report.

Artificial Intelligence (AI) tools may have been used only for compilation or collating publicly available research data or internally generated research data during the information gathering and/or summarizing the final report.

Research Analyst or his/her relative(s) has not served as an officer, director or employee of the subject company.

Research analyst or Elara Securities (India) Private Limited have not received any compensation from the subject company in the past twelve months. Associate entities of Elara Securities (India) Private Limited may have received compensation from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities have not managed or co-managed public offering of securities for the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company or third party in connection with the Research Report in the past twelve months.

## Disclaimer & Standard warning

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

## Disclaimer for non U.S. Investors

The information contained in this note is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

## Disclosures for U.S. Investors

**Rule 15a6 Disclosure:** This research report ("Report") was prepared, approved, published, and distributed by Elara Securities (India) Private Limited a company located outside of the United States (the "Foreign Counterparty"). Avior Capital Markets US LLC ("Avior US"), a US registered broker-dealer, distributes this Report in the US on behalf of the Foreign Counterparty. Only major U.S. institutional investors (as defined in Rule 15a-6 under the US Securities Exchange Act of 1934 (the "Exchange Act") may receive this Report under the exemption in Rule 15a-6. A US institutional investor must effect any transaction in the securities described in this Report through Avior US.

Neither the Report nor any analyst who prepared or approved the Report is subject to US legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other US regulatory requirements concerning research reports or research analysts. The Foreign Counterparty is not a registered broker-dealer under the Exchange Act nor is it a member of the Financial Industry Regulatory Authority, Inc., or any other US self-regulatory organisation.

**Disclosures on Subject Companies:** Analysts of the Foreign Counterparty produced this material solely for informational purposes and the use of the intended recipient. No person may reproduce, this Report under any circumstances. No person may copy or make this Report available to any other person other than the intended recipient.

Avior US distributes this Report in the United States of America. The Foreign Counterparty distributes this Report elsewhere in the world. This document is not an offer, or invitation by or on behalf of Avior US, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior US and the Foreign Counterparty and their affiliates obtained the information contained herein from published information and other sources, which Avior US and the Foreign Counterparty and their affiliates reasonably consider to be reliable.

Avior US and the Foreign Counterparty accept no liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are valid as of the date of this document. Avior US assumes responsibility for the Report content with regards to research distributed in the US.

Neither Avior US nor the Foreign Counterparty has managed or co-managed a public offering of securities for the subject company in the past 12 months, have not received compensation for investment banking services from the subject company in the past 12 months and do not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next three months. Avior US and the Foreign Counterparty have not owned any class of equity securities of the subject company. There are no other actual, material conflicts of interest of Avior US and the Foreign Counterparty at the time of the publication of this Report. As of the publication of this Report, Avior US nor the Foreign Counterparty makes a market in the subject securities.

Avior US and its affiliates, to the fullest extent permissible by law, accept no liability of any nature whatsoever for any claims, damages or losses arising from, or in connection with, the contents of this Report or the use, reliance, publication, distribution, dissemination, disclosure, alteration or reproduction of this Report, or any views or recommendations recorded therein.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Subject to the applicable laws, all transactions should be executed through Avior US. Aside from within this Report, important conflict disclosures can also be found at <https://aviorcapital.us/us-regulatory-disclosures/> and Investors are strongly encouraged to review this information before investing.

## Additional Disclaimer for UK Investors

Note that Elara Securities (India) Private Limited ("Foreign Counterparty") has concluded a MiFID II research intermediary agreement with Avior Capital Markets International Limited ("Avior UK"), regulated by the Financial Conduct Authority (FRN: 191074), pursuant to which Avior UK distributes the Foreign Counterparty's research in the UK, in return for which the Foreign Counterparty pays Avior UK a percentage of the income received in relation to such research. This research report including any recommendations recorded therein ("Report") have been prepared by the Foreign Counterparty, and not by Avior UK.

The Report: (a) has been objectively prepared from public sources which are believed to be reliable and therefore constitutes independent investment research and is presented as such; and (b) may only be distributed to, and relied on by, qualifying investors, who are permitted to receive same in the UK.

Securities, money market instruments, strategies, financial or investment instruments mentioned in this Report may not be suitable for all investors. The information and opinions provided in this Report do not constitute a personal recommendation/investment advice and take no account of the investor's individual circumstances. Investors should consider this Report as only a single factor in making any investment decisions and, if appropriate, should seek advice from an investment advisor. This Report is not an offer, or invitation by or on behalf of Avior UK, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Save as disclosed otherwise, the Foreign Counterparty's relationship with Avior UK is not reasonably expected to impair the objective presentation of the recommendations in the Report, including any interests or conflicts of interest concerning any financial instruments or the issuers to which the recommendations, directly or indirectly, relate. The Report is deemed to be first disseminated at the date and time recorded on the relevant distribution platform, data network or email (as applicable), and which information is available on request. A list of the Foreign Counterparty's research reports disseminated in the UK over the past 12 months is also available on request.

Avior UK does not assume any responsibility or liability of any nature whatsoever arising from or in connection with the content, use, reliance or dissemination of the Report or any recommendation in respect thereof and disclaims any such liability.

## Certification by Each of the Authors of this Report

The analyst(s) (singular includes plural) ("Analyst") certifies that the views expressed in this Report are an accurate representation of the Analyst's personal opinions on the stock or sector as covered and reported on by the Analyst hereinabove. The Analyst furthermore certifies that no part of the Analyst's compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views as expressed in this document. The Analyst is principally responsible for the preparation of this Report and does not have any material conflict of interest at the time of publication of this Report. The Analyst(s) has not served as an officer, director or employee of the subject company in the last 12-month period ending on the last day of the month immediately preceding the date of publication of the Report.

**Analyst Certification:** In connection with the companies or securities that; each analyst identified in this Report certifies that: The views expressed on the subject companies and securities in this Report reflect their personal views. No part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this Report.

Note that:

- (i) The Foreign Counterparty is the employer of the research analyst(s) responsible for the content of this Report, and
- (ii) Research analysts preparing this Report are resident outside the United States and are not associated persons of any US regulated broker-dealer. Therefore, the analyst(s) are not subject to supervision by a US broker-dealer and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

**Avior Capital Markets US, LLC** is a FINRA registered broker-dealer (CRD # 172595) formed for that purpose in the State of Delaware with its principal office at 45 Rockefeller Plaza, Suite 2335, New York, New York 10111.

**Avior Capital Markets International Limited** is regulated by the Financial Conduct Authority (FRN: 191074), with its principal office at 10 South Street, Elgin, Scotland IV30 1LE.

**Elara Securities (India) Private Limited** is a SEBI-registered Research Analyst (Regn. No.: INH000000933), Stock Broker (Regn. No.: INZ000238236) and Depository Participant (Regn. No.: IN-DP-370-2018). Its registered address is One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India

**India**  
**Elara Securities (India) Private Limited**  
One International Center, Tower 3,  
21st Floor, Senapati Bapat Marg,  
Elphinstone Road (West)  
Mumbai – 400 013, India  
Tel : +91 22 6164 8500

**Europe**  
**Elara Capital Plc.**  
6th Floor, The Grove,  
248A Marylebone Road,  
London, NW1 6JZ,  
United Kingdom  
Tel : +44 20 7486 9733

**USA**  
**Elara Securities Inc.**  
230 Park Avenue, Suite 2415,  
New York, NY 10169, USA  
Tel: +1 212 430 5870  
Fax: +1 212 208 2501

**Asia / Pacific**  
**Elara Capital (Asia) Pte.Ltd.**  
One Marina Boulevard,  
Level 20,  
Singapore 018989  
Tel : +65 6978 4047



**Managing  
Director**

**Harendra Kumar** | [harendra.kumar@elaracapital.com](mailto:harendra.kumar@elaracapital.com) | +91 22 6164 8571



**Head of  
Research**

**Dr Bino Pathiparampil** | [bino.pathiparampil@elaracapital.com](mailto:bino.pathiparampil@elaracapital.com) | +91 22 6164 8572

### Sales Team



**India**

**Hitesh Danak** - [hitesh.danak@elaracapital.com](mailto:hitesh.danak@elaracapital.com) - +91 22 6164 8543  
**Ashok Agarwal** - [ashok.agarwal@elaracapital.com](mailto:ashok.agarwal@elaracapital.com) - +91 22 6164 8558  
**Himani Sanghavi** - [himani.sanghavi@elaracapital.com](mailto:himani.sanghavi@elaracapital.com) - +91 22 6164 8586



**India, APAC &  
Australia**

**Sudhanshu Rajpal** - [sudhanshu.rajpal@elaracapital.com](mailto:sudhanshu.rajpal@elaracapital.com) - +91 22 6164 8508  
**Joshua Saldanha** - [joshua.saldanha@elaracapital.com](mailto:joshua.saldanha@elaracapital.com) - +91 22 6164 8541  
**Shraddha Shrikhande** - [shraddha.shrikhande@elaracapital.com](mailto:shraddha.shrikhande@elaracapital.com) - +91 22 6164 8567  
**Suyash Maheshwari** - [suyash.maheshwari@elaracapital.com](mailto:suyash.maheshwari@elaracapital.com) - +91 22 4204 8698



**India & UK**

**Prashin Lalvani** - [prashin.lalvani@elaracapital.com](mailto:prashin.lalvani@elaracapital.com) - +91 22 6164 8544



**India & US**

**Karan Rathod** - [karan.rathod@elaracapital.com](mailto:karan.rathod@elaracapital.com) - +91 22 6164 8570



**Corporate  
Access,  
Conference &  
Events**

**Anita Nazareth** - [anita.nazareth@elaracapital.com](mailto:anita.nazareth@elaracapital.com) - +91 22 6164 8520  
**Tina D'souza** - [tina.dsouza@elaracapital.com](mailto:tina.dsouza@elaracapital.com) - +91 22 6164 8595

By clicking this link, you acknowledge and agree to the [Terms and Conditions of Research Services](#)

Access our reports on Bloomberg: Type **RESP ESEC <GO>**

Also available on **Thomson & Reuters**

#### Elara Securities (India) Private Limited

Registered Office Address: One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India Tel : +91 22 6164 8500  
CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: INH000000933  
Member of BSE Limited and National Stock Exchange of India Limited | SEBI REGN. NO.: INZ000238236  
Member of Central Depository Services (India) Limited | SEBI REGN. NO.: IN-CP-370-2018  
Investor Grievance Email ID: [investor.grievances@elaracapital.com](mailto:investor.grievances@elaracapital.com) - Tel. +91 22 6164 8509  
Compliance Officer: Mr. Anand Rao - Email ID: [anand.rao@elaracapital.com](mailto:anand.rao@elaracapital.com) - Tel. +91 22 6164 8509