



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

NBFC

COMPANY DETAILS

Market cap:	Rs. 27,762 cr
52-week high/low:	Rs. 647 / 484
NSE volume: (No of shares)	13.6 lakh
BSE code:	500253
NSE code:	LICHSGFIN
Free float: (No of shares)	30 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	45.2
FII	20.4
DII	21.8
Others	12.6

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-9.2	-13.9	-16.1	-11.1
Relative to Sensex	-4.4	-11.1	-16.8	-16.9

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **NEUTRAL**

CMP: **Rs. 497**

Price Target: **Rs. 565**

Quick Snapshot

- NII growth stayed sluggish at 5.1% y-o-y and 3.1% q-o-q, though slightly above estimates. Reported NIM grew at a healthy pace to 2.67% (of AUM), up 6 bps q-o-q as cost of borrowings fell.
- GNPA fell 30 bps y-o-y and 6 bps q-o-q to 2.45%. Credit cost, in line with estimates, came in at 0.2% (of AUM).
- PAT, in line with estimates, saw a continued tepid growth of 2.2% q-o-q and fell by 3.4% y-o-y to Rs. 1,384. AUM too stayed sluggish, rising 5.1% y-o-y and 0.8% q-o-q to Rs. 314,286 crore. Disbursements fell by 1.3% q-o-q though up by 4.0% y-o-y to Rs. 16,096.
- AUM/PAT CAGR is expected 7.0%/5.6% AUM/PAT CAGR through FY28. Though the stock trades at a low multiple of 0.5 FY28 BV, we maintain a Neutral rating with a revised PT of Rs. 565, as strategic initiatives may take time to drive meaningful growth of earnings.

Result overview

- NII grew 5.1% y-o-y and 3.1% q-o-q to Rs. 2,102 crore, slightly beating estimates. Calculated NIM stood at 2.67% (of AUM), up by 6 bps q-o-q due to a drop in cost of borrowings however it was flat on a yearly basis.
- PPoP rose by 8.4% y-o-y and 1.2% q-o-q to Rs. 1,896 crore was reflection of NII growth. Opex beat estimates, rising by 5.3% at Rs. 349 crore due to growth in other operating expenses. However, other income saw healthy growth.
- Credit cost came in at 0.2% (of AUM), up by 25 bps y-o-y, and fell by 2 bps on asset quality improvement, which was almost in line with estimates. Asset quality saw continued improvement, with GNPA falling 30 bps y-o-y and 6 bps q-o-q to 2.45% q-o-q. NS-3 assets fell by 33 bps y-o-y and 6 bps q-o-q.
- PAT grew by 2.2% q-o-q and fell by 3.4% y-o-y to Rs. 1,384 (almost in line with estimates).
- AUM continued to see a slow growth of 5.1% y-o-y and 0.8% q-o-q to Rs. 314,286 crore due to higher prepayments/BT-outs. Non-housing projects grew by 12% y-o-y, other segments saw muted growth. Disbursement fell 1.3% q-o-q to Rs. 16,096 crore.

Our Call

Maintain Neutral rating with revised PT of Rs. 565: The company eyes double-digit loan growth for the full year driven by a robust Q4 disbursement outlook, while NIMs are seen at 2.6-2.8%. The company is planning to restructure its organizational framework and distribution network while leveraging parent support. However, we expect 7.0%/5.6% AUM/PAT CAGR through FY28. Despite the stock trades on low multiple of 0.5 FY28 BV, we maintain a Neutral rating with revised PT of Rs. 565, as strategic initiatives may take time to drive meaningful growth.

Key Risks

- Competitive intensity may put pressure on margins due to aggressive pricing by PSBs
- Continued slow growth

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	8,651	8,130	8,386	8,903	9,923
Net profit	4,766	5,429.5	5,558	5,719	6,398
EPS (Rs)	86.6	98.7	101.0	104.0	116.3
P/E (x)	5.7	5.0	4.9	4.8	4.3
P/BV (x)	0.8	0.8	0.6	0.5	0.5
RoE (%)	16.3	16.1	14.4	13.2	13.1
RoA (%)	1.7	1.8	1.7	1.6	1.7

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Feb 02, 2026

Concall highlights

AUM & disbursement growth

- **Q4 growth projections:** Management anticipates Q4 to be the strongest period of the year, expecting to process 35-37% of annual , up from a traditional 30%.
- Total loan portfolio reached Rs. 3,14,268 crore as of December 31, 2025, representing a 5% y-o-y increase.
- Disbursement momentum remained muted at Rs 16096 crore, down 1.3% q-o-q and 4.0 y-o-y, although management iterated Q4FY26 guidance of Rs 20000-22,000 crore.
- **Segment Diversification:** To combat low margins in the “prime” salaried segment, the company is shifting its focus towards the self-employed and affordable housing sectors.
- **Strategic steps:** The company is currently in talks with LIC to enhance product distribution and plans to onboard “Big-4” consultants to restructure operations for long-term growth.
- **Product shift:** Management aims to increase the share of “Other Home Loans” (LAP and LRD) from 15% to approximately 17-18% to capture higher margins.
- **Competitive pressures:** Intense competition and aggressive “rate wars” from banks have historically slowed disbursements, particularly within the salaried individual home loan (IHL) segment.
- **Balance transfer:** The number is expected to come down to Rs. 2,200–2,500 crore in Q4.
- **Profit & Growth Targets:** While current profit growth stood at 5%, management targets a 7% profit increase for FY26 and a move toward sustainable double-digit growth.

NII and NIM

- **NIM performance:** NIM came in at 2.69% in Q3FY26, marking an improvement over the previous quarter as management prioritized margin over growth.
- **Guidance:** Management expects NIMs to stay within the annual guidance range of 2.6-2.8%, specifically projecting a slight increase to 2.70–.72% for Q4.
- **Monetary policy impact:** Following the RBI’s 25 bps repo rate cut in December, the company reduced its new home loan lending rates to 7.15% starting December 22, 2025.
- **Borrowing strategy and cost savings:** Company expects to increase proportion of floating-rate borrowings, currently split evenly with fixed-rate debt, to achieve an anticipated 5-7 bps reduction in borrowing costs in Q4.
- **Product diversification:** By expanding into “Other Home Loans” like LAP and LRD, the company is expecting higher margins that are 150 to 200 bps higher than traditional individual home loans.
- The company has been able to protect its margins despite intense competition and a rate war in the market, driven by banks offering aggressive rates.

PAT

- Full-year profits are expected to increase by at least 7%, reaching ~Rs. 7,200 crore.

Results

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Interest Earned	7,044	6,952	1.3	7,034	0.1
Interest Expended	4,942	4,951	-0.2	4,995	-1.1
NII	2,102	2,000	5.1	2,038	3.1
Other Income	143	106	35.4	136	5.1
Total Income	2,245	2,106	6.6	2,175	3.2
Operating Expenditures	349	356	-2.1	302	15.6
PPOP	1,896	1,749	8.4	1,873	1.2
P&C	154	-44	-449.2	168	-8.7
PBT	1,743	1,793	-2.8	1,705	2.2
Tax	359	361	-0.8	351	2.2
Net Profit	1,384	1,432	-3.4	1,354	2.2
AUM	3,14,286	2,99,144	5.1	3,11,816	0.8
Disbursements	16,096	15,475	4.0	16,313	-1.3

Source: Company; Mirae Asset Sharekhan Research

Actual/Estimates

Rs. Crore	Q3FY26E	Q3FY26A	Var (%)
NII	2,051	2,102	2.45
PPOP	1,862	1,896	1.83
PAT	1,365	1,384	1.39

Source: Company; Mirae Asset Sharekhan Research

Key Operating Ratio

As a % of AUM	Q3FY26	Q3FY25	Y-o-Y (bps)	Q2FY26	Q-o-Q (bps)
NII	2.67	2.67	0	2.61	6
Fee & Other Income	0.18	0.14	4	0.17	1
Opex	0.44	0.48	-3	0.39	6
Provisions	0.20	-0.06	25	0.22	-2
Tax Rate	0.46	0.48	-3	0.45	1

Source: Company; Mirae Asset Sharekhan Research

Asset quality Performance

Particulars	Q3FY26	Q3FY25	Y-o-Y (bps)	Q2FY26	Q-o-Q (bps)
GS-3 (%)	2.45	2.75	-30.0	2.51	-6.0
NS-3 (%)	1.13	1.46	-33.0	1.19	-6.0

Source: Company; Mirae Asset Sharekhan Research

Additional Data**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Life Insurance Corp of India	45.24
2	ICICI Prudential Asset Management	5.45
3	Mirae Asset Financial Group	2.49
4	Norges Bank	2.35
5	Vanguard Group Inc/The	2.18
6	BANK MUSCAT INDIA FUND	2.09
7	Quant Money Managers Ltd	1.47
8	HDFC Asset Management Co Ltd	1.16
9	Blackrock Inc	1.16
10	Bandhan Mutual Fund	1.15

Source: Bloomberg

Key management personnel

Name	Designation
Tribhuvan Adhikari	MD
Lokesh Mundhra	CFO

Source: Company Website

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