



VIEWPOINT

Company Update

SECTOR

NBFC

COMPANY DETAILS

Market cap:	Rs. 87,054 cr
52-week high/low:	Rs. 369/155
NSE volume: (No of shares)	60.0 lakh
BSE code:	504691
NSE code:	ABCAPITAL
Free float: (No of shares)	83.4 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	68.6
FII	5.2
DII	14.7
Others	11.6

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-6.2	-7.5	15.3	110.1
Relative to Sensex	1.0	-0.2	19.2	104.6

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **POSITIVE**

CMP: **Rs. 332**

Upside Potential: **23%**

Quick Snapshot

- NBFC business' RoA to rise from 2.25% in Q3FY26 to 2.5% in coming quarters, while AUMs are poised to rise > 20% in 2-3 years.
- Rs. 2,750-crore infusion in HFC business boost balance sheet will drive market share gains and profitability.
- Stable VNB margins of 18% are eyed, with health insurance biz expected to clock better profitability on a lower combined ratio. AMC business to be steady, overall, well diversification of revenues.
- Consolidated PAT to post a 24% CAGR over FY25–28E. Consequently, we maintain a positive outlook with an unchanged SoTP-based price target of Rs. 407 (upside of 23%).

Driving margins and RoA: NBFC business clocked a robust AUM growth of 24.1% in Q3FY2026 to Rs. 148,182 crore. Further, management expects AUM growth of >20% over the next two to three years, driven by a tactical re-entry into high-margin unsecured lending, growth in MSME business, cross sales and digitalisation. Margins are also rising - NIMs reached 6.12% in Q3FY2026 as borrowing costs fell. Favourable interest rates, and a 76 bps y-o-y fall in GNPA to 1.51% drove RoA. Further, RoA is expected to go up from 2.25% in Q3FY2026 to 2.5% over the next couple of quarters driven by disciplined margin expansion and improvement in asset quality.

Strategic investment to drive HFC business: Company has solidified its position as a primary growth engine for ABCL, leveraging a sophisticated full-stack franchise across the prime, affordable, and construction finance sectors. Powered by deep investments in digital analytics and distribution, the HFC loan book achieved a stellar 48% CAGR, reaching approximately Rs. 42,000 crore. This rapid expansion is anchored by disciplined underwriting, resulting in enhanced asset quality and portfolio granularity. Supported by a strategic Rs. 2,750 crore capital infusion from Advent International, the balance sheet is now primed to accelerate market share gains and drive sustainable profitability.

Other businesses: The AMC and insurance segments are delivering high-velocity, diversified growth. The AMC franchise is anchored by four million active SIPs and a scaling alternatives platform, bolstered by institutional mandates and expansion into GIFT City. The AMC segment is expected to generate steady revenues and profitability. Simultaneously, the life Insurance business targets a 20% individual FYP CAGR and a doubling of net VNB, driven by an optimized product mix and deeper banca penetration.

Our Call

Driven by strong AUM growth, strategic cross-selling, growth in VNB margin, expansion in NIMs and the "One ABC" initiative, consolidated PAT is expected to see a 24% CAGR over FY25–28E. Consequently, we maintain a positive outlook with an SoTP-based price target of Rs. 407.

Key Risks

Slower-than-anticipated loan book growth, asset quality deterioration

Valuation (Consolidated)

Particulars	Rs cr				
	FY24	FY25	FY26E	FY27E	FY28E
PBT	4,614	5,475	6,790	8,610	10,905
PAT	3,439	3,410	3,946	5,036	6,510
EPS (Rs.)	12.9	12.6	15.2	19.4	25.0
P/E (x)	25.9	26.4	21.9	17.2	13.3
P/BV (x)	3.2	2.9	2.6	2.3	2.0
RoE (%)	11.2	11.8	12.5	14.1	16.2

Source: Company; Mirae Asset Sharekhan estimates

SoPT based valuation

Entity	Ownership	Value Per share (Rs.)
NBFC	100%	217
HFC	100%	67
AMC	45%	56
Life Insurance	51%	50
Health Insurance	46%	15
AB Money	74%	2
Target Price		407

Source: Company; Mirae Asset Sharekhan

Note: Value per share post holding company discount given on HFC, AMC, Life Insurance, Health Insurance and AB Money

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Grasim Industries Ltd	52.38
2	Birla Group Holdings Pvt Ltd	8.49
3	PI OPPORTUNITIES FUND I	3.03
4	Motilal Oswal	2.23
5	Essel Mining	2.05
6	Life Insurance Corp	1.65
7	Hindalco Industries	1.51
8	Surya Kiran Investment	1.44
9	Pilani Investment	1.28
10	Blackrock INC	1.24

Source: Bloomberg

Key management personnel

Name	Designation
Visakha Mulye	CEO & MD
Pinky Mehta	CFO

Source: Company Website

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