

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Aditya Birla Capital (ABCAP)

Current Market Price	Fair Value (FV)
Rs.324	Rs.390

Date: 12 March 2026

Previous Rating: N/A **Current Rating:** BUY **Change:** Initiating Coverage

Ratings Rationale

- Aditya Birla Capital is India's fifth-largest, fast-growing NBFC (AUM of Rs1.5 lakh crores in December 2025), with a diversified product profile.
- Aditya Birla Capital is a financial conglomerate, with most of its value in the flagship diversified NBFC, followed by a small, but fast-growing HFC and supplemented by non-lending businesses.
- We expect 23% earnings growth over FY27-28E, driven by a strong AUM growth of 23-24%.
- The benefit of Net Interest Margin (NIM) expansion to 5.6% (5.1% in FY26E) due to a higher share of retail loans to drive near-stable (~2%) core Return on Assets (RoA).
- Initiate coverage with BUY and an FV of Rs390.

(HFC – House finance companies, NIM – Net Interest Margin, ROA- Return on Assets)

Valuation

Fair Value of Rs390

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- SUBSCRIBE** – We advise investor to subscribe to the IPO.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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