



ADITYA BIRLA CAPITAL LTD.

Sector

Jan 19, 2026

Buy at CMP: Rs 361.2 | Target: Rs 389 (8%) | SL: Rs 350

Finance

Aditya Birla Capital Limited has a strong presence across a wide range of Protecting, Investing and Financing Solutions, which include Life Insurance, Health Insurance, Motor Insurance, Corporate General Insurance, and others.

Investment Rationale

- ◆ **Exceptional Growth Trajectory Outpacing the Industry:** ABCAPITAL has consistently demonstrated the ability to grow its core businesses significantly faster than market averages. In the housing finance (HFC) segment, the portfolio grew by 70% year-on-year (YoY) in Q1 and followed up with 65% YoY growth in Q2, reaching approximately 38,270 crore Rupees. The company's life insurance business was the fastest-growing private life insurer, clocking individual first-year premium growth of 23.4% in Q1 and 19% in H1 FY26, which was significantly higher than the private industry average of 8%. Similarly, the health insurance segment saw its market share among standalone health insurers (SAHIs) increase from 11.9% to 13.9% YoY by Q2 FY26
- ◆ **Robust Asset Quality Amid Rapid Growth:** Despite rapid growth, the company has maintained or improved its credit quality indicators. The NBFC segment saw Gross Stage 2 and 3 loans decline significantly from 3.70% in Q1 to 3.03% in Q2. Management proactively aligned its write-off policies in Q2 by selling 500 crore Rupees of Stage 3 assets from the unsecured business loan portfolio to an ARC, which reduced the Stage 3 proportion in that specific segment from 5.4% to 1.9%. In the HFC business, asset quality remains "best-in-class" with Stage 3 loans at just 0.61%.
- ◆ **Digital-Led Scale-Up Driving Efficient and Diversified Growth:** The company's digital-first platforms are driving mass customer acquisition and lowering the cost of service. The D2C platform increased its customer base from 6.4 million in Q1 to over 7.6 million by the end of Q2, offering more than 26 products. Simultaneously, the Udyog Plus B2B platform for MSMEs reached an AUM of 4,400 crore Rupees and now contributes 32% of the total AUM for unsecured business loans. This digital reach is fortified by an omnichannel network of 1,712 branches, allowing ABCL to capture "white spaces" in Tier 3 and Tier 4 towns while maintaining high productivity through AI co-pilots in underwriting and sales.
- ◆ **Valuations:** We model a Revenue/PAT CAGR of 20%/28% and estimate ABCAPITAL to clock PAT of Rs 7,014 Cr by FY28E. ABCAPITAL is trading at forward P/E(x) of 13.4x and we value at 14.4(x) FY28E and Recommend BUY on ABCAPITAL with TP Price of Rs. 389 (7.6%).

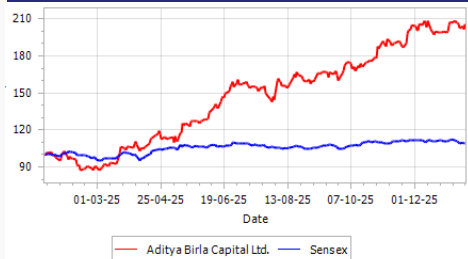
Script Details

BSE Group	A
BSE Code	540691
NSE Code	ABCAPITAL
Bloomberg Code	ABCAP IN
Market Cap (INR Cr.)	93,886
Free Float (%)	31.4%
52wk Low/High	369/149
Beta (1yr Nifty 50)	1.33
Face Value (INR)/ D. Yield (%)	10/0
Total paid Up Shares (Mn.)	2617.4

Share Holding Pattern (%)

FII's	DII's	Public
45.0%	20.8%	34.2%

Share Price Relative Performance



Invest Now

Year	Revenue	EBITDA	PAT	PE Ratio (x)
FY23	27,383	7,440	4,796	19.6
FY24	34,016	11,989	3,335	28.2
FY25	40,590	14,233	3,332	28.2
FY26E	48,708	18,509	4,871	19.3
FY27E	58,450	22,211	5,845	16.1
FY28E	70,140	26,653	7,014	13.4

Source: Company Data, Ace Equity, GEPL Research

TECHNICAL VIEW

Observation

- ABCAPITAL has been in a steady upward trajectory since March 2025 and is comfortably trading above its key short-term moving averages the 12, 26, and 50 week EMAs highlighting strong underlying trend strength.
- Momentum remains firmly positive, with the RSI hovering around 69, indicating robust bullish momentum. On the daily timeframe, the stock has also developed a bullish divergence, where prices are forming lower bottoms while the RSI is making higher bottoms.
- This positive divergence further reinforces the constructive outlook and suggests potential for continued upside.
- Given this robust alignment across multiple timeframes, the stock looks poised to advance toward an upside target of 389, while a closing-basis stop loss at 350 is advised to manage risk effectively.



TradingView

Source: Tradingview.in, GEPL Research

Inference & Expectations

- Considering these factors, it can be inferred that ABCAPITAL stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 389 level.
- The stop loss must be at 350 level, strictly on the closing basis.

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