

Techno Funda – Bank of Maharashtra

A top-performing PSU bank

24 Mar 2026

Bank of Maharashtra

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CMP
Rs. 62.3

12M Target – 82
Upside – 33.3%

Rating
BUY

Company Overview:

Bank of Maharashtra (MAHABANK) is among India's oldest public sector banks and has delivered a notable turnaround across key parameters in recent years, making it a standout in the PSB space. The bank operates 2,719 branches, with 43% located outside Maharashtra and 47% situated in metro and urban areas. Its diversified loan portfolio comprises retail (30%), agriculture (13%) & MSME (19%) loans, maintaining a RAM-to-corporate advances ratio of 63:37 as of Q3FY26.

Key Differentiating Factors:

- **Strong leadership driving the bank's vision:** The bank experienced financial turmoil over FY16-19, marked by a sharp deterioration in asset quality and mounting losses, which led to a negative Return on Assets (RoA). Consequently, it was placed under the Prompt Corrective Action (PCA) framework in June 2017. In December 2018, Mr. A. S. Rajeev took over as MD & CEO and was instrumental in the turnaround process before his exit in February 2024. He was succeeded by Mr. Nidhu Saxena, who continues to lead the bank, building on the foundation laid by the previous management. The bank was removed from the PCA framework in January 2019 and has been on a growth trajectory since then.
- **Robust lending momentum:** The bank's gross advances grew at a CAGR of 20% over FY20–FY25, among the highest in the PSU banking pack. This was driven by healthy growth in the RAM segment (22% CAGR) and steady expansion in the corporate book (18% CAGR) over the same period. Consequently, the RAM-to-corporate mix shifted in favour of RAM, improving from 57:43 in FY20 to 62:38 in FY25, with management guiding to maintain it at ~60:40. Post FY25, the bank has continued to outperform, delivering ~2x credit growth compared to the industry. As of Q3FY26, global gross advances stood at Rs. 2,73,502 cr, reflecting a 20% Y-o-Y growth. With management guiding for ~17% growth in FY26, the bank has already surpassed its full-year guidance.
- **Digital initiatives driving deposit growth:** The bank's investments in its digital framework have driven a robust total deposit CAGR of 15% over FY20–FY25, with term deposits growing at a CAGR of 14% and CASA remaining above 50% during this period. The deployment of software robotics, along with digital initiatives such as the launch of the 'Zen Lyfe' mobile application, has aided operational efficiency and improved customer response times. Amid industry-wide challenges in deposit growth since FY25, MAHABANK reported a 13% Y-o-Y growth in total deposits to Rs. 3,07,143 cr, in line with management's guided range of 12–15%. The CASA ratio remains strong at 49.54% as of Q3FY26.
- **Superior asset quality and best-in-class return ratios:** The bank has demonstrated superior asset quality among similarly-sized peers, as reflected in the sharp reduction in GNPA and NNPA from 12.8% & 4.8% in FY20 to 1.74% and 0.2%, respectively, in FY25. This improvement was driven by a decline in RAM GNPA from 12.47% in FY20 to 2.74% in FY25, reinforcing confidence in the bank's strategic focus on RAM. The corporate book also witnessed significant improvement, with GNPA declining from 13.23% in FY20 to 0.12% in FY25. Strong business momentum, coupled with stable asset quality, has aided in delivering best-in-class return ratios, with RoE & RoA at 22.3% and 1.83%, respectively, as of Q3FY26. The PCR stood at 90.7%, while GNPA further declined to 1.6% in Q3FY26, and NNPA remained stable at 0.15% in 9MFY26 – both in line with management's guidance.
- **Outlook:** Bank of Maharashtra is well-positioned to sustain the growth momentum witnessed over the past five years and capitalize on the improvement in asset quality post FY19. We believe this mid-sized PSU bank will continue to outperform, with healthy growth across key parameters.
- **Valuation:** At the CMP of Rs. 62.3, the bank is trading at 1.3x FY27E BV of Rs. 47.4 on a consolidated basis.

Rs. cr	FY23	FY24	FY25	FY26E	FY27E
Operating Income	10,023	12,822	15,122	16,670	19,520
PAT	2,605	4,072	5,542	5,790	6,680
Adjusted EPS (x)	3.9	5.8	7.5	7.2	8.3
BV/share	23.5	28.0	36.1	40.7	47.4
P/B (x)	1.1	2.2	1.3	1.5	1.3

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Industry Public Sector Bank

Key Stock Data

Bloomberg	BOMH:IN
Shares o/s (cr)	769
Market Cap (Rs. cr)	47,826
52-wk High-Low	77/38.1
20D ADV (In '000)	26910.92
Index	NIFTY 500
F&O	N

Latest Shareholding (%)

	Dec 25	Sep 25	Jun 25
Promoters	73.6	79.6	79.6
Institutions	18.4	12.4	12.3
Public	8.0	8.0	8.1
Pledge	0.0	0.0	0.0

Stock Performance (%)

	1M	3M	12M
MAHABANK	-10.4	7.6	28.5
NIFTY 500	-12.1	-13.7	-3.7

RESEARCH ANALYST

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Source: Bloomberg, Spark PWM Pvt Ltd
Note: CMP is previous day close

Midas
Equities and Research

Bank of Maharashtra – Technical View

PSU Banking	Reco/View Buy	CMP Rs. 62.32	Buying Range Rs. 60 - 63	12M TP Rs. 82	SL (on Closing Basis) Rs. 52	Potential Upside 33.3%
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Technical View (Daily Chart)



- Bank of Maharashtra continues to exhibit a structural uptrend, characterized by a consistent pattern of higher highs and higher lows on both weekly and monthly timeframes.
- While the stock has undergone a corrective phase over the last three weeks—largely mirroring the broader market's recent sell-off—its underlying structure remains robust.
- Notably, the price continues to hold firm above its previous breakout point and its 200-day SMA, signaling that the primary bullish trend is still intact.
- As it stands, the stock is trading within a crucial support zone identified by the Ichimoku Cloud setup, suggesting a potential floor for the current retracement.
- Considering overall structure, we expect the stock to move toward the 82 levels in the next 8 – 12 months.
- Thus, traders can buy the stock with a stop loss of 52 on a daily closing basis.

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3-Year Price Chart

Bank of Maharashtra



Source: tradingview.com

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	REDUCE	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	SELL	Stock expected to fall >10% over a 1-year horizon

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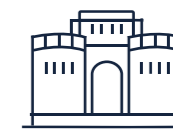
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