22 October 2025

2QFY26 Result Update| Sector: NBFCs

Can Fin Homes

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	CANF IN
Equity Shares (m)	133
M.Cap.(INRb)/(USDb)	111.7 / 1.3
52-Week Range (INR)	898 / 559
1, 6, 12 Rel. Per (%)	6/6/-7
12M Avg Val (INR M)	337

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	13.5	15.9	17.2
PPP	11.5	13.3	14.2
PAT	8.6	10.1	10.6
EPS (INR)	64.4	75.9	79.5
EPS Gr (%)	14	18	5
BVPS (INR)	381	443	509
Ratios (%)			
NIM	3.75	4.00	3.84
C/I ratio	17.1	18.8	20.0
RoAA	2.2	2.3	2.2
RoE	18.2	18.4	16.7
Payout	18.6	17.1	17.6
Valuation			
P/E (x)	13.1	11.1	10.6
P/BV (x)	2.2	1.9	1.7
Div. Yield (%)	1.4	1.5	1.7

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	30.0	30.0	30.0
DII	23.9	24.5	27.5
FII	12.5	12.1	11.7
Others	33.6	33.4	30.8

FII Includes depository receipts

CMP: INR839 TP: INR915 (+9%) Neutral

Steady quarter; reported NIM expands ~20bp QoQ

Advances grew ~8% YoY; impact of IT transformation business to be monitored

- Can Fin Homes' (CANF) PAT for 2QFY26 grew ~19% YoY to ~INR2.5b (~5% beat). PAT grew 16% YoY in 1HFY26 and is expected to rise ~20% YoY in 2HFY26. NII grew 19% YoY to ~INR4b (~8% beat) in 2QFY26, while fees and other income stood at ~INR63m (PY: INR72m).
- Opex rose ~28% YoY to INR762m (~13% higher than MOFSLe). The cost-to-income ratio stood at ~19%. (PQ: ~18%, PY: ~17%). PPoP grew ~16% YoY to INR3.3b (~5% beat). The effective tax rate for the quarter stood at ~24.2% (PQ: 19.4% and PY: ~22.8%). CANF's 2QFY26 RoA/RoE stood at ~2.45%/~18.4%.
- CANF reiterated its FY26 disbursement target of INR105b, though 3Q disbursements are expected to be modestly impacted by the ongoing IT transformation. However, management remains confident of a strong recovery in business momentum in 4Q. It has guided for loan growth of 12-13% in FY26 and ~15% from FY27 onwards.
- Management has raised its FY26 guidance for spreads and NIM to ~2.75% and 3.75%, respectively, supported by continued benefits from a lower cost of funds. It noted that asset repricing continues but with a lag. Management also highlighted that competition in the HFC space remains rational, with no signs of aggressive or irrational pricing behavior.
- We have raised our FY26 EPS estimate by ~5% to factor in higher NIMs and lower credit costs, while keeping our FY27 EPS estimates broadly unchanged. We project an advances/PAT CAGR of ~13% each over FY25-28, with an RoA/RoE of ~2.2%/~17% in FY28.
- CANF, in our view, is a robust franchise with strong moats on the liability side. However, we await: 1) execution on its loan growth guidance, and 2) clarity on potential disruptions (if any) from the tech transformation the company is set to undertake this calendar year, before turning constructive on the stock. **Reiterate our Neutral rating with a TP of INR915 (premised on 1.7x Sep'27E P/BV).**

Disbursements up ~7% YoY; repayment rate increases

- CANF's 2QFY26 disbursements grew ~7% YoY to INR25.4b.
- Advances grew ~8% YoY and ~2.3% QoQ to ~INR397b. Annualized run-offs in advances remained elevated at ~17% (PQ: 15.3% and PY: ~15.2%), suggesting a rise in BT-OUTs, likely due to the company not implementing any additional PLR cuts during the quarter.
- Management indicated a sequential increase of ~INR2b in prepayments during the quarter. Of this, ~INR1.2b was attributed to BT-OUTs to other lenders, with ~40% originating from Telangana. The remaining ~INR800m was driven by customers making higher-than-scheduled EMI payments (from their own funds) with these accounts continuing to remain active with CANF.

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Reported NIM expands ~20bp QoQ; bank borrowings rise sequentially

- NIM (reported) rose ~20bp QoQ to ~3.83%, primarily due to a decline in the cost of borrowings. We model an NIM of ~4%/3.8% in FY26/FY27.
- Reported yields were stable QoQ at 10.1%, while CoB declined ~20bp QoQ to 7.3%, leading to reported spreads rising by ~20bp QoQ to 2.8%.
- Bank borrowings during the quarter rose to 57% of the total borrowings (PQ: 53%).

Asset quality improves; GS3 declines ~5bp QoQ

- Asset quality exhibited minor improvements, with GS3 and NS3 declining ~5bp QoQ each to ~0.95% and ~0.5%, respectively. PCR on stage 3 loans rose ~380bp QoQ to ~48.8%.
- Credit costs were benign and stood at INR31m (vs. MOFSLe of INR140m), resulting in annualized credit costs of ~3bp (PQ: ~27bp and PY: ~15bp).
- Management indicated that credit costs are now expected to be lower than the earlier guidance of ~15bp, supported by a further improvement expected in asset quality in 3Q/4QFY26. We model credit costs of ~11b/15bp for FY26/FY27, respectively.

Highlights from the management commentary

- GNPA reduction reflects a broad-based improvement across SMA-1, SMA-2, and NPA buckets, with delinquencies declining INR1.3b in 2Q. Management expects an additional ~INR1b reduction in 3Q and further improvement in 4Q, leading to lower credit costs than its initial guidance.
- The company will target disbursements of ~INR25b in 3QFY26, with a temporary moderation expected due to the IT transformation rollout, and aims to ramp up disbursements to ~INR31b in 4QFY26.
- CANF has realized the full benefit of repo rate cuts across its bank borrowings and does not intend to pass on any rate reduction to customers in 3QFY26. However, in the event of further repo rate cuts, it may consider a 10bp PLR reduction for customers.

Valuation and view

- CANF delivered a mixed performance during the quarter, with earnings beat driven by strong net interest income and lower credit costs. However, loan growth remained subdued despite a ~26% QoQ rise in disbursements, as elevated BT-outs led to higher repayments. Asset quality showed improvement, resulting in benign credit costs, while reported NIM expanded ~20bp QoQ, aided by a sharp decline in the cost of borrowings.
- While disbursements momentum strengthened in 2Q, the ongoing IT transformation may temporarily disrupt disbursement activity in 3QFY26, potentially keeping loan growth muted in the near term.
- CANF has successfully demonstrated its ability to maintain asset quality over the years, and we expect this trend to continue going forward. We estimate a CAGR of 14%/13%/13% in NII/PPOP/PAT over FY25-28, with an RoA of 2.2% and RoE of ~17% in FY28. **Reiterate Neutral with a TP of INR915 (premised on 1.7x Sep'27E P/BV).**

Quarterly performance INR m

Y/E March	FY25				FY26E				FY25	FY26E	2Q FY26E	Act vs est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Interest Income	9,242	9,553	9,803	9,829	10,111	10,432	10,619	10,890	38,426	42,052	10,262	2
Interest Expenses	6,027	6,155	6,356	6,343	6,483	6,386	6,501	6,737	24,882	26,107	6,503	-2
Net Interest Income	**3,214**	**3,398**	**3,447**	**3,485**	**3,628**	**4,046**	**4,119**	**4,153**	**13,544**	**15,945**	**3,760**	**8**
YoY Growth (%)	12.7	7.3	4.8	6.3	12.9	19.1	19.5	19.2	7.6	17.7	10.7	
Other income	70	74	58	168	93	63	70	202	370	429	97	-35
Total Income	**3,284**	**3,472**	**3,506**	**3,653**	**3,721**	**4,109**	**4,189**	**4,355**	**13,915**	**16,374**	**3,857**	**7**
YoY Growth (%)	12.8	7.6	4.4	6.3	13.3	18.3	19.5	19.2	7.6	17.7	11.1	
Operating Expenses	488	594	593	707	682	762	805	828	2,382	3,077	677	13
YoY Growth (%)	12.3	13.3	20.0	-1.7	39.7	28.4	35.8	17.0	9.6	29.2	14.0	
Operating Profits	**2,796**	**2,878**	**2,913**	**2,946**	**3,039**	**3,346**	**3,383**	**3,528**	**11,532**	**13,296**	**3,180**	**5**
YoY Growth (%)	12.9	6.5	1.7	8.4	8.7	16.3	16.2	19.8	7.2	15.3	10.5	
Provisions	245	137	221	154	263	31	75	63	758	431	140	-78
Profit before Tax	**2,551**	**2,741**	**2,691**	**2,792**	**2,776**	**3,316**	**3,308**	**3,465**	**10,775**	**12,865**	**3,040**	**9**
Tax Provisions	555	626	570	452	538	801	715	699	2,203	2,753	654	23
Profit after tax	**1,996**	**2,115**	**2,121**	**2,339**	**2,239**	**2,514**	**2,594**	**2,765**	**8,572**	**10,112**	**2,386**	**5**
YoY Growth (%)	8.8	33.8	6.0	11.9	12.1	18.9	22.3	18.2	14.2	18.0	12.8	
Key Parameters (%)												
Yield on loans	10.5	10.6	10.6	10.4	10.5	10.6	10.6	10.5				
Cost of funds	7.5	7.4	7.6	7.4	7.3	7.1	7.1	7.1				
Spread	3.0	3.2	3.1	3.05	3.18	3.51	3.5	3.4				
NIM	3.6	3.77	3.7	3.70	3.77	4.13	4.1	4.0				
Credit cost	0.28	0.15	0.24	0.16	0.27	0.03	0.07	0.06				
Cost to Income Ratio (%)	14.9	17.1	16.9	19.4	18.3	18.6	19.2	19.0				
Tax Rate (%)	21.7	22.8	21.2	16.2	19.4	24.2	21.6	20.2				
Balance Sheet Parameters												
Loans (INR B)	**355.6**	**365.9**	**371.6**	**382.2**	**387.7**	**396.6**	**407.7**	**423.9**				
Growth (%)	9.4	9.7	9.1	9.2	9.0	8.4	9.7	10.9				
AUM mix (%)												
Home loans	88.9	88.5	88.3	87.8	87.5	86.9						
Non-housing loans	11.1	11.5	11.7	12.2	12.5	13.1						
Salaried customers	71.7	70.9	70.9	70.4	70.3	70.2						
Self-employed customers	28.3	29.1	29.0	29.5	29.6	30.4						
Disbursements (INR B)	**18.5**	**23.8**	**18.8**	**24.6**	**20.2**	**25.5**	**26.1**	**31.5**				
Change YoY (%)	-5.7	17.9	0.0	6.1	8.7	6.9	39.0	28.3				
Borrowing mix (%)												
Banks	56.0	60.0	60.0	52.0	53.0	57.0						
NHB	16.0	14.0	14.0	17.0	17.0	14.0						
Market borrowings	27.0	25.0	25.0	30.0	29.0	28.0						
Deposits	1.0	1.0	1.0	1.0	1.0	1.0						
Asset Quality												
GNPL (INR m)	3,250	3,200	3,410	3,330	3,780	3,730						
NNPL (INR m)	1,740	1,720	1,870	1,740	2,080	1,910						
GNPL ratio %	0.91	0.88	0.92	0.87	0.98	0.94						
NNPL ratio %	0.49	0.47	0.50	0.46	0.54	0.50						
PCR %	47.0	46.0	45.2	47.7	45.0	48.8						
Return Ratios (%)												
ROA (Rep)	2.2	2.3	2.3	2.6	2.2	2.4						
ROE (Rep)	17.6	18.0	17.6	18.5	17.6	19.0						

E: MOFSL Estimates

Highlights from the management commentary

Guidance

- The company has guided for 12-13% AUM growth in FY26, with plans to accelerate to ~15% loan growth from FY27 onwards.
- Credit costs are expected to remain below 15bp for FY26. The company expects further improvement in asset quality and delinquency trends in 3Q/4QFY26.
- The company has increased its guidance for spreads and margins at 2.75% and 3.75%, respectively, in FY26.
- The company has guided for disbursements of ~INR105b for FY26.
- It expects no major irrational pricing pressure in the market from HFCs; competitive intensity remains rational.
- Most of the benefits of repo rate cuts have already been reflected in the cost of borrowings, with only minor benefits expected from NHB borrowings in the coming quarters.

Business Performance

- CANF achieved record disbursements of INR25.4b in 2QFY26, marking its first time crossing this milestone. Disbursements in 1QFY26 had also surpassed INR20b for the first time, reflecting a strong business momentum.
- The company continues to maintain a healthy disbursement pipeline, supported by strong traction in key southern markets.
- Karnataka and Telangana posted robust performances.
- Karnataka witnessed INR2.7b in disbursements in Sep'25 (vs. INR2.78b in Sep'24). The Karnataka government's approval allowing B-Khata properties to be converted to E-Khata and faster 15-day registration timelines for E-khata registrations is expected to further support the disbursement momentum.
- Telangana continues to recover gradually with disbursements improving each month, and the company expects the region to turn fully positive by 4QFY26.
- North and West zones posted 30% and 25% growth, respectively, during the quarter, reflecting broader regional traction.
- Average monthly disbursements in Karnataka in 2Q were INR2.6b, with Sep'25 reaching INR2.7b.
- The company aims for INR25b disbursements in 3QFY26, as the IT transformation rollout may temporarily moderate disbursements in 3Q. Subsequently, in 4QFY26, it expects to scale up disbursements to INR31b.

Prepayments

- Despite strong disbursements, AUM growth remained muted due to elevated prepayments.
- ~INR3.9b was due to BT-OUTs to other lenders (takeovers done by other lenders), rising from INR2.7b-2.75b in 1QFY26. Total loan closures increased by ~INR1.2b (~40% of this coming from Telangana). The company had taken a stringent stance against some DSAs following the fraud incident in FY23-24, leading some of these DSAs too shift customers to other lenders.

Asset Quality and Credit Costs

- GNPA decline is reflective of steady improvement across delinquency buckets (SMA-1, SMA-2, and NPA).
- Delinquencies reduced INR1.3b during the quarter, and the company expects further improvement in 3Q. The company expects GNPA to further decline by ~INR1b in 3QFY26.
- Delinquencies are expected to reduce further in 4Q, as it is a seasonally strong quarter. Overall, for FY26, the company expects lower credit costs than initially guided.
- Credit costs remained extremely benign, with minimal provisioning required during the quarter.
- Reduction in NPAs was primarily from the SENP (self-employed non-professional) segment, while salaried NPAs remained low at 0.68%.
- Internal credit scoring enhancements and differentiated pricing (0.5% higher for SENP customers) are supporting asset quality; 86% of customers have a CIBIL score above 700.

Margins and Spreads

- Spreads expanded from 2.6% to 2.79%, while NIMs crossed 4% during the quarter, driven by a decline in CoB as the company received the entire benefit of repo rate reductions.
- The company received the full benefit of repo rate cuts across bank borrowings. At the end of 1Q, there was one large bank borrowing on the which company was yet to receive benefit; this was received in Jul'25.
- The company received an NHB sanction of INR15b at 6.8% (for affordable and regular refinancing), which is expected to further reduce CoB.
- About ~59% of the loan book is now on annual reset (vs. 67% in 1Q). The company expects some of these customers to get repriced over the next two quarters. The company does not expect any reduction in spreads and margins due to this, as any PLR benefits passed on to these customers will be offset by a reduction in the CoF on its NHB borrowings.
- Incremental long-term borrowing stood at 7.1%, while short-term borrowings (CP, WCCL) were sub-7%.
- Incremental borrowings are expected to come at lower rates than the current portfolio cost of borrowings.
- The company does not plan to pass on any rate cut benefit to customers in 3Q. If there are incremental repo rate cuts, company consider passing on 10bp PLR cut to customers.
- The company has moved all MCLR-linked bank loans to repo-linked borrowings a couple of years ago, improving the rate transmission and lowering CoB.
- It received an AAA rating for NCDs during the quarter, allowing access to slightly longer-tenure debentures.
- NHB refinancing (~INR15b) includes 40% to be qualified under the affordable housing fund, which the company expects to achieve comfortably.
- It is exploring green funding options with foreign banks, which is linked to the eco-lending criteria, such as rooftop solar and LED installations.
- The company is not looking to raise liabilities via ECBs as of now.

IT Transformation

- The IT system's transformation is expected go live in 3QFY26 in two phases; the platform is being upgraded for process, UI/UX, and transaction methodology enhancements.
- Staff training is being conducted to adapt to the new system, expected to temporarily impact productivity for a few days.
- The new IT system is expected to improve process efficiency, accuracy, and TAT.
- Incremental IT cost of INR400m will impact opex from FY27 onwards, with cost-to-income expected at 19-19.5% in FY27.
- The system upgrade will allow workforce optimization over time, improving productivity.

Branch Network and Distribution

- South India remains the dominant geography, accounting for ~65% of branches.
- Expansion in Northern states such as MP, UP, Rajasthan, Gujarat, and Maharashtra is underway.
- The company continues to strengthen its 'feet-on-street' and sales teams and reduce reliance on DSA channels.

Roadmap for FY28

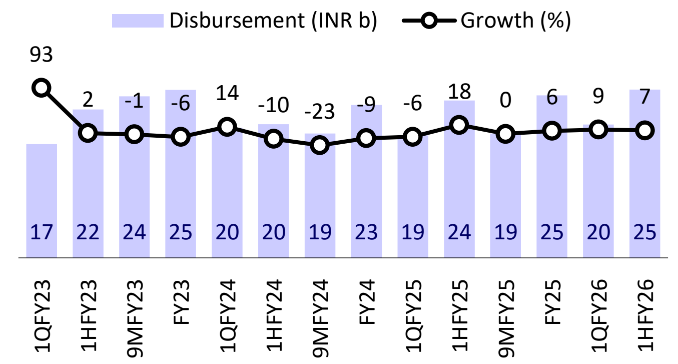
- **Geographical concentration mix** of 60:40 in south and north, respectively (vs. 68:32 currently)
- **Product Mix:** Housing and Non-housing mix of 80:20, respectively (vs. 85:15 currently)
- **Segment Mix:** Salaried and Self-employed mix of 65:35, respectively (vs. 69:31 currently)
- **Sourcing Mix:** Reduce DSA reliance to 60% of overall sourcing vs. 79% currently.

Others

- The company expects another 10bp cut in customer rates only if further repo cuts are announced; otherwise, spreads should hold.
- Incremental cost of borrowings are likely to be below the current CoB, supporting profitability.
- Salary revisions, which now occur once every three years, were implemented in 1QFY26.
- The company plans to enhance organic sourcing capabilities.
- The <INR1.5m ticket-size segment remains subdued post-CLSS withdrawal, with demand tied to government incentives.
- Karnataka and Tamil Nadu are performing well; Telangana remains under watch due to higher prepayments and construction-linked delays.
- Surplus liquidity in customers' hands is increasing, reflecting improving cashflows.

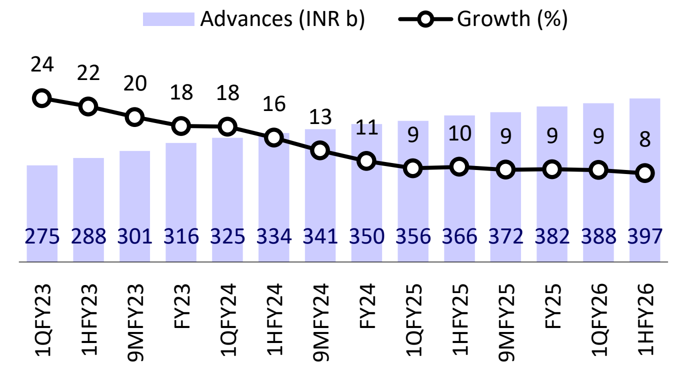
Key exhibits

Exhibit 1: Disbursements grew ~7% YoY and 26% QoQ



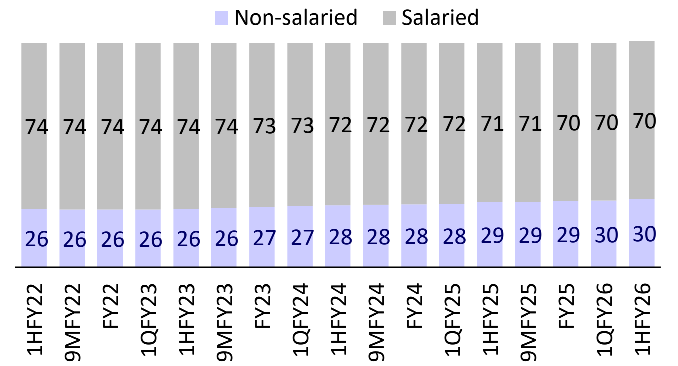
Sources: MOFSL, Company reports

Exhibit 2: Advances grew 8% YoY



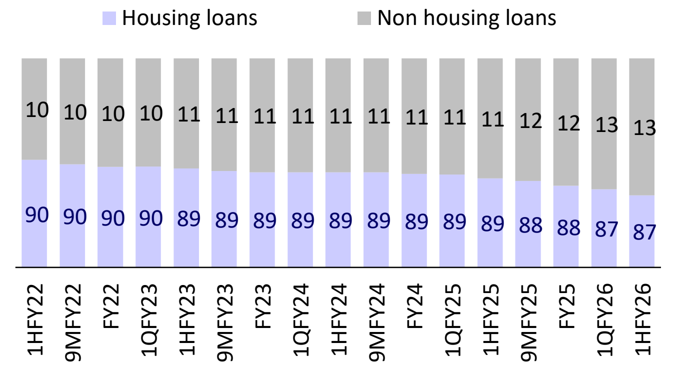
Sources: MOFSL, Company reports

Exhibit 3: Share of salaried customers was stable at ~70%



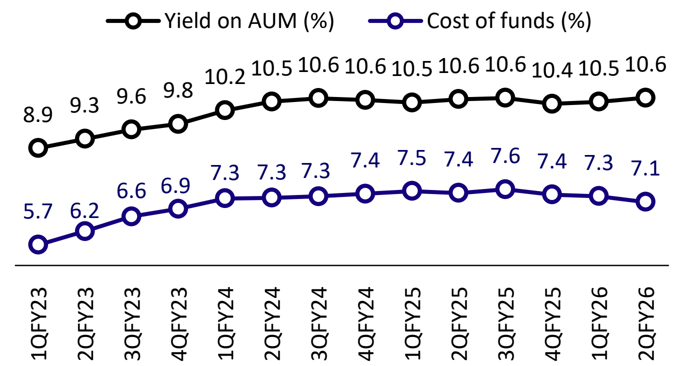
Sources: MOFSL, company reports

Exhibit 4: Share of housing loans stood at ~87%



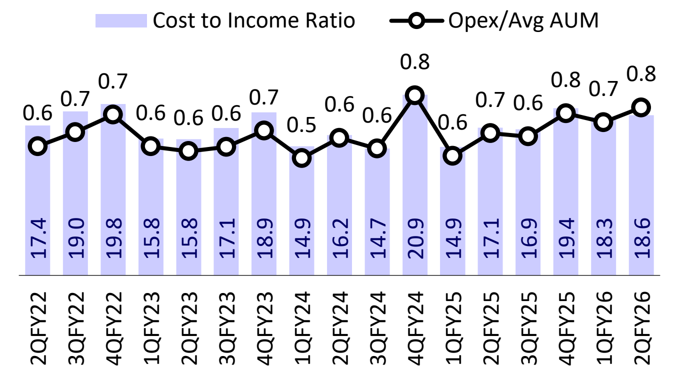
Sources: MOFSL, company reports

Exhibit 5: Calculated spreads rose ~30bp QoQ (%)



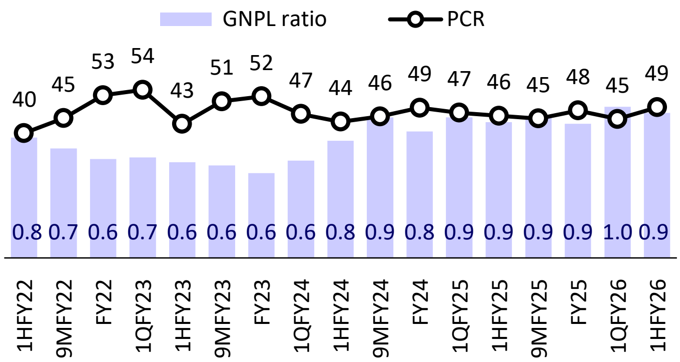
Sources: MOFSL, company reports

Exhibit 6: C/I ratio rose ~30bp QoQ to ~18.6%



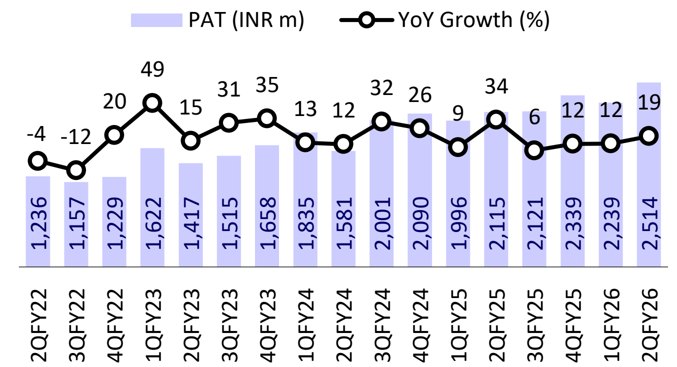
Sources: MOFSL, company reports

Exhibit 7: GNPA declined ~5bp QoQ (%)



Sources: MOFSL, company reports

Exhibit 8: PAT grew ~19% YoY to INR2.5b



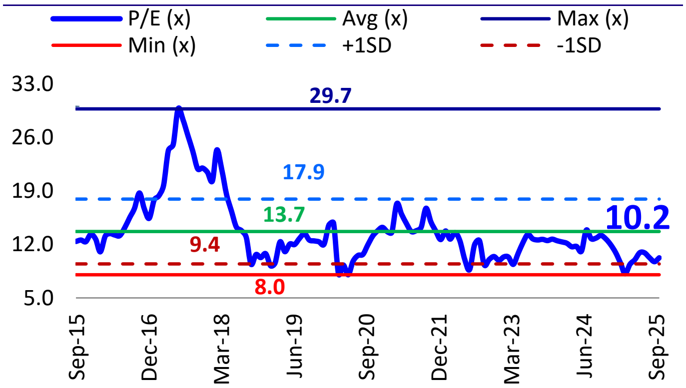
Sources: MOFSL, company reports

Exhibit 9: We raise our FY26 EPS estimates by 5% to factor in higher NIM and lower credit cost

INR b	Old Est.			New Est.			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII	15.3	16.8	19.5	15.9	17.2	20.0	4.5	2.4	2.5
Other Income	0.4	0.5	0.6	0.4	0.5	0.6	0.0	0.0	0.0
Total Income	**15.7**	**17.3**	**20.1**	**16.4**	**17.7**	**20.6**	**4.3**	**2.4**	2.4
Operating Expenses	2.8	3.3	3.8	3.1	3.5	4.1	9.6	8.0	6.4
Operating Profits	**12.9**	**14.0**	**16.3**	**13.3**	**14.2**	**16.5**	**3.2**	**1.1**	1.4
Provisions	0.7	0.6	0.7	0.4	0.7	0.8	-34.4	10.5	9.5
PBT	**12.2**	**13.4**	**15.6**	**12.9**	**13.5**	**15.7**	**5.2**	**0.6**	1.1
Tax	2.6	2.9	3.3	2.8	2.9	3.4	5.2	0.6	1.1
PAT	**9.6**	**10.5**	**12.2**	**10.1**	**10.6**	**12.4**	**5.2**	**0.6**	1.1
AUM	425	483	551	424	481	549	-0.4	-0.4	-0.4
Borrowings	389	441	503	388	439	501	-0.3	-0.4	-0.4
NIM (%)	3.8	3.7	3.8	4.0	3.8	3.9			
ROA (%)	2.2	2.2	2.2	2.3	2.2	2.2			
RoE (%)	17.6	16.7	16.9	18.4	16.7	16.9			

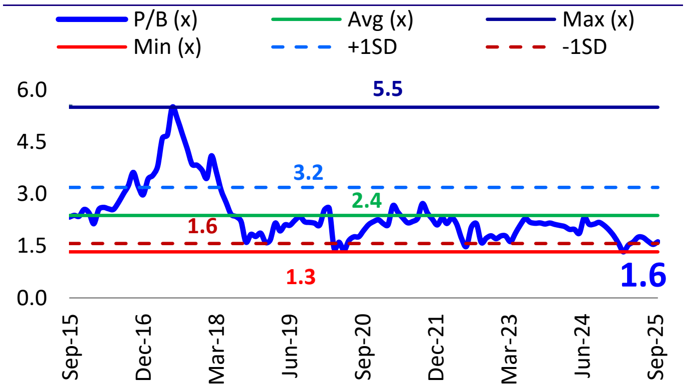
Sources: MOFSL, company reports

Exhibit 10: One-year forward P/E ratio



Sources: MOFSL, Company

Exhibit 11: One-year forward P/B ratio



Sources: MOFSL, Company

Financials and Valuation

Income statement — INR m

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	20,189	20,064	19,697	27,154	34,899	38,426	42,052	45,745	51,989
Interest Expended	13,442	12,083	11,535	17,009	22,314	24,882	26,107	28,535	31,972
Net Interest Income	**6,747**	**7,980**	**8,162**	**10,146**	**12,585**	**13,544**	**15,945**	**17,209**	**20,017**
Change (%)	24.0	18.3	2.3	24.3	24.0	7.6	17.7	7.9	16.3
Other Income	115	121	188	277	348	370	429	492	565
Net Income	**6,862**	**8,101**	**8,350**	**10,423**	**12,933**	**13,915**	**16,374**	**17,702**	**20,582**
Change (%)	22.1	18.0	3.1	24.8	24.1	7.6	17.7	8.1	16.3
Operating Expenses	1,076	1,240	1,530	1,765	2,173	2,382	3,077	3,545	4,092
Operating Income	**5,786**	**6,861**	**6,820**	**8,658**	**10,760**	**11,532**	**13,296**	**14,157**	**16,490**
Change (%)	23.0	18.6	-0.6	26.9	24.3	7.2	15.3	6.5	16.5
Provisions/write offs	603	685	469	418	1,185	758	431	683	761
PBT	**5,183**	**6,176**	**6,351**	**8,240**	**9,575**	**10,775**	**12,865**	**13,474**	**15,728**
Tax	1,422	1,615	1,640	2,028	2,068	2,203	2,753	2,883	3,366
Tax Rate (%)	27.4	26.2	25.8	24.6	21.6	20.4	21.4	21.4	21.4
Reported PAT	**3,761**	**4,561**	**4,711**	**6,212**	**7,507**	**8,572**	**10,112**	**10,590**	**12,362**
Change (%)	27	21	3	32	21	14	18	5	17
Proposed Dividend (incl. tax)	321	266	399	466	799	1,598	1,731	1,864	1,997

Balance sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Capital	266	266	266	266	266	266	266	266	266
Reserves & Surplus	21,234	25,832	30,400	36,206	43,172	50,409	58,790	67,516	77,881
Net Worth	**21,501**	**26,098**	**30,666**	**36,473**	**43,439**	**50,675**	**59,056**	**67,782**	**78,147**
Borrowings	1,87,484	1,92,929	2,46,477	2,90,681	3,18,629	3,50,512	3,88,008	4,39,101	5,01,249
Change (%)	11.6	2.9	27.8	17.9	9.6	10.0	10.7	13.2	14.2
Other liabilities	1,451	1,710	2,300	3,551	8,069	8,486	10,183	12,220	14,664
Total Liabilities	**2,10,436**	**2,20,737**	**2,79,443**	**3,30,705**	**3,70,137**	**4,09,673**	**4,57,247**	**5,19,102**	**5,94,060**
Loans	**2,05,257**	**2,18,915**	**2,63,781**	**3,11,933**	**3,45,531**	**3,76,964**	**4,19,468**	**4,75,732**	**5,43,654**
Change (%)	12.6	6.7	20.5	18.3	10.8	9.1	11.3	13.4	14.3
Investments	243	496	11,260	14,590	14,590	23,740	27,301	31,396	36,105
Change (%)	49.1	104.1	2,169.9	29.6	0.0	62.7	15.0	15.0	15.0
Net Fixed Assets	379	378	346	454	526	503	482	461	441
Other assets	4,557	948	4,057	3,727	9,489	8,466	9,997	11,514	13,860
Total Assets	**2,10,436**	**2,20,737**	**2,79,443**	**3,30,705**	**3,70,137**	**4,09,673**	**4,57,247**	**5,19,102**	**5,94,060**

E: MOFSL Estimates

Financials and Valuation

Ratios									(%)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Yield on loans	10.4	9.44	8.14	9.4	10.6	10.6	10.6	10.2	10.2
Cost of funds	7.6	6.35	5.25	6.3	7.3	7.4	7.1	6.9	6.8
Spread	2.8	3.1	2.9	3.1	3.3	3.2	3.5	3.3	3.4
Net Interest Margin	3.5	3.8	3.4	3.5	3.8	3.7	4.0	3.8	3.9
Profitability Ratios (%)									
RoE	19.1	19.2	16.6	18.5	18.8	18.2	18.4	16.7	16.9
RoA	1.9	2.1	1.9	2.0	2.1	2.2	2.3	2.2	2.2
C/I ratio	15.7	15.3	18.3	16.9	16.8	17.1	18.8	20.0	19.9
Asset Quality (%)									
Gross NPAs	1,571	2,019	1,706	1,738	2,860	3,333	3,556	4,030	4,568
Gross NPAs to Adv.	0.8	0.9	0.6	0.6	0.8	0.9	0.8	0.8	0.8
Net NPAs	1,118	1,343	807	829	1,468	1,743	1,813	2,055	2,330
Net NPAs to Adv.	0.5	0.6	0.3	0.3	0.4	0.5	0.4	0.4	0.4
PCR	28.8	33.5	52.7	52.3	48.7	47.7	49.0	49.0	49.0

VALUATION									
Book Value (INR)	161	196	230	274	326	381	443	509	587
Price-BV (x)	**5.2**	**4.3**	**3.7**	**3.1**	**2.6**	**2.2**	**1.9**	**1.7**	**1.4**
EPS (INR)	28.2	34.2	35.4	46.7	56.4	64.4	75.9	79.5	92.8
EPS Growth YoY	26.8	21.3	3.3	31.9	20.8	14.2	18.0	4.7	16.7
Price-Earnings (x)	**30.0**	**24.7**	**23.9**	**18.1**	**15.0**	**13.1**	**11.1**	**10.6**	**9.1**
Dividend per share (INR)	2.0	2.0	3.0	3.5	6.0	12.0	13.0	14.0	15.0
Dividend yield (%)	**0.2**	**0.2**	**0.4**	**0.4**	**0.7**	**1.4**	**1.5**	**1.7**	**1.8**

E: MOFSL Estimates

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Investment Rating	**Expected return (over 12-month)**
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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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