Financials - NBFCs

Result Preview

Company
Aavas Financiers
Bajaj Finance
Bajaj Housing
Can Fin Homes
Chola Inv. & Fin.
CreditAccess Grameen
Five Star Business Finance
Fusion Microfinance
HomeFirst
HDB Financial
IIFL Finance
L&T Finance Holdings
LIC Housing Finance
M&M Financial Services
Manappuram Finance
MAS Financial Services
Muthoot Finance
PNB Housing Finance
Poonawalla Fincorp
Power finance Corporation
Repco Home Finance
Rural Electrification Corporation
Shriram Finance
Spandana Sphoorty

Demand trends soft, except in gold; asset quality stays weak

Trends after GST rate cut a key monitorable; expect NIM expansion for VFs and AHFCs

- **Demand momentum remained soft:** In 2QFY26E, we expect ~12% YoY growth in AUM for our coverage HFCs, including affordable and large HFCs. Vehicle financers (VFs) are projected to report ~17% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~29% YoY growth (primarily driven by ~44% YoY growth by MUTH). NBFC-MFIs are estimated to post a decline of ~20% YoY in AUM, while diversified lenders are expected to deliver ~24% YoY growth in AUM. For our NBFC coverage universe, we estimate loan growth of ~16% YoY/~4% QoQ as of Sep'25. During the quarter, loan growth trends were mixed across segments: (1) Gold financiers saw another quarter of strong loan growth; (2) MFIs witnessed a decline in AUM, though disbursements have gradually started picking up now; (3) VFs are expected to report weak growth, impacted by the "Pitru Paksha" period and deferment of auto sales ahead of GST rate cuts, effective from 22nd Sep; and (4) HFCs' growth in Prime segment will remain subdued, weighed down by heightened competition from banks.

- **CoF trending down and likely to decline further in 2H; NIM expansion for VFs and AHFCs:** Borrowing costs for most NBFCs have begun to trend down even as a higher impact from the transmission in the MCLR-linked bank borrowings will take effect in 2H. A steady reduction in CoB is anticipated in 2HFY26, driven by repricing of MCLR-linked loans as banks lower their MCLR. NIM trends for NBFCs are expected to be mixed this quarter, varying across sub-segments. Large HFCs and gold financiers are likely to witness margin compression due to heightened competitive intensity, while affordable HFCs and VFs will see NIM expansion, aided by segment-specific dynamics.

- **Asset quality deterioration in vehicle finance; stress in unsecured MSME and micro-LAP persists:** Stress persisted in the unsecured MSME and micro-LAP segments, with credit costs expected to edge higher. VFs will continue to see asset quality deterioration, largely driven by monsoon-related disruptions that weighed on fleet utilization. For MFIs, credit costs are likely to moderate sequentially, having peaked in 4QFY25; however, they are expected to remain elevated and will approach normalization only in the latter half of FY26. HFCs, including affordable HFCs, reported broadly stable asset quality, while power financiers also maintained stability with no material resolutions or incremental slippages during the quarter.
- **Earnings growth of ~18% YoY/5% QoQ for our coverage universe (ex-PFL):** We estimate ~14% YoY growth each in NII/PPoP in 2QFY26 for our NBFC coverage universe, and PAT is expected to grow ~18% YoY (excl. Poonawalla). Excluding NBFC-MFI and PFL, we estimate ~14% YoY growth in PAT for our coverage universe. Within the sector, we prefer select affordable HFCs, gold financiers (primarily to play the strong momentum in gold loan growth), and diversified lenders (which have navigated the unsecured credit cycle and are now looking to grow their unsecured loan book again). Our top picks in the sector are SHFL, LTFH, and HomeFirst.

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HFCs: Competition intensifies in Prime; no spillover of micro LAP stress into AHFCs

- Large HFCs are facing heightened competition as banks have turned more aggressive in the past 2-3 months, offering home loans at significantly lower rates. Given their inability to match these rates without compromising yields, many NBFCs are opting to forgo such business. As a result, large HFCs (except BHFL) are expected to report NIM compression, driven by pressure on yields amid intensifying competition in the prime segment.
- Disbursement trends for AHFCs have seen limited sequential improvement (barring Aavas due to lower base). For AHFCs, minor weakness in disbursements (relative to earlier expectations) was attributed to monsoon-related disruptions and caution exercised by AHFCs in pockets impacted by US tariffs. Despite a ~1pp repo rate cut by the RBI, most AHFCs have not reduced their PLR. As a result, AHFCs are likely to see expansion in spreads and NIM, supported by broadly stable yields and benefits in their borrowing costs.
- While there would be a minor seasonal uptick in the 1+dpd for AHFCs, there is no spillover from the micro-LAP segment into affordable housing loans. Consequently, credit costs are expected to remain benign (but still relatively elevated).
- For LICHF, we expect credit costs at ~17bp (vs. ~25bp in 1QFY26). Margins are expected to decline ~15bp QoQ. We expect LICHF to report ~7% YoY growth in loans. BHFL reported AUM growth of 24% YoY. We expect margins for BHFL to remain broadly stable QoQ.
- We forecast HomeFirst to report ~10% YoY growth in disbursements, leading to healthy AUM growth of ~27% YoY. We expect NIMs to expand ~10bp QoQ for HomeFirst. Asset quality is expected to remain stable for both HomeFirst and Aavas. We expect disbursements and loan growth of 21% and 17% YoY, respectively, for Aavas.
- We estimate PNBHF to deliver ~16% YoY growth in total loan book as of Sep'25. For PNBHF, we expect NIM to contract ~5bp QoQ. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate could again result in provision write-backs (like in the prior quarters).

MSME: Stress persists in small-ticket LAP; muted disbursements

- For Five Star, loan growth and disbursements remain subdued, as the company has consciously chosen to adopt a cautious stance amid ongoing asset quality and collection trends. We expect disbursements to decline 5% YoY, translating into ~18% YoY growth in AUM. We expect the broad-based increase in 1+dpd and further deterioration in GS3 to result in credit costs rising to ~1.4% from ~1.3% in 1QFY26.
- We believe that weakening asset quality in the micro-LAP segment appears to stem from stress initially seen in unsecured small-ticket loans, now gradually spilling into the small-ticket secured space. We believe the credit cycle in micro-LAP (particularly in loans below INR500k) is lagging the MFI credit cycle by 6-9 months.

Vehicle finance: Muted disbursement growth; weakness in asset quality due to early and extended monsoons

- MMFS reported disbursements of ~INR135b in 2QFY26 (up ~3% YoY), leading to ~13% YoY growth in business assets. We expect credit costs for MMFS to be at ~2.5% in 2QFY26 (vs. 2.2% in 1QFY26).
- For CIFC/SHTF, we expect disbursement growth of 1%/13% YoY, which should translate into ~21%/16% YoY growth in AUM for CIFC/SHTF as of Sep'25.
- Disbursements for VFs were impacted by the "Pitru Paksha" inauspicious period and deferment of auto sales ahead of GST rate cuts, which became effective from 22nd Sep. However, volumes have picked up after the effective date, driven by pent-up demand and GST rate cuts coinciding with Navratri. The key monitorable, however, is whether this momentum will sustain over the medium term or fizzle out within the next 3-4 months.
- We estimate NIM expansion for VFs to be driven by a decline in CoB and a fixed-rate vehicle finance book. However, asset quality pressures persisted during the quarter, primarily due to early and extended monsoons, leading to asset quality deterioration and likely translating into sequentially higher credit costs.

Gold finance: Strong growth in gold loans; competitive pressures intensify

- We expect gold loan financiers to deliver robust growth in 2QFY26, although the pace may moderate from the exceptionally strong 1Q. While we expect MGFL's standalone entity to have delivered gold loan growth of ~28% YoY, the drag from its MFI and CV businesses would keep consol. loan growth muted during the quarter. For MUTH, we expect gold loan growth of ~44% YoY.
- Gold financiers are likely to witness margin compression in 2Q, driven by a moderation in lending yields. MGFL has been targeting higher-ticket gold loans and has cut its gold loan rates in line with its stated strategy. We expect margins to contract ~50bp YoY for MUTH and ~60bp QoQ for MGFL.
- While credit costs peaked about two quarters ago for both Asirvad and Belstar, they are expected to remain high in 2QFY26, with normalization likely only in FY27.

MFIs: Muted AUM growth with slight uptick in disbursements; Industry poised for revival in 2HFY26

- Disbursements saw a slight uptick but remain muted overall, with subdued loan growth, as companies focused on resolution of residual stress. We expect the loan book to decline for Fusion and Spandana, while CREDAG's GLP is likely to remain largely flat QoQ. AUM growth is expected to remain flat QoQ for CREDAG and decline by ~5%/12% QoQ for Fusion/Spandana in 2QFY26.
- While the flow rates are still decreasing, the improvement has become less pronounced in Jul-Aug'25, indicating a potential plateau or a "status quo" situation compared to the sharper reductions seen before Jun'25.
- We expect credit costs to remain elevated in 2QFY26, mainly contributed by write-offs that had slipped over the last 6-9 months. We estimate *annualized* credit costs of ~8%/~6%/27% for CREDAG/Fusion/Spandana in this quarter.
- MFI sector is emerging out of a stress cycle, with signs of normalization visible in collection efficiencies, flow rates, and PAR trends. Profitability in the quarter will remain weighed down by muted AUM growth, high-cost ratios, and elevated

credit costs. However, we expect earnings to exhibit a strong recovery from 4QFY26/FY27 onward.

Diversified financiers: Stress in unsecured MSME persists; credit costs to remain relatively elevated

- BAF is expected to report AUM growth of ~23% YoY/4.5% QoQ. We estimate margins to remain broadly stable QoQ for BAF, with credit costs at ~204bp (vs. 202bp QoQ).
- For HDBFIN, we expect disbursements to decline ~1% YoY and expect loan growth of 13% YoY. We expect NIM to expand ~5bp QoQ. Credit cost is likely to remain elevated at 2.6% (compared to 2.5% in 1QFY26).
- LTFH reported ~17% YoY/5% QoQ growth in retail loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), we expect consolidated loan book to grow by ~4% QoQ in 2QFY26. We expect credit costs to rise ~15bp QoQ to 2.7%.
- Poonawalla is expected to report AUM growth of ~63% YoY/12% QoQ, with total AUM of INR463b. We expect credit costs to decline ~45bp QoQ to ~2.2% (vs. 2.65% in 1QFY26).
- For IIFL Finance, we expect strong growth in gold loan AUM to sustain in 2QFY26 despite healthy gold loan growth in 1Q. While we expect a sequential decline in its MFI AUM, IIFL would deliver ~8% QoQ growth in its consolidated AUM. We estimate PAT (post MI) of ~INR3b in 2Q (vs. INR2.3b in 1QFY26).

Power Financiers: Muted loan growth; asset quality to remain broadly stable

- Disbursements among power financiers showed mixed trends. REC is expected to report healthy disbursement growth of around 20% YoY, whereas PFC is likely to see muted disbursement. Asset quality is expected to remain stable or improve, as there were no major resolutions or slippages during the quarter. PFC, however, would report TRN Energy as restructured (already reported by REC in 1Q) and benefit from provision write-backs in 2Q.
- For PFC, we expect disbursements to decline 5% YoY, leading to loan book growth of ~15% YoY/2.8% QoQ. For REC, we expect disbursement growth of ~20% YoY, which could result in loan book growth of ~10% YoY/3% QoQ.

Exhibit 1: Quarterly performance

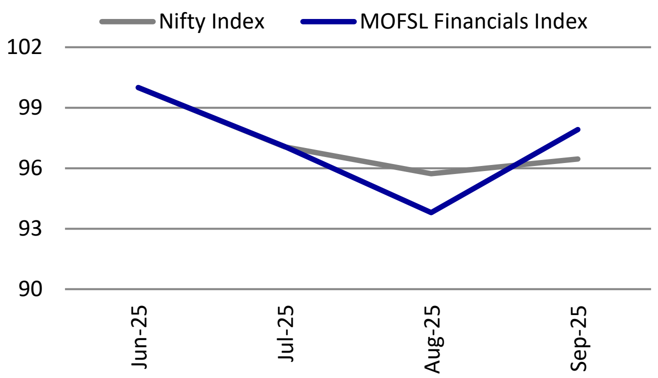
Name	CMP (INR)	Rating	NII (INR m)			PPOP (INR m)			NET PROFIT (INR m)		
			Sep-25	Var % YoY	Var % QoQ	Sep-25	Var % YoY	Var % QoQ	Sep-25	Var % YoY	Var % QoQ
AAVAS Financiers	1640	Neutral	2,831	17.1	2.0	2,049	5.2	7.6	1,524	3.0	9.4
Bajaj Finance	988	Neutral	1,07,528	21.7	5.1	88,534	21.2	4.3	48,881	21.8	2.6
Bajaj Housing	112	Neutral	9,369	31.3	5.7	8,486	19.1	6.3	6,218	14.0	6.6
Can Fin Homes	784	Neutral	3,760	10.7	3.6	3,180	10.5	4.6	2,386	12.8	6.6
Chola. Inv & Fin.	1606	Buy	33,313	22.8	4.6	24,462	27.3	1.4	11,324	17.6	-0.3
CreditAccess	1401	Buy	9,264	-0.7	2.3	6,713	-0.1	2.8	912	-51.0	51.6
Five-Star Business	535	Buy	6,036	16.9	4.5	4,300	13.2	6.8	2,837	5.9	6.5
Fusion Finance	193	Buy	2,664	-33.2	-2.4	1,003	-64.7	15.8	7	LP	LP
HDB Financial	770	Neutral	21,531	17.5	2.9	14,543	18.2	3.7	5,671	-4.0	-0.1
Home First Fin.	1235	Buy	2,095	33.8	8.0	1,797	42.5	6.8	1,291	39.9	8.5
IIFL Finance	452	Buy	13,720	2.4	6.0	9,199	7.8	5.9	2,961	LP	26.9
L&T Finance	259	Buy	23,697	8.8	4.0	16,716	5.1	6.1	7,246	4.0	3.4
LIC Housing Fin	577	Neutral	19,926	0.9	-3.5	17,885	2.7	-5.5	13,228	-0.5	-2.7
M & M Financial	273	Buy	21,123	16.7	5.0	14,436	20.7	6.7	5,024	36.0	-5.1
Manappuram Finance	287	Neutral	13,458	-17.7	-2.5	6,443	-37.6	-2.5	1,940	-66.1	46.4
MAS Financial	304	Buy	2,447	27.8	3.0	1,587	23.6	2.5	863	12.6	2.8
Muthoot Finance	3144	Neutral	34,433	36.7	-0.9	26,790	39.9	-3.9	19,085	52.5	-6.7
PFC	411	Buy	52,189	18.4	-4.6	63,259	18.7	30.9	53,512	22.4	18.9
PNB Housing	882	Buy	7,556	14.2	1.3	6,449	15.3	2.1	5,434	15.7	1.9
Poonawalla Fincorp	502	Buy	6,786	21.4	6.2	3,282	15.6	1.1	744	LP	18.8
REC	378	Buy	56,829	14.4	2.1	57,021	16.5	13.4	44,253	10.5	-0.6
Repco Home Fin	364	Neutral	1,843	11.3	1.5	1,470	7.5	2.4	1,089	-3.2	0.9
Shriram Finance	649	Buy	60,497	10.7	4.8	44,096	10.7	5.2	21,903	5.8	1.6
Spandana Sphoorty	254	Neutral	1,066	-69.4	-18.0	-565	PL	Loss	-2,419	Loss	Loss
NBFC – Lending (ex-Poonawalla)			**5,07,176**	**14.4**	**2.3**	**4,19,852**	**14.4**	**7.7**	**2,55,169**	**17.8**	**5.2**

Note: We have excluded Poonawalla for calculating NBFC coverage universe PAT as Poonawalla had huge losses in 2QFY25 due to one-time provisioning in STPL book.

Exhibit 2: Comparative valuations

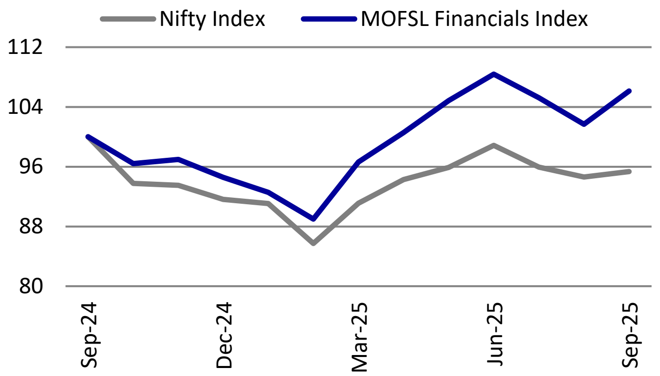
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NBFC - Lending						**16.3**	**13.5**	**11.0**	**2.4**	**2.1**	**1.8**	**15.0**	**15.7**	**16.6**
AAVAS Financiers	1,640	Neutral	80.3	97.6	117.4	20.4	16.8	14.0	2.6	2.3	1.9	13.6	14.4	14.9
Aditya Birla Cap	300	Buy	15.0	19.1	24.7	19.9	15.7	12.1	2.3	2.1	1.8	12.2	13.9	15.9
Bajaj Finance	988	Neutral	32.8	42.3	53.6	30.1	23.3	18.4	5.4	4.5	3.7	19.3	21.0	22.1
Bajaj Housing	112	Neutral	3.1	3.8	4.7	36.1	29.4	23.9	4.1	3.6	3.1	12.1	13.1	14.1
Can Fin Homes	784	Neutral	72.2	79.0	91.9	10.9	9.9	8.5	1.8	1.6	1.3	17.6	16.7	16.9
Chola. Inv & Fin.	1,606	Buy	61.3	79.0	97.5	26.2	20.3	16.5	4.5	3.7	3.0	19.4	19.9	20.2
CreditAccess	1,401	Buy	52.9	106.0	131.3	26.5	13.2	10.7	2.9	2.4	1.9	11.4	19.6	19.9
Five-Star Business	535	Buy	39.1	43.9	54.6	13.7	12.2	9.8	2.1	1.8	1.5	16.8	16.1	17.1
Fusion Finance	193	Buy	0.6	19.9	27.2	346.0	9.7	7.1	1.5	1.1	1.0	0.4	13.4	14.7
HDB Financial	770	Neutral	31.3	41.2	52.4	24.6	18.7	14.7	3.1	2.6	2.2	14.1	15.1	16.4
Home First Fin.	1,235	Buy	51.3	64.4	77.8	24.1	19.2	15.9	3.0	2.6	2.3	15.6	14.5	15.3
IIFL Finance	452	Buy	38.8	55.3	72.5	11.7	8.2	6.2	1.4	1.2	1.0	12.5	15.7	17.6
Indostar Capital	252	Buy	46.6	18.0	26.9	5.4	14.0	9.4	0.9	0.9	0.8	19.3	6.4	8.9
L&T Finance	259	Buy	12.0	16.1	20.3	21.5	16.0	12.7	2.3	2.1	1.8	11.2	13.6	15.3
LIC Housing Fin	577	Neutral	97.4	105.6	114.2	5.9	5.5	5.1	0.8	0.7	0.6	14.0	13.6	13.2
M & M Financial	273	Buy	18.4	23.3	27.3	14.8	11.7	10.0	1.5	1.4	1.3	11.5	12.6	13.4
Manappuram Finance	287	Neutral	10.4	18.8	24.7	27.4	15.2	11.6	1.7	1.6	1.4	6.9	11.1	12.7
MAS Financial	304	Buy	20.1	25.9	30.4	15.2	11.7	10.0	1.9	1.7	1.5	13.5	15.2	15.5
Muthoot Finance	3,144	Neutral	195.5	221.5	250.0	16.1	14.2	12.6	3.6	3.0	2.5	24.7	23.0	21.6
PFC	411	Buy	59.4	61.1	69.7	6.9	6.7	5.9	1.3	1.1	1.0	20.0	18.1	18.2
Piramal Enterprises	1,125	Neutral	63.7	105.4	169.1	17.7	10.7	6.7	0.9	0.8	0.8	5.2	8.1	11.9
PNB Housing	882	Buy	87.5	98.3	119.4	10.1	9.0	7.4	1.2	1.1	0.9	12.7	12.7	13.7
Poonawalla Fincorp	502	Buy	9.6	22.4	31.6	52.4	22.4	15.9	3.9	3.4	2.8	8.3	16.1	19.3
REC	378	Buy	68.4	72.9	90.7	5.5	5.2	4.2	1.1	0.9	0.8	21.4	19.6	21.0
Repco Home Fin	364	Neutral	69.9	73.6	84.4	5.2	4.9	4.3	0.6	0.5	0.5	12.4	11.7	12.0
Shriram Finance	649	Buy	49.4	59.9	71.3	13.1	10.8	9.1	1.9	1.7	1.4	15.4	16.4	17.1
Spandana Sphoorty	254	Neutral	-83.1	30.1	48.7	-3.1	8.4	5.2	1.0	0.9	0.7	-27.7	11.1	15.1

Exhibit 3: Relative performance — three months (%)



Source: Bloomberg, MOFSL

Exhibit 4: Relative performance — one year (%)



Source: Bloomberg, MOFSL

Exhibit 5: EPS estimate changes for FY26/FY27

	Old Estimates		New Estimates		Change (%)	
Company	**FY26**	**FY27**	**FY26**	**FY27**	**FY26**	**FY27**
AAVAS	82.5	100.5	80.3	97.6	-2.7	-2.9
BAF	33.0	42.4	32.9	42.6	-0.5	0.5
Bajaj Housing	3.0	3.8	3.1	3.8	1.8	-0.1
CANF	71.1	77.5	72.2	79.0	1.5	1.9
CIFC	62.1	78.7	61.3	79.0	-1.2	0.3
CREDAG	52.6	108.3	52.9	106.0	0.4	-2.1
Five Star Business	38.6	46.5	39.1	43.9	1.1	-5.5
FUSION	0.0	20.8	0.6	19.9	-	-4.3
HomeFirst	51.2	64.6	51.7	64.2	0.9	-0.6
HDB Financial	31.8	42.5	31.3	41.2	-1.7	-3.1
IIFL Fin	38.8	55.3	35.6	54.9	-8.4	-0.8
LTFH	12.5	16.5	12.0	16.1	-3.8	-2.3
LICHF	96.7	103.7	97.4	105.6	0.7	1.8
MMFSL	19.1	24.8	18.4	23.3	-3.5	-5.9
MASFIN	20.1	25.9	19.4	25.5	-3.2	-1.5
Muthoot	195.3	213.7	195.5	221.5	0.1	3.7
MGFL	10.7	19.5	10.4	18.8	-2.8	-3.8
PNBHF	88.6	102.1	87.5	98.3	-1.3	-3.8
PFC	59.4	61.1	59.4	61.1	-	-
PFL	9.6	22.4	8.7	22.4	-9.4	-
REC	68.4	72.9	68.4	72.9	-	-
REPCO	69.4	73.1	69.9	73.6	0.8	0.6
SHFL	49.9	59.9	49.4	59.9	-0.8	-
SPANDANA	-83.1	30.1	-83.1	30.1	-	-

Exhibit 6: Margin trends for MOFSL NBFC Coverage Universe (%)

Name of the company	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26E	YoY (bp)	QoQ (bp)
AAVAS	6.6	6.7	6.9	6.8	6.8	20	-1
BAF	9.7	9.7	9.6	9.5	9.5	-18	-1
Bajaj Housing	3.4	3.5	3.4	3.4	3.3	-8	-6
CANF	3.8	3.7	3.7	3.8	3.8	6	6
CIFC	6.8	6.8	6.8	6.8	6.8	3	5
Credag	14.5	13.8	13.8	13.9	14.2	-32	26
Five Star	19.4	19.5	19.4	19.0	19.0	-37	6
Fusion	15.1	9.1	12.2	14.4	15.3	19	89
HomeFirst	5.2	4.9	5.1	5.2	5.4	22	23
HDB Financial	7.5	7.5	7.6	7.7	7.8	24	5
IIFL Fin	7.8	7.1	7.0	6.4	6.3	-157	-11
LTHF	11.2	10.8	10.0	10.5	10.5	-67	3
LICHF	2.7	2.7	2.9	2.7	2.6	-16	-13
MMFSL	6.6	6.7	6.6	6.7	6.8	17	13
MGFL	14.8	14.4	13.5	12.8	12.3	-249	-58
MASFIN	7.2	7.2	7.6	7.7	7.7	50	-6
Muthoot	11.8	11.9	11.7	12.6	11.3	-50	-129
PNBHF	3.6	3.6	3.7	3.7	3.6	3	-5
PFC	3.6	3.8	4.5	3.9	3.7	10	-26
PFL	8.0	7.8	7.8	7.7	7.7	-29	-5
REC	3.7	3.7	4.3	3.8	3.8	13	-4
REPCO	5.4	5.6	5.3	5.4	5.5	6	11
SFL	9.2	9.0	8.6	8.6	8.7	-44	10
Spandana	14.0	13.1	12.3	10.5	10.7	-324	22

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Aavas Financiers — Neutral

CMP: INR1,640| TP: INR1,800 (+10%) — **EPS CHANGE (%): FY26|27: -2.7|-2.9**

- AUM/disbursements are likely to grow ~17%/21% YoY.
- We expect NIM to remain broadly stable. Upfront assignment income is estimated at ~INR485m.
- Asset quality is expected to remain largely stable, and credit costs are likely to remain benign.
- Commentaries on loan growth and margin trajectory are the key monitorables.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	4,797	4,906	5,121	5,353	5,489	5,599	5,816	6,114	20,177	23,019
Interest Expenses	2,352	2,489	2,587	2,647	2,713	2,768	2,837	2,937	10,075	11,256
Net Income	**2,446**	**2,418**	**2,533**	**2,705**	**2,776**	**2,831**	**2,979**	**3,176**	**10,102**	**11,763**
YoY Growth (%)	8	9	15	14	14	17	18	17	11	16
Other income	628	898	859	1,022	790	878	984	1,104	3,407	3,755
Total Income	**3,074**	**3,316**	**3,392**	**3,728**	**3,566**	**3,709**	**3,963**	**4,280**	**13,509**	**15,519**
YoY Growth (%)	10	13	16	15	16	12	17	15	13	15
Operating Expenses	1,379	1,368	1,447	1,719	1,662	1,660	1,774	1,949	5,912	7,045
YoY Growth (%)	3	5	7	20	21	21	23	13	9	19
Operating Profits	**1,695**	**1,948**	**1,945**	**2,009**	**1,904**	**2,049**	**2,189**	**2,331**	**7,597**	**8,473**
YoY Growth (%)	16	19	23	10	12	5	13	16	17.1	11.5
Provisions	86	48	61	76	113	96	99	60	271	367
Profit before Tax	**1,609**	**1,900**	**1,884**	**1,932**	**1,791**	**1,953**	**2,091**	**2,271**	**7,326**	**8,106**
Tax Provisions	348	421	420	395	399	430	460	465	1,585	1,754
Profit after tax	**1,261**	**1,479**	**1,464**	**1,537**	**1,392**	**1,524**	**1,631**	**1,806**	**5,741**	**6,352**
YoY Growth (%)	15	22	26	8	10	3	11	18	17.0	10.6

Bajaj Finance — Neutral

CMP INR988| TP: INR1,090 (+10%) — **EPS CHANGE (%): FY26|27: -0.5|0.5**

- BAF is expected to deliver AUM growth of 23% YoY/ 4.5% QoQ.
- Margin is likely remain stable QoQ at ~9.55%.
- Credit costs are expected to remain broadly stable QoQ at ~2%.
- Commentaries on NIM trajectory and credit costs are the key monitorables.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	1,40,492	1,49,870	1,57,682	1,63,591	1,71,447	1,79,333	1,88,300	1,98,445	6,11,636	7,37,524
Interest expenses	56,839	61,493	63,856	65,520	69,177	71,806	74,965	78,784	2,47,708	2,94,731
Net Interest Income	**83,653**	**88,377**	**93,826**	**98,072**	**1,02,270**	**1,07,528**	**1,13,335**	**1,19,661**	**3,63,928**	**4,42,793**
YoY Growth (%)	24.5	22.8	22.6	22.4	22.3	21.7	20.8	22.0	23.0	21.7
Other Operating Income	20,531	21,084	22,901	21,096	23,831	23,886	25,307	24,547	85,612	97,571
Net Income	**1,04,185**	**1,09,461**	**1,16,727**	**1,19,168**	**1,26,101**	**1,31,413**	**1,38,642**	**1,44,208**	**4,49,540**	**5,40,363**
YoY Growth (%)	24.1	23.8	25.5	22.7	21.0	20.1	18.8	21.0	24.0	20.2
Operating Expenses	34,709	36,390	38,670	39,493	41,230	42,879	45,023	47,498	1,49,261	1,76,631
Operating Profit	**69,475**	**73,071**	**78,057**	**79,675**	**84,871**	**88,534**	**93,619**	**96,709**	**3,00,279**	**3,63,732**
YoY Growth (%)	25.3	25.2	27.1	24.3	22.2	21.2	19.9	21.4	25.5	21.1
Provisions and Cont.	16,847	19,091	20,433	23,289	21,202	22,568	23,341	22,568	79,660	89,679
Profit before Tax	**52,654**	**54,015**	**57,624**	**56,474**	**63,676**	**65,966**	**70,277**	**74,142**	**2,20,796**	**2,74,054**
Tax Provisions	13,534	13,877	14,572	11,018	16,023	17,085	18,202	18,574	53,002	69,884
Net Profit	**39,120**	**40,137**	**43,052**	**45,456**	**47,653**	**48,881**	**52,075**	**55,568**	**1,67,795**	**2,04,170**
YoY Growth (%)	13.8	13.0	18.3	18.9	21.8	21.8	21.0	22.2	16.0	21.8

Bajaj Housing Finance — Neutral

CMP INR112| TP: INR120 (+7%) **EPS CHANGE (%): FY26|27: 1.8|-0.1**

- BHFL reported AUM growth of 24% YoY/ 5% QoQ.
- Margin is likely remain broadly stable QoQ at ~3.45%.
- Credit costs are expected to remain benign at 20bp in 2QFY26.
- Commentaries on NIM trajectory and loan growth are the key monitorables.

Quarterly performance

Particulars	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	20,635	22,269	23,220	23,737	24,926	26,023	27,064	28,068	89,862	1,06,080
Interest expense	13,988	15,137	15,159	15,509	16,060	16,654	17,320	17,963	59,793	67,996
Net interest income	**6,648**	**7,133**	**8,060**	**8,228**	**8,866**	**9,369**	**9,744**	**10,105**	**30,069**	**38,083**
Growth YoY (%)	*9.7*	*13.0*	*24.9*	*30.9*	*33.4*	*31.3*	*20.9*	*22.8*	*19.7*	*26.7*
Other operating income	1,452	1,833	1,270	1,343	1,259	1,332	1,489	1,579	5,898	5,659
Net total income	**8,100**	**8,966**	**9,331**	**9,571**	**10,125**	**10,701**	**11,233**	**11,684**	**35,967**	**43,743**
Growth YoY (%)	*15.3*	*17.9*	*25.1*	*33.4*	*25.0*	*19.4*	*20.4*	*22.1*	*23.0*	*21.6*
Operating expenses	1,701	1,840	1,846	2,078	2,145	2,233	2,267	2,155	7,464	8,799
Operating profits	**6,399**	**7,126**	**7,485**	**7,493**	**7,980**	**8,468**	**8,966**	**9,528**	**28,503**	**34,943**
Growth YoY (%)	*20.1*	*20.1*	*30.8*	*43.1*	*24.7*	*18.8*	*19.8*	*27.2*	*28.3*	*22.6*
Provisions	100	50	355	296	411	463	488	670	801	2,032
Profit before tax	**6,299**	**7,076**	**7,130**	**7,198**	**7,569**	**8,005**	**8,478**	**8,858**	**27,702**	**32,911**
Tax expenses	1,473	1,620	1,650	1,331	1,736	1,801	1,908	1,729	6,073	7,175
Net profit	**4,826**	**5,456**	**5,480**	**5,867**	**5,833**	**6,204**	**6,571**	**7,129**	**21,629**	**25,736**
Growth YoY (%)	*4.5*	*20.9*	*25.4*	*53.8*	*20.9*	*13.7*	*19.9*	*21.5*	*24.9*	*19.0*

Can Fin Homes — Neutral

CMP INR784 | TP: INR870 (+11%) **EPS CHANGE (%): FY26|27: 1.5|1.9**

- Estimate loan book to grow ~9% YoY.
- Spreads are expected to expand ~5bp QoQ to ~3.2%.
- Margin is expected to expand ~5bp QoQ to 3.8%.
- Commentaries on loan growth and outlook on NIM in a declining rate environment are the key monitorables.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	9,242	9,553	9,803	9,829	10,111	10,262	10,457	10,732	38,426	41,562
Interest Expenses	6,027	6,155	6,356	6,343	6,483	6,503	6,600	6,712	24,882	26,297
Net Interest Income	**3,214**	**3,398**	**3,447**	**3,485**	**3,628**	**3,760**	**3,857**	**4,020**	**13,544**	**15,265**
YoY Growth (%)	12.7	7.3	4.8	6.3	12.9	10.7	11.9	15.4	7.6	12.7
Other income	70	74	58	168	93	97	70	168	370	429
Total Income	**3,284**	**3,472**	**3,506**	**3,653**	**3,721**	**3,857**	**3,927**	**4,189**	**13,915**	**15,693**
YoY Growth (%)	12.8	7.6	4.4	6.3	13.3	11.1	12.0	14.7	7.6	12.8
Operating Expenses	488	594	593	707	682	677	716	734	2,382	2,809
YoY Growth (%)	12.3	13.3	20.0	-1.7	39.7	14.0	20.8	3.8	9.6	17.9
Operating Profits	**2,796**	**2,878**	**2,913**	**2,946**	**3,039**	**3,180**	**3,211**	**3,455**	**11,532**	**12,885**
YoY Growth (%)	12.9	6.5	1.7	8.4	8.7	10.5	10.2	17.3	7.2	11.7
Provisions	245	137	221	154	263	140	145	110	758	657
Profit before Tax	**2,551**	**2,741**	**2,691**	**2,792**	**2,776**	**3,040**	**3,066**	**3,345**	**10,775**	**12,228**
Tax Provisions	555	626	570	452	538	654	662	763	2,203	2,617
Profit after tax	**1,996**	**2,115**	**2,121**	**2,339**	**2,239**	**2,386**	**2,404**	**2,582**	**8,572**	**9,611**
YoY Growth (%)	8.8	33.8	6.0	11.9	12.1	12.8	13.3	10.4	14.2	12.1

Cholamandalam Inv. & Fin. — Buy

CMP INR1,606 | | TP: INR1,840 (+15%) **EPS CHANGE (%): FY26|27: -1.2|0.3**

- Estimate business AUM to grow at ~21% YoY.
- Margin is likely to expand ~5bp QoQ to 6.8%.
- Credit costs are expected to remain stable QoQ at ~1.9%.
- Guidance on margins, loan growth, and asset quality of new businesses is expected to be closely monitored.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	53,695	57,680	61,587	64,180	66,501	68,496	71,304	75,240	2,37,200	2,81,541
Interest Expenses	27,957	30,551	32,718	33,623	34,663	35,182	35,921	36,897	1,24,849	1,42,663
Net Interest Income	**25,738**	**27,128**	**28,869**	**30,557**	**31,838**	**33,313**	**35,383**	**38,344**	**1,12,351**	**1,38,878**
YoY Growth (%)	*39.7*	*34.6*	*33.0*	*29.8*	*23.7*	*22.8*	*22.6*	*25.5*	*34.0*	*23.6*
Other Income	4,595	5,248	6,537	7,027	6,807	7,329	8,254	9,091	23,348	31,481
Total Income	**30,333**	**32,376**	**35,406**	**37,584**	**38,645**	**40,643**	**43,637**	**47,434**	**1,35,699**	**1,70,359**
YoY Growth (%)	*42.6*	*36.8*	*37.2*	*29.0*	*27.4*	*25.5*	*23.2*	*26.2*	*35.9*	*25.5*
Operating Expenses	11,834	13,155	14,130	14,269	14,528	16,181	17,380	17,900	53,388	65,989
Operating Profit	**18,499**	**19,221**	**21,276**	**23,315**	**24,117**	**24,462**	**26,257**	**29,534**	**82,311**	**1,04,370**
YoY Growth (%)	*38.1*	*35.3*	*40.4*	*43.2*	*30.4*	*27.3*	*23.4*	*26.7*	*39.4*	*26.8*
Provisions & Loan Losses	5,814	6,235	6,640	6,253	8,821	9,200	8,200	7,222	24,943	33,443
Profit before Tax	**12,685**	**12,986**	**14,636**	**17,062**	**15,296**	**15,262**	**18,057**	**22,312**	**57,369**	**70,927**
Tax Provisions	3,263	3,355	3,771	4,395	3,937	3,938	4,659	5,744	14,783	18,277
Net Profit	**9,422**	**9,631**	**10,865**	**12,667**	**11,359**	**11,324**	**13,398**	**16,568**	**42,585**	**52,650**
YoY Growth (%)	*29.8*	*26.3*	*24.0*	*19.7*	*20.6*	*17.6*	*23.3*	*30.8*	*24.4*	*23.6*

CreditAccess Grameen Ltd. — Buy

CMP INR1,401| | TP: INR1,650 (+18%) **EPS CHANGE (%): FY26|27: 0.4|-2.1**

- CREDAG is expected to report flat AUM growth QoQ in 2QFY26.
- Margin is likely to expand ~25bp QoQ to 14.2%.
- Credit costs are projected to dip ~45bp QoQ to ~8.4%.
- Guidance on credit costs and GLP growth to be keenly monitored.

CREDAG: Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	14,372	14,177	13,376	13,543	13,881	14,047	14,625	15,933	55,468	58,487
Interest Expenses	5,103	4,846	4,749	4,778	4,822	4,783	4,903	5,154	19,476	19,662
Net Interest Income	**9,268**	**9,331**	**8,628**	**8,765**	**9,060**	**9,264**	**9,722**	**10,779**	**35,992**	**38,825**
YoY Growth (%)	*28.7*	*22.2*	*7.5*	*-0.5*	*-2.3*	*-0.7*	*12.7*	*23.0*	*13.6*	*7.9*
Other Income	754	362	443	535	755	780	853	698	2,094	3,087
Total Income	**10,023**	**9,693**	**9,071**	**9,299**	**9,815**	**10,045**	**10,575**	**11,477**	**38,086**	**41,912**
YoY Growth (%)	*27.5*	*17.7*	*6.2*	*-4.8*	*-2.1*	*3.6*	*16.6*	*23.4*	*10.7*	*10.0*
Operating Expenses	2,929	2,972	2,841	2,959	3,285	3,332	3,490	3,801	11,702	13,893
Operating Profit	**7,093**	**6,721**	**6,229**	**6,340**	**6,530**	**6,713**	**7,085**	**7,676**	**26,384**	**28,019**
YoY Growth (%)	*30*	*19*	*4*	*-7*	*-8*	*0*	*14*	*21*	*10*	*6*
Provisions & Loan Losses	1,746	4,202	7,519	5,829	5,719	5,490	3,019	2,533	19,295	16,761
Profit before Tax	**5,347**	**2,520**	**-1,289**	**511**	**811**	**1,223**	**4,066**	**5,143**	**7,089**	**11,258**
Tax Provisions	1,371	659	-294	39	209	311	1,033	1,262	1,775	2,815
Net Profit	**3,977**	**1,861**	**-995**	**472**	**602**	**912**	**3,033**	**3,881**	**5,314**	**8,444**
YoY Growth (%)	*14.1*	*-46.4*	*-128.2*	*-88.1*	*-84.9*	*-51.0*	*-404.8*	*722.2*	*-63.2*	*58.9*

Five Star Business Finance — Buy

CMP INR535| | TP: INR650 (+22%) **EPS CHANGE (%): FY26|27: 1.1|-5.5**

- Estimate AUM growth of ~18% YoY.
- Margin is likely to expand ~5bp QoQ to 19.05%.
- Credit costs are projected to rise ~7bp QoQ to ~1.4%.
- Outlook on asset quality, guidance on loan growth, and credit costs are expected to be closely monitored.

FIVE STAR BUSINESS: Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	6,411	6,793	7,112	7,347	7,647	7,907	8,160	8,528	27,663	32,242
Interest Expenses	1,582	1,631	1,714	1,753	1,873	1,871	1,946	2,086	6,680	7,776
Net Interest Income	**4,829**	**5,161**	**5,399**	**5,594**	**5,774**	**6,036**	**6,214**	**6,443**	**20,983**	**24,466**
YoY Growth (%)	*31.4*	*29.6*	*28.3*	*21.2*	*19.6*	*16.9*	*15.1*	*15.2*	*27.3*	*16.6*
Other Income	283	266	198	250	265	289	283	272	997	1,109
Total Income	**5,112**	**5,427**	**5,597**	**5,844**	**6,039**	**6,324**	**6,497**	**6,715**	**21,980**	**25,575**
YoY Growth (%)	*32.0*	*30.3*	*26.8*	*21.4*	*18.1*	*16.5*	*16.1*	*14.9*	*27.3*	*16.4*
Operating Expenses	1,565	1,627	1,713	1,880	2,012	2,024	2,090	2,205	6,785	8,330
Operating Profit	**3,547**	**3,800**	**3,884**	**3,964**	**4,027**	**4,300**	**4,407**	**4,511**	**15,196**	**17,245**
YoY Growth (%)	*35.9*	*36.9*	*29.4*	*19.2*	*13.5*	*13.2*	*13.4*	*13.8*	*29.7*	*13.5*
Provisions & Loan Losses	185	218	233	254	478	518	467	430	890	1,893
Profit before Tax	**3,362**	**3,582**	**3,651**	**3,711**	**3,550**	**3,782**	**3,940**	**4,080**	**14,306**	**15,352**
Tax Provisions	846	903	913	919	886	946	993	1,029	3,581	3,853
Net Profit	**2,516**	**2,679**	**2,739**	**2,791**	**2,663**	**2,837**	**2,947**	**3,052**	**10,725**	**11,499**
YoY Growth (%)	37	34	26	18	6	6	8	9	*28.3*	*7.2*

Fusion Microfinance — Buy

CMP INR193 | TP: INR240 (+24%) **EPS CHANGE (%): FY26|27: -|-4.3**

- Estimate AUM to decline ~ 37% YoY/5% QoQ.
- Margin is likely to expand ~90bp QoQ to ~15.3%.
- Annualized credit costs are projected at ~5.7% in 2QFY26.
- Guidance on credit costs, margins, and disbursement trajectory is expected to be closely monitored.

Fusion: Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	6,213	6,261	4,382	4,487	4,219	3,974	3,895	3,876	21,342	15,964
Interest Expenses	2,234	2,274	2,137	1,794	1,489	1,310	1,219	1,304	8,439	5,322
Net Interest Income	**3,979**	**3,987**	**2,245**	**2,693**	**2,730**	**2,664**	**2,676**	**2,572**	**12,904**	**10,642**
YoY Growth (%)	*34.6*	*30.4*	*-33.7*	*-25.4*	*-31.4*	*-33.2*	*19.2*	*-4.5*	*-0.8*	*-17.5*
Other Income	854	776	443	273	237	377	474	548	2,347	1,635
Total Income	**4,833**	**4,764**	**2,688**	**2,966**	**2,967**	**3,041**	**3,150**	**3,119**	**15,250**	**12,277**
YoY Growth (%)	*30.9*	*25.3*	*-34.7*	*-35.6*	*-38.6*	*-36.2*	*17.2*	*5.2*	*-6.0*	*-19.5*
Operating Expenses	1,855	1,925	2,041	2,065	2,101	2,038	1,964	1,921	7,886	8,024
Operating Profit	**2,978**	**2,838**	**648**	**901**	**866**	**1,003**	**1,186**	**1,198**	**7,365**	**4,253**
YoY Growth (%)	*26.5*	*17.4*	*-75.1*	*-69.0*	*-70.9*	*-64.7*	*83.2*	*33.0*	*-28.4*	*-42.2*
Provisions & Loan Losses	3,485	6,941	5,723	2,547	1,789	993	774	612	18,695	4,167
Profit before Tax	**-507**	**-4,102**	**-5,075**	**-1,646**	**-923**	**10**	**412**	**587**	**-11,330**	**86**
Tax Provisions	-151	-1,052	2,118	0	0	2	21	-10	915	13
Net Profit	**-356**	**-3,050**	**-7,193**	**-1,646**	**-923**	**7**	**391**	**597**	**-12,245**	**73**
YoY Growth (%)	*-130*	*-343*	*-669*	*-224*	*159*	*-100*	*-105*	*-136*	*-342*	*-100.6*

Home First Finance Company **Buy**

CMP INR1,235| TP: INR1,530 (+24%) **EPS CHANGE (%): FY26|27: 0.9|-0.6**

- Estimate AUM growth of ~27% YoY/6% QoQ.
- Margin is projected to expand ~10bp QoQ in 2QFY26.
- Cost/income ratio is expected to improve ~70bp QoQ to ~33.3%.
- The outlook on margins and credit costs is a key monitorable.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	3,032	3,322	3,558	3,629	3,944	4,104	4,311	4,529	13,540	16,864
Interest expenses	1,568	1,756	1,926	1,903	2,003	2,009	2,035	2,090	7,153	8,137
Net Interest Income	**1,464**	**1,566**	**1,631**	**1,726**	**1,941**	**2,095**	**2,276**	**2,439**	**6,388**	**8,727**
YoY Growth (%)	17.5	18.6	21.4	26.2	32.6	33.8	39.5	41.3	21.0	36.6
Other Income	382	421	517	533	609	600	627	672	1,852	2,508
Net Income	**1,846**	**1,987**	**2,148**	**2,259**	**2,550**	**2,695**	**2,903**	**3,111**	**8,239**	**11,234**
YoY Growth (%)	20.6	23.4	25.8	31.4	38.2	35.7	35.1	37.7	25.5	36.4
Operating Expenses	655	726	752	803	868	898	975	1,032	2,936	3,774
Operating Profit	**1,191**	**1,261**	**1,396**	**1,456**	**1,682**	**1,797**	**1,928**	**2,078**	**5,304**	**7,461**
YoY Growth (%)	21.9	20.7	27.2	28.3	41.2	42.5	38.1	42.7	24.7	40.7
Provisions and Cont.	56	57	98	77	117	110	110	109	288	446
Profit before Tax	**1,135**	**1,204**	**1,298**	**1,379**	**1,565**	**1,687**	**1,818**	**1,969**	**5,016**	**7,015**
Tax Provisions	258	281	324	332	376	396	436	475	1,195	1,684
Net Profit	**878**	**922**	**974**	**1,047**	**1,189**	**1,291**	**1,382**	**1,494**	**3,821**	**5,331**
YoY Growth (%)	27.0	24.1	23.5	25.4	35.5	39.9	41.9	42.7	25.0	39.5

HDB Financial services limited **Neutral**

CMP INR770| TP: INR850 (+10%) **EPS CHANGE (%): FY26|27: -1.8|-3.2**

- Estimate AUM growth of ~13% YoY/2% QoQ.
- Margin is projected to expand ~5bp QoQ in 2QFY26.
- Credit cost is expected to increase ~10bp QoQ to 2.6%
- The outlook on disbursements, loan growth and credit costs is a key monitorable.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	32,646	34,310	35,169	36,233	38,315	39,120	40,176	41,475	1,38,358	1,59,086
Interest Expenses	14,964	15,985	16,448	16,505	17,397	17,588	17,764	17,768	63,902	70,518
Net Interest Income	**17,682**	**18,325**	**18,721**	**19,728**	**20,918**	**21,531**	**22,412**	**23,707**	**74,456**	**88,568**
YoY Growth (%)	*17.8*	*21.2*	*17.1*	*17.3*	*18.3*	*17.5*	*19.7*	*20.2*	*18.3*	*19.0*
Other Income	6,192	5,758	6,267	6,428	6,339	6,371	6,836	7,209	12,478	14,466
Total Income	**23,874**	**24,083**	**24,988**	**26,156**	**27,257**	**27,902**	**29,247**	**30,916**	**86,934**	**1,03,034**
YoY Growth (%)	*3.2*	*2.2*	*6.5*	*14.2*	*14.2*	*15.9*	*17.0*	*18.2*	*18.2*	*18.5*
Operating Expenses	11,912	11,782	12,223	12,776	13,235	13,359	13,817	14,425	37,239	43,127
Operating Profit	**11,962**	**12,301**	**12,765**	**13,380**	**14,022**	**14,543**	**15,430**	**16,491**	**49,695**	**59,907**
YoY Growth (%)	*16.5*	*13.6*	*12.1*	*19.1*	*17.2*	*18.2*	*20.9*	*23.3*	*17.9*	*20.5*
Provisions & Loan Losses	4,125	4,310	6,357	6,338	6,697	7,130	6,268	5,824	21,130	25,919
Profit before Tax	**7,837**	**7,991**	**6,408**	**7,042**	**7,325**	**7,413**	**9,162**	**10,667**	**28,565**	**33,988**
Tax Provisions	2,020	2,081	1,685	1,733	1,648	1,742	2,336	2,916	7,519	8,642
Net Profit	**5,817**	**5,910**	**4,723**	**5,309**	**5,677**	**5,671**	**6,826**	**7,752**	**21,046**	**25,346**
YoY Growth (%)	*2.6*	*-1.6*	*-25.8*	*-19.1*	*-2.4*	*-4.0*	*44.5*	*46.0*	*-8.6*	*20.4*

IIFL Finance — Buy

CMP INR452 | TP: INR550 (+22%) — **EPS CHANGE (%): FY26|27: -8.4|-0.8**

- Estimate consol. AUM growth of ~36% YoY to INR909b.
- Credit costs are expected to rise ~40bp QoQ to ~3.2%.
- Cost ratios are expected to decline to ~47.3%. (PQ: ~48%)
- Outlook on the gold loan business, loan growth, and margins is the key monitorable.

IIFL Finance (Consolidated): Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	24,721	23,181	22,308	24,833	25,835	27,902	30,134	30,642	95,043	1,14,513
Interest Expenses	10,340	9,788	9,957	11,694	12,888	13,584	14,059	16,224	41,695	56,756
Net Interest Income	**14,381**	**13,394**	**12,352**	**13,139**	**12,947**	**14,318**	**16,074**	**14,418**	**53,348**	**57,757**
YoY Growth (%)	*9.7*	*-6.0*	*-21.6*	*-20.2*	*-10.0*	*6.9*	*30.1*	*9.7*	*-10.4*	*8.3*
Other Income	-43	2,467	1,051	810	3,758	3,728	3,500	3,558	4,202	14,543
Total Income	**14,338**	**15,861**	**13,402**	**13,949**	**16,705**	**18,045**	**19,574**	**17,976**	**57,550**	**72,301**
YoY Growth (%)	*-1*	*-2*	*-21*	*-10*	*17*	*14*	*46*	*29*	*-8.5*	*25.6*
Operating Expenses	7,461	7,329	7,478	7,367	8,017	8,248	8,566	9,099	29,634	33,931
Operating Profit	**6,878**	**8,531**	**5,925**	**6,582**	**8,688**	**9,199**	**10,282**	**10,200**	**27,916**	**38,369**
YoY Growth (%)	*-14.9*	*-8.9*	*-38.2*	*-16.6*	*26.3*	*7.8*	*73.5*	*55.0*	*-19.9*	*37.4*
Provisions & Loan Losses	2,516	4,063	4,914	3,487	5,125	4,817	3,613	3,415	14,980	16,969
Profit before Tax	**4,362**	**4,468**	**1,011**	**3,095**	**3,563**	**4,382**	**6,670**	**6,786**	**7,070**	**21,400**
Exceptional items		-5,865				0				
Tax Provisions	980	-466	193	581	821	1,017	1,547	1,313	1,289	4,698
PAT (Pre NCI)	**3,382**	**-931**	**818**	**2,514**	**2,742**	**3,365**	**5,122**	**5,473**	**5,782**	**16,702**
NCI	501	646	410	437	408	404	436	351	1,994	1,600
PAT (Post NCI)	**2,881**	**-1,577**	**408**	**2,077**	**2,334**	**2,961**	**4,686**	**5,122**	**3,788**	**15,102**
YoY Growth (%)	*-32*	*-133*	*-92*	*-44*	*-19*	*-288*	*1,049*	*147*	*-79*	*299*

L&T Finance — Buy

CMP INR259| TP: INR300 (+16%) — **EPS CHANGE (%): FY26|27: -3.8 |-2.3**

- LTF reported retail loan growth of ~17% YoY.
- Anticipate credit costs to rise ~15bp QoQ to ~2.7% (annualized) in 2QFY26.
- NIM is expected remain broadly stable QoQ at ~10.5%.
- Outlook on the MFI business is the key monitorable.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	34,526	36,544	38,064	37,499	39,145	40,300	41,952	43,956	1,46,633	1,65,353
Interest Expenses	13,514	14,763	15,692	15,998	16,357	16,603	17,151	17,945	59,968	68,055
Net Interest Income	**21,012**	**21,781**	**22,371**	**21,501**	**22,788**	**23,697**	**24,801**	**26,011**	**86,665**	**97,297**
Change YoY (%)	19.9	18.1	14.6	8.2	8.4	8.8	10.9	21.0	15.0	12.3
Other Operating Income	3,318	3,649	2,912	2,730	3,451	3,800	4,150	4,564	12,610	15,104
Net Operating Income	**24,330**	**25,431**	**25,283**	**24,231**	**26,238**	**27,497**	**28,951**	**30,575**	**99,275**	**1,12,401**
Change YoY (%)	30.8	34.6	16.0	3.7	7.8	8.1	14.5	26.2	21.0	13.2
Other income	2	47	76	43	0	42	49	101	167	193
Total Income	**24,332**	**25,477**	**25,359**	**24,274**	**26,239**	**27,539**	**29,000**	**30,676**	**99,442**	**1,12,593**
Change YoY (%)	20.9	18.1	13.8	3.6	7.8	8.1	14.4	26.4	14.6	13.2
Operating Expenses	9,656	9,578	10,578	10,034	10,486	10,823	11,424	12,240	39,846	44,973
Change YoY (%)	24.1	11.4	18.9	2.4	8.6	13.0	8.0	22.0	13.6	12.9
Operating Profits	**14,676**	**15,899**	**14,781**	**14,240**	**15,753**	**16,716**	**17,576**	**18,436**	**59,597**	**67,620**
Change YoY (%)	18.9	22.5	10.5	4.6	7.3	5.1	18.9	29.5	15.3	13.5
Provisions	5,453	6,504	6,542	6,185	6,320	7,054	7,092	7,613	24,684	28,079
Profit before Tax	**9,223**	**9,396**	**8,239**	**8,055**	**9,432**	**9,662**	**10,485**	**10,823**	**34,913**	**39,541**
Tax Provisions	2,370	2,429	1,983	1,697	2,424	2,415	2,516	2,253	8,478	9,609
Profit after tax	**6,855**	**6,967**	**6,257**	**6,358**	**7,008**	**7,246**	**7,969**	**8,570**	**26,434**	**29,933**
Change YoY (%)	29	17	-2	15	2	4	27	35	14	13

LIC Housing Finance — Neutral

CMP INR577 | TP: INR640 (+11%) **EPS CHANGE (%): FY26|27: 0.7|1.8**

- Expect loan growth of ~7% YoY with a fairly stable mix.
- Estimate annualized credit costs of ~20bp in 2QFY26.
- Yields and margins are expected to decline on a sequential basis.
- Commentaries on mortgage demand and guidance on margins and loan growth are the key monitorables.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	67,391	68,534	69,516	71,173	71,131	70,348	70,700	71,698	2,76,615	2,83,876
Interest Expenses	47,501	48,796	49,515	49,508	50,473	50,422	50,674	49,916	1,95,320	2,01,486
Net Interest Income	**19,891**	**19,739**	**20,001**	**21,664**	**20,658**	**19,926**	**20,025**	**21,782**	**81,295**	**82,391**
YoY Growth (%)	-10.0	-6.3	-4.6	-3.2	3.9	0.9	0.1	0.5	-6.0	1.3
Fees and other income	446	784	1,057	1,661	1,201	1,375	1,480	1,349	3,948	5,405
Net Income	**20,337**	**20,522**	**21,059**	**23,326**	**21,859**	**21,300**	**21,506**	**23,131**	**85,243**	**87,796**
YoY Growth (%)	-9.7	-4.9	-1.9	2.0	7.5	3.8	2.1	-0.8	-3.6	3.0
Operating Expenses	2,621	3,105	3,564	4,536	2,938	3,416	3,849	4,390	13,826	14,593
Operating Profit	**17,715**	**17,417**	**17,495**	**18,790**	**18,920**	**17,885**	**17,657**	**18,741**	**71,416**	**73,202**
YoY Growth (%)	-11.9	-8.3	-7.2	-1.3	6.8	2.7	0.9	-0.3	-7.2	2.5
Provisions and Cont.	1,431	773	-440	1,094	1,929	1,350	1,215	841	2,858	5,335
Profit before Tax	**16,285**	**16,644**	**17,934**	**17,696**	**16,992**	**16,535**	**16,441**	**17,900**	**68,558**	**67,867**
Tax Provisions	3,282	3,355	3,615	4,016	3,392	3,307	3,453	4,100	14,268	14,252
Net Profit	**13,002**	**13,289**	**14,320**	**13,680**	**13,599**	**13,228**	**12,989**	**13,800**	**54,290**	**53,615**
YoY Growth (%)	-2	12	23	25	5	0	-9	1	14	-1

Mahindra Financial Services — Buy

CMP INR273| TP: INR315 (+16%) **EPS CHANGE (%): FY26|27: -3.5|-5.9**

- MMFS reported disbursements of ~INR135b, leading to AUM of ~INR1.27t (up 13% YoY/ ~4% QoQ).
- We expect margins to expand ~15bp QoQ to 6.8%.
- Estimate credit costs to remain elevated at ~2.5% in 2QFY26.
- Commentaries on margins, credit costs, and loan growth are the key monitorables.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest income	36,122	37,448	39,572	40,172	41,646	42,604	44,223	45,124	1,53,314	1,73,597
Interest Expenses	18,286	19,343	20,459	20,896	21,524	21,481	22,018	22,454	78,983	87,477
NII	**17,836**	**18,106**	**19,113**	**19,276**	**20,122**	**21,123**	**22,205**	**22,671**	**74,331**	**86,120**
YoY Growth (%)	12.6	14.1	12.5	6.4	12.8	16.7	16.2	17.6	11.2	15.9
Other income	1,480	1,802	1,872	2,279	2,732	2,770	2,590	2,536	7,433	10,627
Net Total Income	**19,316**	**19,908**	**20,985**	**21,555**	**22,853**	**23,892**	**24,794**	**25,207**	**81,764**	**96,747**
YoY Growth (%)	15.3	18.9	15.6	9.4	18.3	20.0	18.2	16.9	14.6	18.3
Operating Expenses	7,970	7,947	8,768	9,427	9,323	9,457	9,645	9,969	34,113	38,394
Operating Profit	**11,345**	**11,961**	**12,217**	**12,128**	**13,530**	**14,436**	**15,150**	**15,238**	**47,651**	**58,353**
YoY Growth (%)	13.5	26.9	15.0	3.4	19.3	20.7	24.0	25.6	14.0	22.5
Provisions	4,482	7,035	91	4,571	6,597	7,683	5,440	4,483	16,179	24,203
Profit before Tax	**6,864**	**4,927**	**12,126**	**7,557**	**6,933**	**6,753**	**9,710**	**10,755**	**31,473**	**34,150**
Tax Provisions	1,734	1,232	3,131	1,925	1,638	1,729	2,486	2,685	8,022	8,538
Net Profit	**5,130**	**3,695**	**8,995**	**5,631**	**5,295**	**5,024**	**7,224**	**8,070**	**23,450**	**25,613**
YoY Growth (%)	45.5	57.1	62.7	-9.0	3.2	36.0	-19.7	43.3	33.3	9.2

Manappuram Finance — Neutral

CMP INR287 | TP: INR320 (+11%) **EPS CHANGE (%): FY26|27: -2.8|-3.8**

- Expect gold AUM/consolidated AUM to grow ~8%/3% on a sequential basis.
- Expect margin and spreads to contract ~60bp each QoQ in the consolidated loan book.
- Expect credit costs to decline ~170bp QoQ to ~3.4%.
- Commentaries on gold loan growth and asset quality in the MFI and PL segments are the key monitorables.

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	23,861	25,411	25,163	23,062	22,357	22,088	21,912	22,199	97,997	88,555
Interest Expenses	8,483	9,057	9,253	8,616	8,553	8,630	8,388	8,282	35,747	33,853
Net Interest Income	**15,378**	**16,354**	**15,909**	**14,446**	**13,804**	**13,458**	**13,523**	**13,916**	**62,250**	**54,702**
YoY Growth (%)	19.4	20.75	9.5	-3.3	-10.2	-17.70	-15.0	-3.7	10.7	-12.1
Other income	1,259	961	464	230	293	388	459	421	2,752	2,918
Net Income	**16,636**	**17,314**	**16,373**	**14,676**	**14,097**	**13,846**	**13,982**	**14,338**	**65,002**	**57,620**
Operating Expenses	6,823	6,984	7,066	7,843	7,488	7,403	7,914	8,375	28,718	31,180
Operating Profits	**9,814**	**10,331**	**9,307**	**6,833**	**6,609**	**6,443**	**6,068**	**5,962**	**36,285**	**26,440**
YoY Growth (%)	22.4	19.2	-0.6	-26.8	-32.7	-37.6	-34.8	-12.7	2.6	-27.1
Provisions	2,286	2,604	5,546	9,192	5,594	3,822	2,654	2,108	19,628	14,178
PBT	**7,528**	**7,727**	**3,761**	**-2,359**	**1,015**	**2,622**	**3,414**	**3,855**	**16,656**	**12,262**
Tax Provisions	1,963	2,006	976	-327	-310	682	922	1,159	4,618	2,452
PAT	**5,565**	**5,721**	**2,785**	**-2,032**	**1,325**	**1,940**	**2,492**	**2,696**	**12,039**	**9,810**
YoY Growth (%)	12	2	-52	-136	-76	-66	-11	-233	-45	-19

MAS Financial — Buy

CMP INR333 | TP: INR400 (+20%) **EPS CHANGE (%): FY26|27: -3.2|-1.5**

- Standalone AUM is likely to grow ~4% QoQ/~18% YoY.
- We expect credit costs to remain largely stable QoQ at ~1.4%.
- Margin is expected to contract ~5bp QoQ to ~7.65%.
- Commentary on branch expansions and an increase in the direct business are the key monitorables.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	**3,465**	**3,670**	**3,901**	**4,169**	**4,438**	**4,604**	**4,809**	**5,035**	**15,205**	**18,886**
Interest Income	2,952	3,078	3,332	3,535	3,687	3,827	4,000	4,189	12,896	15,703
Gain on assignments	304	375	356	396	430	447	470	513	1,431	1,860
Other operating Income	210	217	213	239	320	329	340	333	877	1,323
Interest expenses	1,714	1,754	1,845	1,910	2,062	2,157	2,286	2,435	7,224	8,940
Total income	**1,751**	**1,916**	**2,056**	**2,259**	**2,376**	**2,447**	**2,523**	**2,600**	**7,981**	**9,947**
Growth Y-o-Y (%)	*27*	*26*	*31*	*34*	*36*	*28*	*23*	*15*	*31*	*25*
Operating Expenses	567	632	673	744	827	860	886	941	2,615	3,515
Operating Profits	**1,183**	**1,284**	**1,383**	**1,516**	**1,549**	**1,587**	**1,637**	**1,659**	**5,366**	**6,432**
Growth Y-o-Y (%)	*25*	*24*	*25*	*35*	*31*	*24*	*18*	*9*	*27*	*20*
Provisions	239	263	332	427	424	437	433	424	1,261	1,718
Profit before tax	**944**	**1,021**	**1,051**	**1,089**	**1,124**	**1,150**	**1,204**	**1,235**	**4,104**	**4,713**
Growth Y-o-Y (%)	*25*	*28*	*24*	*20*	*19*	*13*	*15*	*13*	*24*	*15*
Tax Provisions	240	255	270	281	285	288	301	314	1,045	1,188
Net Profit	**704**	**766**	**781**	**808**	**839**	**863**	**903**	**921**	**3,059**	**3,526**
Growth Y-o-Y (%)	*23*	*28*	*25*	*19*	*19*	*13*	*16*	*14*	*23*	*15*

Muthoot Finance — Neutral

CMP INR 3,144| TP: INR3,100 (-1%) — **EPS CHANGE (%): FY26|27: 0.1|3.7**

- Estimate gold AUM growth of ~44% YoY.
- Margin is likely to contract ~50bp YoY to ~11.3%.
- We expect credit costs of ~30bp in 2QFY26.
- Commentaries on gold loan growth and margin guidance are the key monitorables.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	36,560	40,685	43,690	47,836	55,923	57,574	60,174	63,096	1,68,770	2,36,767
Other operating income	478	489	545	708	1,110	685	654	660	2,221	3,109
Total Operating income	**37,038**	**41,174**	**44,235**	**48,544**	**57,033**	**58,259**	**60,828**	**63,756**	**1,70,991**	**2,39,876**
YoY Growth (%)	23.5	34.6	39.6	42.4	54.0	41.5	37.5	31.3	35.3	40.3
Other income	63	88	77	341	167	159	151	184	569	660
Total Income	**37,101**	**41,262**	**44,312**	**48,885**	**57,200**	**58,418**	**60,979**	**63,940**	**1,71,560**	**2,40,536**
YoY Growth (%)	22.6	34.2	39.5	43.0	54.2	41.6	37.6	30.8	35.1	40.2
Interest Expenses	13,511	15,505	16,476	18,797	21,191	23,141	24,136	25,026	64,288	93,494
Net Income	**23,590**	**25,758**	**27,836**	**30,088**	**36,009**	**35,277**	**36,842**	**38,914**	**1,07,271**	**1,47,042**
Operating Expenses	6,437	6,608	7,243	8,610	8,121	8,487	8,996	10,392	28,898	35,995
Operating Profit	**17,153**	**19,150**	**20,593**	**21,478**	**27,887**	**26,790**	**27,847**	**28,522**	**78,373**	**1,11,046**
YoY Growth (%)	22.5	42.7	47.7	42.3	62.6	39.9	35.2	32.8	38.8	41.7
Provisions	2,236	2,070	2,088	1,274	433	1,000	1,800	1,765	7,667	4,997
Profit before Tax	**14,917**	**17,080**	**18,505**	**20,204**	**27,455**	**25,790**	**26,047**	**26,758**	**70,706**	**1,06,049**
Tax Provisions	4,130	4,568	4,874	5,126	6,992	6,705	6,694	7,181	18,698	27,573
Net Profit	**10,787**	**12,511**	**13,631**	**15,078**	**20,463**	**19,085**	**19,353**	**19,576**	**52,008**	**78,476**
YoY Growth (%)	10.6	26.3	32.7	42.7	89.7	52.5	42.0	29.8	28.4	50.9

PNB Housing Finance — Buy

CMP INR882 | TP: INR1,050 (+19%) — **EPS CHANGE (%): FY26|27|: -1.3|-3.8**

- Loan growth is expected to be ~16% YoY.
- Expect provision write-backs from recoveries in both Retail and Corporate written-off pools.
- NIM is expected to contract ~5bp QoQ.
- Commentaries on the asset quality of the retail loan book, NIM, and credit costs are the key monitorables.

Quarterly performance

	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	17,391	17,803	18,484	19,059	19,804	20,239	20,907	21,817	72,737	82,766
Interest Expenses	10,969	11,185	11,579	11,781	12,344	12,683	13,013	13,519	45,514	51,559
Net Interest Income	**6,421**	**6,618**	**6,905**	**7,279**	**7,460**	**7,556**	**7,894**	**8,298**	**27,223**	**31,208**
YoY Growth (%)	3.7	2.52	16.5	16.8	16.2	14.17	14.3	14.0	9.7	14.6
Other income	930	994	947	1,309	1,015	1,137	1,296	1,715	4,179	5,163
Total Income	**7,352**	**7,612**	**7,852**	**8,587**	**8,475**	**8,693**	**9,190**	**10,013**	**31,402**	**36,371**
YoY Growth (%)	11.3	5.4	17.3	15.4	15.3	14.2	17.0	16.6	12.3	15.8
Operating Expenses	1,929	2,020	2,057	2,124	2,158	2,244	2,312	2,479	8,130	9,193
YoY Growth (%)	26.1	18.7	21.0	19.4	11.9	11.1	12.4	16.7	21.2	13.1
Operating Profits	**5,422**	**5,591**	**5,795**	**6,464**	**6,317**	**6,449**	**6,879**	**7,534**	**23,272**	**27,178**
YoY Growth (%)	6.9	1.3	16.0	14.1	16.5	15.3	18.7	16.6	9.5	16.8
Provisions	-120	-456	-361	-648	-562	-545	-464	-396	-1,585	-1,967
Profit before Tax	**5,542**	**6,047**	**6,157**	**7,112**	**6,879**	**6,994**	**7,342**	**7,930**	**24,858**	**29,145**
Tax Provisions	1,214	1,351	1,324	1,608	1,544	1,560	1,615	1,693	5,496	6,412
Profit after tax	**4,328**	**4,697**	**4,833**	**5,504**	**5,335**	**5,434**	**5,727**	**6,237**	**19,361**	**22,733**
YoY Growth (%)	24.6	22.6	42.8	25.3	23.3	15.7	18.5	13.3	28.4	17.4

Power Finance Corporation — Buy

CMP INR411| TP: INR490 (+19%) **EPS CHANGE (%): FY26|27: -|-**

- AUM likely to grow ~15% YoY; disbursement to fall 5% YoY.
- Expect credit costs to remain benign.
- Expect margins to decline ~25bp QoQ in 2QFY26.
- Commentaries on growth in the loan book, margins, and asset quality/credit costs are the key monitorables.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
Particulars	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	1,18,270	1,19,090	1,24,172	1,37,215	1,37,389	1,35,465	1,36,956	1,41,439	4,98,747	5,51,249
Interest Expenses	74,990	75,007	77,231	78,109	82,697	83,276	84,692	86,633	3,05,380	3,37,298
Net Interest Income	**43,280**	**44,083**	**46,942**	**59,106**	**54,692**	**52,189**	**52,264**	**54,806**	**1,93,367**	**2,13,951**
YoY Gr %	23.5	18.2	12.9	39.5	26.4	18.4	11.3	-7.3	23.7	10.6
Other Income	**3,160**	**14,655**	**5,971**	**11,309**	**2,016**	**15,095**	**6,586**	**13,900**	35,096	**37,597**
Net Operational Income	**46,440**	**58,738**	**52,913**	**70,415**	**56,708**	**67,284**	**58,850**	**68,706**	**2,28,463**	**2,51,548**
YoY Gr %	41.1	19.4	11.5	42.1	22.1	14.5	11.2	-2.4	27.6	10.1
Exchange gain/(loss)	589	-3,100	457	-2,614	-6,546	-2,000	-500	46	-4,668	-9,000
Total Net Income	**47,029**	**55,639**	**53,370**	**67,801**	**50,162**	**65,284**	**58,350**	**68,752**	**2,23,795**	**2,42,548**
YoY Gr %	24.6	15.9	18.0	34.9	6.7	17.3	9.3	1.4	23.5	8.4
Operating Expenses	1,016	2,355	1,832	2,341	1,848	2,025	2,162	2,280	7,500	8,316
Operating Profit	**46,013**	**53,284**	**51,538**	**65,460**	**48,313**	**63,259**	**56,188**	**66,472**	**2,16,295**	**2,34,232**
YoY Gr %	25.3	13.7	16.8	39.8	5.0	18.7	9.0	1.5	23.9	8.3
Provisions	620	-1,241	745	4,447	-6,818	-2,000	1,000	2,558	4,571	-5,261
PBT	**45,393**	**54,525**	**50,793**	**61,013**	**55,132**	**65,259**	**55,188**	**63,915**	**2,11,724**	**2,39,493**
Tax	8,214	10,821	9,244	9,924	10,117	11,747	9,934	11,791	38,202	43,588
Tax Rate %	18.1	19.8	18.2	16.3	18.3	18.0	18.0	18.4	18.0	18.2
PAT	**37,179**	**43,704**	**41,549**	**51,090**	**45,015**	**53,512**	**45,254**	**52,124**	**1,73,522**	**1,95,905**
YoY Gr %	23.6	13.6	23.0	23.5	21.1	22.4	8.9	2.0	20.6	13.1

Poonawalla Fincorp — Buy

CMP INR502 | TP: INR575 (+15%) **EPS CHANGE (%): FY26|27: -9.4|-**

- PFL expected to report AUM growth of ~63% YoY/12% QoQ.
- Expect cost-to-income ratio to remain elevated at 59.7% in 2QFY26 (PQ: ~57.7% and PY: ~56%).
- Expect credit costs to decline ~45bp QoQ to 2.2%.
- Commentaries on growth in personal loans, margin, and asset quality/credit costs are the key monitorables.

Quarterly Performance (Standalone)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	8,962	9,107	9,991	10,685	11,853	13,039	14,734	17,318	38,745	56,944
Interest Expenses	3,201	3,516	3,850	4,584	5,461	6,253	6,815	7,111	15,151	25,640
Net Interest Income	**5,761**	**5,592**	**6,141**	**6,101**	**6,393**	**6,786**	**7,918**	**10,207**	**23,594**	**31,304**
YoY Growth (%)	*36.8*	*17.8*	*25.1*	*8.5*	*11.0*	*21.4*	*28.9*	*67.3*	*21.1*	*32.7*
Other Income	997	858	581	1,048	1,287	1,351	1,378	1,607	3,346	5,623
Total Income	**6,758**	**6,449**	**6,722**	**7,149**	**7,679**	**8,137**	**9,296**	**11,814**	**26,940**	**36,927**
YoY Growth (%)	*35.1*	*22.0*	*22.2*	*11.6*	*20.4*	*26.2*	*38.3*	*65.3*	*22.6*	*37.1*
Operating Expenses	2,436	3,610	2,908	3,821	4,434	4,855	4,986	4,397	13,713	18,673
Operating Profit	**4,321**	**2,839**	**3,814**	**3,328**	**3,245**	**3,282**	**4,310**	**7,417**	**13,228**	**18,254**
YoY Growth (%)	*46.9*	*-15.39*	*8.9*	*-18.7*	*-24.9*	*15.59*	*13.0*	*122.9*	*-4.8*	*38.0*
Provisions & Loan Losses	425	9,144	3,562	2,526	2,411	2,290	2,176	2,042	14,582	8,919
Profit before Tax	**3,897**	**-6,305**	**252**	**802**	**834**	**992**	**2,134**	**5,375**	**-1,354**	**9,335**
Exceptional items		**0**				**0**			0	**0**
Tax Provisions	980	-1,594	65	179	208	248	546	1,331	-371	2,334
PAT (excl. exceptional)	**2,916**	**-4,710**	**187**	**623**	**626**	**744**	**1,588**	**4,044**	**-983**	**7,001**
PAT (incl. exceptional)	**2,916**	**-4,710**	**187**	**623**	**626**	**744**	**1,588**	**4,044**	**-983**	**7,001**
YoY Growth (%)	46	-	-93	-81	-79	-	748	549	-112	-812

Rural Electrification Corporation — Buy

CMP INR378 | TP: INR440 (16%) — **EPS CHANGE (%): FY26|27: -|-**

- Disbursements/AUM expected to grow ~20%/10% YoY.
- Expect credit costs to remain benign.
- Expect asset quality to remain largely stable in 2QFY26.
- Commentaries around margins and guidance on disbursements/AUM growth are the key monitorables.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	1,26,904	1,34,744	1,39,704	1,49,350	1,45,022	1,48,503	1,52,364	1,55,264	5,50,701	6,01,153
Interest Expenses	80,212	85,065	88,373	87,699	89,351	91,674	93,874	95,568	3,41,350	3,70,468
Net Interest Income	**46,692**	**49,678**	**51,331**	**61,651**	**55,671**	**56,829**	**58,490**	**59,696**	**2,09,351**	**2,30,686**
YoY Gr (%)	28.3	22.9	19.6	37.4	19.2	14.4	13.9	-3.2	27	10
Other Operational Income	469	483	757	2,228	1,442	0	0	0	8,410	1,682
Net Operational Income	**47,161**	**50,161**	**52,088**	**63,879**	**57,113**	**56,829**	**58,490**	**59,696**	**2,15,680**	**2,30,368**
YoY Gr (%)	28.9	22.4	19.9	39.5	21.1	13.3	12.3	-6.5	27	7
Other Income	2,998	731	1,266	163	-4,891	2,500	2,400	2,427	685	754
Total Net Income	**50,159**	**50,892**	**53,354**	**64,042**	**52,222**	**59,329**	**60,890**	**62,123**	**2,16,365**	**2,31,121**
YoY Gr (%)	28.1	20.0	22.7	34.9	4.1	16.6	14.1	-3.0	27	7
Operating Expenses	**2,175**	**1,936**	**3,147**	**2,396**	**1,919**	**2,308**	**3,134**	**3,115**	**7,436**	**8,476**
YoY Gr (%)	50.6	-0.1	78.2	-23.1	-11.8	19.2	-0.4	30.0	13	14
% to Income	4.3	3.8	5.9	3.7	3.7	3.9	5.1	5.0	3	4
Operating Profit	**47,984**	**48,955**	**50,206**	**61,646**	**50,303**	**57,021**	**57,756**	**59,007**	**2,08,929**	**2,22,645**
YoY Gr %	27.3	21.0	20.4	39.0	4.8	16.5	15.0	-4.3	27	7
Provisions	4,726	-1,441	-890	7,800	-6,166	1,357	1,456	-1,492	10,194	(4,845)
PBT	**43,258**	**50,396**	**51,097**	**53,847**	**56,469**	**55,664**	**56,300**	**60,500**	**1,98,734**	**2,27,490**
YoY Gr (%)	16.5	4.8	24.2	4.6	30.5	10.5	10.2	12.4	12	14
Tax	**8,834**	**10,342**	**10,806**	**11,485**	**11,959**	**11,411**	**12,104**	**11,844**	**41,466**	**47,318**
Tax Rate (%)	20.4	20.5	21.1	21.3	21.2	20.5	21.5	19.6	21	21
PAT	**34,425**	**40,055**	**40,291**	**42,362**	**44,510**	**44,253**	**44,195**	**48,656**	**1,57,269**	**1,80,172**
YoY Gr (%)	16.3	6.2	23.2	5.5	29.3	10.5	9.7	14.9	12.2	14.6

Repco Home Finance — Neutral

CMP INR364 | TP: INR400 (+10%) — **EPS CHANGE (%): FY26|27: 0.8|0.6**

- Disbursements/AUM expected to grow ~10%/7% YoY.
- Expect asset quality to continue to improve, resulting in benign credit costs.
- Margins are likely to expand ~5bp QoQ to ~5.5%.
- Commentaries around asset quality and guidance on disbursements/AUM growth are the key monitorables.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	4,007	4,051	4,258	4,166	4,257	4,308	4,380	4,451	16,482	17,395
Interest Expenses	2,330	2,396	2,475	2,458	2,441	2,465	2,524	2,583	9,659	10,013
Net Income	**1,677**	**1,656**	**1,783**	**1,708**	**1,816**	**1,843**	**1,856**	**1,868**	**6,823**	**7,382**
YoY Growth (%)	8.5	-2.3	9.0	4.9	8.3	11.3	4.1	9.3	4.9	8.2
Other income	155	229	196	184	150	200	220	308	764	878
Total Income	**1,833**	**1,884**	**1,978**	**1,892**	**1,966**	**2,043**	**2,076**	**2,176**	**7,587**	**8,260**
YoY Growth (%)	11.8	6.8	11.2	6.9	7.3	8.4	4.9	15.0	9.1	8.9
Operating Expenses	452	517	535	584	530	572	601	677	2,088	2,380
YoY Growth (%)	15.4	21.2	30.5	21.0	17.2	10.7	12.4	16.0	22.1	14.0
Operating Profits	**1,380**	**1,367**	**1,443**	**1,308**	**1,436**	**1,470**	**1,475**	**1,498**	**5,499**	**5,880**
YoY Growth (%)	10.7	2.2	5.4	1.6	4.1	7.5	2.2	14.6	4.9	6.9
Provisions	14	-160	3	-233	-27	19	19	23	-376	34
Profit before Tax	**1,366**	**1,528**	**1,440**	**1,541**	**1,463**	**1,452**	**1,456**	**1,475**	**5,875**	**5,846**
Tax Provisions	312	403	375	392	384	363	379	348	1,481	1,473
Profit after tax	**1,054**	**1,125**	**1,066**	**1,149**	**1,080**	**1,089**	**1,077**	**1,127**	**4,394**	**4,373**
YoY Growth (%)	18.4	14.7	7.2	6.4	2.4	-3.2	1.1	-1.9	11.3	-0.5

Shriram Finance Ltd — Buy

CMP INR649| TP: INR770 (+19%) **EPS CHANGE (%): FY26|27: -0.8|-**

- Estimate disbursements of ~INR453b, leading to AUM of ~INR2.8t (up 16% YoY/ ~4% QoQ).
- Margin is expected to expand ~10bp QoQ to 8.7%.
- Credit cost is likely to increase ~25bp QoQ to 2.2%.
- Commentaries on loan growth in CV and asset quality in the 2W and PL segments are the key monitorables.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	93,628	98,145	1,03,408	1,07,895	1,11,732	1,15,531	1,20,037	1,24,478	4,03,076	4,71,778
Interest Expenses	41,289	43,504	47,513	52,240	54,008	55,034	55,749	56,524	1,84,546	2,21,315
Net Interest Income	**52,339**	**54,641**	**55,896**	**55,655**	**57,725**	**60,497**	**64,288**	**67,954**	**2,18,531**	**2,50,463**
YoY Growth (%)	*24.6*	*18.9*	*13.8*	*9.4*	*10.3*	*10.7*	*15.0*	*22.1*	*16.3*	*14.6*
Other Income	2,343	2,805	3,646	6,707	3,685	4,011	4,436	6,923	15,518	19,056
Total Income	**54,682**	**57,446**	**59,542**	**62,363**	**61,410**	**64,509**	**68,724**	**74,877**	**2,34,049**	**2,69,519**
YoY Growth (%)	*21.1*	*16.2*	*14.1*	*13.2*	*12.3*	*12.3*	*15.4*	*20.1*	*15.9*	*15.2*
Operating Expenses	16,140	17,597	18,692	19,010	19,486	20,413	21,496	22,501	71,440	83,896
Operating Profit	**38,541**	**39,848**	**40,850**	**43,353**	**41,924**	**44,096**	**47,228**	**52,376**	**1,62,609**	**1,85,623**
YoY Growth (%)	*23.3*	*14.5*	*10.7*	*11.0*	*8.8*	*10.7*	*15.6*	*20.8*	*14.5*	*14.2*
Provisions & Loan Losses	11,876	12,350	13,258	15,633	12,857	14,970	16,454	17,048	53,117	61,328
Profit before Tax	**26,666**	**27,498**	**27,592**	**27,720**	**29,067**	**29,126**	**30,774**	**35,328**	**1,09,493**	**1,24,295**
Tax Provisions	6,860	6,803	6,788	6,326	7,510	7,223	7,694	8,896	26,776	31,322
Net Profit	**19,806**	**20,696**	**20,804**	**21,394**	**21,557**	**21,903**	**23,081**	**26,432**	**82,716**	**92,972**
YoY Growth (%)	*18.2*	*18.2*	*14.4*	*9.9*	*8.8*	*5.8*	*10.9*	*23.5*	*15.0*	*12.4*
Exceptional gain (Post tax)			14,894						14,894	0
PAT (including exceptional gains/loss)			**35,698**						**97,610**	**92,972**

Spandana Sphoorty — Neutral

CMP INR254 | TP: INR280 (+10%) **EPS CHANGE (%): FY26|27: -|-**

- Estimate disbursements of ~INR9.1b, leading to AUM of ~INR44b (AUM declined ~58% YoY/12% QoQ).
- Margin is likely to expand ~20bp QoQ to ~10.7%.
- Annualized credit costs to decline to 26.8% (PQ: 34.2%).
- Guidance on credit costs, margins, and AUM growth to be closely monitored.

SPANDANA: Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	6,935	6,071	5,029	3,907	2,837	2,327	2,327	3,048	21,943	10,538
Interest Expenses	2,594	2,584	2,290	1,855	1,538	1,261	1,248	1,502	9,323	5,549
Net Interest Income	**4,342**	**3,487**	**2,739**	**2,052**	**1,300**	**1,066**	**1,078**	**1,546**	**12,621**	**4,989**
YoY Growth (%)	*48.0*	*10.4*	*-13.4*	*-46.8*	*-70.1*	*-69.4*	*-60.6*	*-24.7*	*-3.8*	*-60.5*
Other Income	435	994	697	282	204	316	557	762	2,298	1,839
Total Income	**4,776**	**4,481**	**3,436**	**2,335**	**1,504**	**1,382**	**1,636**	**2,307**	**14,918**	**6,829**
YoY Growth (%)	*45.7*	*8.6*	*-15.5*	*-49.3*	*-68.5*	*-69.2*	*-52.4*	*-1.2*	*-5.8*	*-54.2*
Operating Expenses	1,908	2,203	2,651	2,083	2,091	1,947	1,803	1,703	8,843	7,544
Operating Profit	**2,869**	**2,278**	**784**	**251**	**-587**	**-565**	**-167**	**604**	**6,075**	**-715**
YoY Growth (%)	*51.7*	*-11.6*	*-67.4*	*-90.5*	*-120.5*	*-124.8*	*-121.3*	*140.4*	*-34.7*	*-111.8*
Provisions & Loan Losses	2,118	5,164	6,661	6,028	4,222	2,660	1,064	220	19,863	8,165
Profit before Tax	**751**	**-2,886**	**-5,876**	**-5,776**	**-4,809**	**-3,225**	**-1,231**	**385**	**-13,788**	**-8,880**
Tax Provisions	193	-723	-1,474	-1,433	-1,207	-806	-308	92	-3,436	-2,229
Net Profit	**557**	**-2,163**	**-4,402**	**-4,343**	**-3,602**	**-2,419**	**-923**	**293**	**-10,352**	**-6,651**
YoY Growth (%)	*-53*	*-273*	*-446*	*-438*	*-747*	*12*	*-79*	*-107*	*-307*	*-36*

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosure of Interest Statement	**Companies where there is interest**
Analyst ownership of the stock	No

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