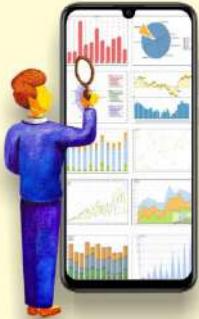


Result Preview



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

Mixed loan growth; NIM tailwinds and asset quality support earnings Gold, vehicle finance, and unsecured segments drive momentum

- Demand revival in select segments:** We expect ~11% YoY growth in AUM for our coverage HFCs, including both affordable and large HFCs. Vehicle financers are projected to report ~17% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~39% YoY growth (primarily driven by ~48% YoY gold loan growth in MUTH). NBFC-MFIs are estimated to post a decline of ~15% YoY/remain flat QoQ in AUM, while diversified lenders are expected to deliver ~24% YoY growth in AUM. For our NBFC coverage universe, we estimate a loan growth of ~15% YoY/~3% QoQ as of Dec'25. Loan growth trends during the quarter remained mixed across segments, though pockets of demand revival were evident. Gold financiers are expected to deliver yet another quarter of strong loan growth. VFs reported improved disbursement momentum, supported by pent-up demand, GST rate cuts, and festive-season tailwinds. Additionally, disbursements in unsecured segments have also regained momentum during the quarter. In contrast, MFIs continued to see subdued disbursements and AUM growth due to elevated rejection rates, as lenders prioritized asset quality over growth. Disbursements for both large HFCs and AHFCs were relatively weaker (than earlier expectations), impacted by heightened competition from banks and the loss of business from festive holidays during the quarter.
- CoF continuing to trend down; NIM expansion for VFs and AHFCs:** Borrowing costs for most NBFCs continued to trend down. NIM trends for NBFCs are expected to be mixed this quarter, varying across sub-segments. Large HFCs are likely to witness margin contraction due to heightened competitive intensity and PLR cuts, while affordable HFCs and vehicle financiers will see an NIM expansion, aided by segment-specific dynamics.
- Asset quality broadly stable across segments; MFIs see further improvement in PAR accretion:** Asset quality remained broadly stable across all product segments. For VFs, asset quality remained stable despite the usual seasonal tailwinds that tend to drive improvement. For MFIs, credit costs are likely to moderate sequentially; however, they will approach normalization only in 4QFY26/1HFY27. HFCs, including affordable HFCs, are expected to report broadly stable asset quality, while power financiers also maintained stability with no incremental slippages or material resolutions during the quarter (except for Sinnar Thermal, which might be marked as resolved in 3Q/4QFY26).
- Earnings growth of ~26% YoY/6% QoQ for the coverage universe:** We estimate ~16%/17% YoY growth in NII/PPoP in 3QFY26 for our NBFC coverage universe. PAT is expected to grow ~26% YoY. Excluding NBFC-MFI, we estimate ~19% YoY growth in PAT for our coverage universe. Our preference is for vehicle financiers, gold financiers (primarily to play the strong momentum in gold loan growth), and diversified lenders (that 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, PNBHF, and ABCAP.

HFCs: Disbursements and AUM growth slightly weak; asset quality stable

- Large HFCs continued to face heightened competition as banks have turned more aggressive over the past two quarters, offering home loans at significantly lower rates. As a result, large HFCs are expected to report NIM contraction, driven by pressure on yields amid intensifying competition in the prime segment.
- Disbursement momentum for both large HFCs and AHFCs was relatively weaker (than earlier expectations), driven partly by the concentration of festive holidays during the quarter, which disrupted housing loan origination, and partly by intensifying competition from banks (as discussed earlier).
- Most affordable HFCs have still not reduced their PLR (until Dec'25). As a result, AHFCs are likely to exhibit spread and NIM expansion, supported by broadly stable yields and benefits in their borrowing costs. In contrast, larger HFCs such as BAJAJHFL and LICHF have passed on PLR cuts to borrowers and are, therefore, likely to witness some margin contraction during the quarter.
- Asset quality was broadly stable during the quarter for both large and AHFCs, with no spillover from micro-LAP into affordable housing loans. Consequently, credit costs are expected to remain benign.
- For LICHF, we expect credit costs at ~18bp (vs. ~22bp in 2QFY26). Margins are expected to contract ~3bp QoQ. We expect LICHF to report ~6% YoY growth in loans. We expect BHFL to report AUM growth of 23% YoY. We expect margins for BHFL to contract ~5bp QoQ.
- We estimate HomeFirst to report a ~12% YoY growth in disbursements, leading to an AUM growth of ~25% YoY. We expect NIM to expand ~15bp QoQ for HomeFirst. Asset quality is expected to remain stable for both HomeFirst and Aavas. We expect disbursements and loan growth of 15% YoY and 16% YoY, respectively, for Aavas.
- We estimate PNBHF to deliver a ~15% YoY growth in the total loan book as of Dec'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 potentially result in provision write-backs (similar to prior quarters).

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

- 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 9% QoQ, translating into ~17% YoY growth in AUM. We expect credit costs to increase to ~1.45% (compared to ~1.35% in 2QFY26).

Vehicle finance: Disbursement and AUM growth gain traction; asset quality broadly stable

- We expect MMFS to report disbursements of ~INR184b in 3QFY26 (up ~12% YoY), leading to ~13% YoY growth in business assets. We expect credit costs for MMFS to be at ~1.9% in 3QFY26 (vs. 2.4% in 2QFY26).
- For CIFC and SHTF, we expect disbursements growth of 15%/9% YoY, which should translate into ~21%/15% YoY growth in AUM for CIFC/SHTF as of Dec'25.
- Disbursements in the vehicle finance segment gained momentum during the quarter, supported by pent-up demand, GST rate cuts, and festive-season tailwinds. Within the segment, PVs and tractors continued to witness healthy and sustained growth; however, the GST-led buoyancy observed in 2W after the rate cut moderated in Dec'25. In the used vehicle segment, demand remained tepid, with lenders and used-vehicle sellers adopting a wait-and-watch approach amid some correction in used vehicle prices following the GST cuts.
- Asset quality remained broadly stable during the quarter for VFs. We estimate NIM expansion for vehicle financiers, driven by a decline in CoB and a fixed-rate vehicle finance book. SHFL is likely to see a healthy margin expansion, driven by both liquidity normalization and the repricing of borrowings in a declining interest rate environment.

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

- We expect gold loan financiers to deliver robust growth in 3QFY26. While we expect MGFL, on a standalone basis, to deliver strong gold loan growth, the drag from its MFI and CV business would continue during the quarter. We expect ~49% YoY gold loan growth for MUTH.
- MGFL is likely to witness margin contraction as it has been targeting higher ticket gold loans and has cut its gold loan lending rates in line with its stated strategy. We expect margins to contract ~40bp YoY for MUTH and ~1pp QoQ for MGFL.
- While credit costs for both Asirvad and Belstar peaked around two quarters ago, they are expected to remain elevated in 3QFY26, with a meaningful normalization likely only from FY27 onwards. Additionally, Asirvad Finance's MFI portfolio is expected to witness a further contraction, while Belstar's MFI book is likely to remain broadly flat on a QoQ basis.

MFIs: Disbursements remain muted; declining PAR accretion boosts confidence for FY27 growth acceleration

- Disbursements momentum and AUM growth remained subdued during the quarter due to elevated rejection rates as lenders prioritized adherence to guardrails and credit discipline. This is expected to translate into a softer AUM growth (vs a full-blown recovery) in 2HFY26. We expect the loan book to remain flat QoQ for Fusion and Spandana, while CREDAG's GLP is likely to grow ~7% YoY/3% QoQ.
- Asset quality in the MFI segment continued to improve in Dec'25. While PAR levels were broadly stable during Oct'25 and Nov'25, they showed an improvement in Dec'25. Overall, asset quality for MFI companies is holding up well, with no further signs of deterioration.

- We expect a sequential decline in credit costs for MFI companies. We estimate annualized credit costs of ~5.3%/~5.5%/8% for CREDAG/Fusion/Spandana during the quarter.
- The MFI sector is emerging from a stress cycle, with signs of normalization visible in collection efficiencies, flow rates, and PAR trends. Profitability this quarter will remain weighed down by muted AUM growth, high cost ratios, and elevated credit costs. However, we expect earnings to exhibit a recovery from FY27 onwards.

Diversified financiers: Unsecured loans regain momentum; asset quality broadly stable

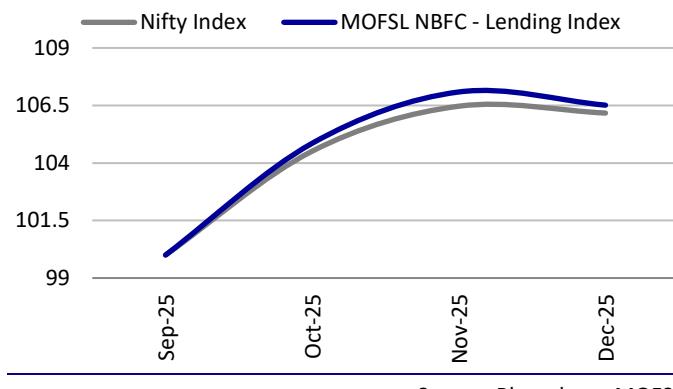
- BAF is expected to report AUM growth of ~22% YoY/5% QoQ. We estimate margins to contract 5bp QoQ for BAF, with credit costs of ~198bp (vs 205bp QoQ).
- For HDBFIN, we expect disbursements to grow ~8% YoY and anticipate loan growth of 13% YoY. We expect NIM to expand ~10bp QoQ. Credit costs are likely to decline 25bp QoQ to 2.45% (compared to 2.7% in 2QFY26).
- LTFH is expected to report loan growth of ~18% YoY/5% QoQ growth in retail loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), we expect the consolidated loan book to grow ~5% QoQ in 3QFY26. We do not expect the company to utilize any additional macro-prudential provisions during the quarter and estimate credit costs to remain broadly flat QoQ to 2.5% (even without the benefit of utilization of macro provisions).
- Poonawalla is expected to report AUM growth of ~75% YoY/13% QoQ, with total AUM of INR541b. We expect credit costs to decline ~60bp QoQ to ~2.2% (vs. 2.8% in 2QFY26).
- For IIFL Finance, we expect the strong growth in gold loan AUM to sustain in 3QFY26 despite a strong gold loan growth in 1H. We expect MFI AUM to remain flat QoQ and project a consolidated AUM growth of 37% YoY. We estimate a PAT (post MI) of ~INR4.44b in 3Q (vs. INR3.8b in 2QFY26).

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

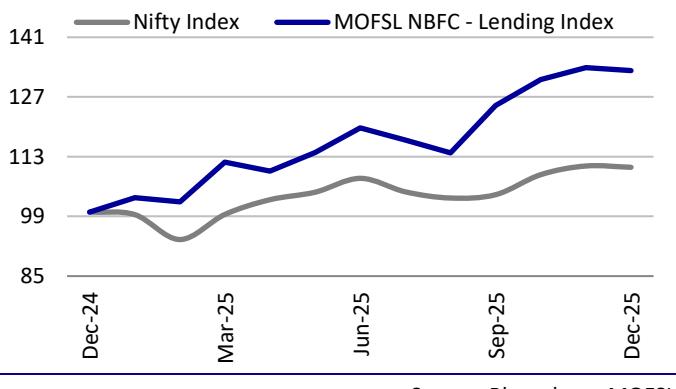
- Disbursements and AUM growth among power financiers were muted during the quarter. REC's disbursements are expected to decline 5% YoY, leading to muted AUM growth of 2% YoY and -1% QoQ. Asset quality is expected to remain stable/improve as there were no incremental slippages during the quarter. Additionally, the resolution of the Sinnar Thermal project in NCLT during the quarter could (potentially) result in provision write-backs for both PFC and REC in 3Q/4QFY26.
- For PFC, we expect disbursements to grow 13% YoY, leading to loan book growth of ~13% YoY/1% QoQ.

Exhibit 1: Quarterly performance

Name	CMP (INR)	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
			Dec-25	Variance YoY (%)	Variance QoQ (%)	Dec -25	Variance YoY (%)	Variance QoQ (%)	Dec -25	Variance YoY (%)	Variance QoQ (%)
AAVAS Financiers	1,444	Neutral	3,023	19.3	4.9	2,277	17.1	3.9	1,691	15.5	3.2
Bajaj Finance	991	Neutral	1,12,681	20.1	4.5	92,811	18.9	4.6	51,732	20.1	4.6
Bajaj Housing	97	Neutral	10,005	24.1	4.6	9,285	24.0	5.2	6,767	23.5	5.3
Can Fin Homes	939	Neutral	4,186	21.4	3.5	3,451	18.5	3.1	2,662	25.5	5.9
Chola. Inv & Fin.	1,781	Buy	35,771	23.9	5.9	26,215	23.2	6.7	13,033	20.0	12.8
CreditAccess	1,288	Buy	9,860	14.3	5.5	6,965	11.8	0.2	2,608	-	107.3
Five-Star Business	532	Buy	5,962	10.4	0.5	4,304	10.8	-0.6	2,795	2.1	-2.3
Fusion Finance	162	Buy	2,379	6.0	-3.5	951	46.9	6.9	70	-	-
HDB Financial	770	Neutral	22,775	21.7	3.9	15,812	23.9	3.3	6,582	39.4	13.2
Home First Fin.	1,106	Buy	2,231	36.7	8.0	2,026	45.1	7.5	1,434	47.2	8.7
IIFL Finance	640	Buy	15,291	23.8	6.3	11,148	88.1	5.5	4,444	989.5	18.1
L&T Finance	320	Buy	24,695	10.4	2.8	16,947	14.7	3.8	7,671	22.6	4.4
LIC Housing Fin	546	Neutral	20,366	1.8	-0.1	18,532	5.9	-1.1	13,602	-5.0	0.5
M & M Financial	403	Buy	22,479	17.6	6.5	16,150	32.2	7.7	7,463	-17.0	31.1
Manappuram Finance	311	Neutral	13,603	-14.5	-1.1	6,247	-32.9	-6.9	2,437	-12.5	12.1
MAS Financial	325	Buy	1,687	13.5	2.6	1,641	18.6	4.2	944	20.8	5.2
Muthoot Finance	3,826	Neutral	38,990	43.3	-2.3	30,471	48.0	-6.7	21,599	58.5	-7.9
PFC	376	Buy	53,609	14.2	1.4	55,219	7.1	-4.5	47,330	13.9	6.1
PNB Housing	998	Buy	7,604	10.1	1.3	6,589	13.7	1.9	5,449	12.7	-6.3
Poonawalla Fincorp	481	Buy	8,995	46.5	17.7	5,131	34.5	32.7	1,891	-	-
REC	381	Buy	53,930	5.1	-1.0	54,012	7.6	-5.0	43,337	7.6	-2.1
Repco Home Fin	432	Neutral	1,924	7.9	1.8	1,483	2.7	5.2	1,105	3.7	3.3
Shriram Finance	1,009	Buy	65,348	16.9	8.4	48,469	18.7	9.1	25,681	23.4	11.4
Spandana Sphoorty	266	Neutral	1,043	-61.9	-0.4	-466	-159.5	-32.4	-875	-	-
NBFC			5,38,439	16.2	3.4	4,35,669	16.9	1.6	2,71,452	26.4	5.8

Exhibit 2: Relative performance — three months (%)


Source: Bloomberg, MOFSL

Exhibit 3: Relative performance — one year (%)


Source: Bloomberg, MOFSL

Exhibit 4: EPS estimate changes for FY26/FY27/FY28

Company	Old Estimates			New Estimates			Change (%)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
AAVAS	83.5	99.4	119.9	83.2	99.0	118.5	-0.4	-0.5	-1.2
BAF	32.7	41.4	52.5	32.7	40.7	51.3	0.1	-1.7	-2.3
Bajaj Housing	3.2	3.8	4.7	3.2	3.9	4.8	-0.9	2.0	0.8
CANF	75.9	79.5	92.8	76.6	79.5	92.8	0.9	-	-
CIFC	59.9	78.7	98.0	60.2	78.9	99.1	0.6	0.2	1.1
CREDAG	51.7	88.4	116.3	50.5	81.3	107.2	-2.4	-8.0	-7.8
Five Star Business	39.1	45.0	53.2	37.5	42.2	49.1	-4.2	-6.1	-7.7
FUSION	-2.0	17.5	24.8	-2.1	17.9	24.8	-	2.1	0.2
HomeFirst	53.2	64.2	76.0	53.1	63.6	75.5	-0.2	-0.9	-0.7
HDB Financial	31.4	40.8	50.5	30.8	41.3	50.7	-1.9	1.2	0.5
IIFL Fin	34.7	47.0	62.2	37.0	49.2	65.2	6.6	4.8	4.9
LTFH	11.9	16.1	20.2	11.8	15.9	20.1	-1.5	-0.9	-0.3
LICHF	99.0	102.3	110.2	98.3	102.1	110.1	-0.7	-0.1	-0.1
MMFSL	20.4	24.8	29.7	20.2	24.8	29.7	-1.0	-0.0	-0.0
MASFIN	20.0	24.8	30.2	20.3	25.2	30.7	1.6	1.6	1.9
Muthoot	215.0	244.2	275.1	218.8	260.7	294.9	1.8	6.7	7.2
MGFL	11.3	19.2	24.9	10.8	20.0	27.6	-5.0	4.3	10.7
PNBHF	88.2	96.4	117.3	86.2	93.9	113.7	-2.3	-2.6	-3.1
PFC	57.9	61.4	69.2	57.6	59.6	67.7	-0.6	-2.9	-2.2
PFL	8.7	21.8	32.0	8.0	21.8	32.0	-8.4	-	-
REC	65.9	70.6	80.8	64.9	66.9	74.3	-1.5	-5.2	-8.1
REPCO	70.4	75.0	84.6	70.4	75.2	84.8	0.0	0.2	0.3
SHFL	51.7	54.2	68.0	51.9	55.5	70.1	0.4	2.5	3.1
SPANDANA	-86.6	27.3	45.8	-84.8	18.7	42.3	-2.0	-31.7	-7.7

Exhibit 5: Margin trends for MOFSL coverage universe

Company	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26E	YoY (bp)	QoQ (bp)
AAVAS	6.7	6.9	6.8	7.0	7.1	34	9
BAF	9.7	9.6	9.5	9.5	9.5	-21	-3
Bajaj Housing	3.5	3.4	3.4	3.5	3.5	24	4
CANF	3.7	3.7	3.8	4.1	4.2	42	3
CIFC	6.8	6.8	6.8	6.9	7.0	17	7
Credag	13.8	13.8	13.9	14.4	15.0	119	62
Five Star	19.5	19.4	19.0	18.8	18.4	-117	-39
Fusion	9.1	12.2	14.4	14.7	15.0	589	30
HomeFirst	4.9	5.1	5.2	5.4	5.9	98	48
HDB Financial	7.5	7.6	7.7	7.9	8.0	57	8
IIFL Fin	7.1	7.0	6.4	6.6	6.5	-64	-12
LTHF	10.8	10.0	10.5	10.3	10.5	-27	16
LICHF	2.7	2.9	2.7	2.6	2.6	-11	-4
MMFSL	6.7	6.6	6.7	6.8	7.0	26	20
MGFL	14.4	13.5	12.8	12.4	11.4	-304	-99
MASFIN	7.2	7.6	7.7	7.7	7.7	48	-2
Muthoot	11.9	11.7	12.6	13.2	11.5	-37	-166
PNBHF	3.6	3.7	3.7	3.6	3.6	-7	-5
PFC	3.8	4.5	3.9	3.7	3.7	-4	-1
PFL	7.8	7.8	7.7	7.7	7.6	-21	-11
REC	3.7	4.3	3.8	3.7	3.7	5	2
REPCO	5.6	5.3	5.4	5.4	5.4	-18	3
SFL	9.0	8.6	8.6	8.7	9.1	11	39
Spandana	13.1	12.3	10.5	10.8	11.7	-133	93

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: INR1,444 | TP: INR1,640 (+12%)
EPS CHANGE (%): FY26 | 27 | 28: -0.4 | -0.5 | -1.2

- AUM/disbursements are likely to grow ~16%/15% YoY.
- We expect NIMs to expand ~15bp QoQ. Upfront assignment income is estimated at ~INR701m.

- 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	4Q		
Interest Income	4,797	4,906	5,121	5,353	5,489	5,636	5,834	6,136	20,177	23,095
Interest Expenses	2,352	2,489	2,587	2,647	2,713	2,755	2,811	2,932	10,075	11,211
Net Income	2,446	2,418	2,533	2,705	2,776	2,881	3,023	3,204	10,102	11,883
YoY Growth (%)	8	9	15	14	14	19	19	18	11	18
Other income	628	898	859	1,022	790	1,038	1,044	1,152	3,407	4,024
Total Income	3,074	3,316	3,392	3,728	3,566	3,919	4,067	4,355	13,509	15,908
YoY Growth (%)	10	13	16	15	16	18	20	17	13	18
Operating Expenses	1,379	1,368	1,447	1,719	1,662	1,727	1,790	1,929	5,912	7,109
YoY Growth (%)	3	5	7	20	21	26	24	12	9	20
Operating Profits	1,695	1,948	1,945	2,009	1,904	2,192	2,277	2,426	7,597	8,799
YoY Growth (%)	16	19	23	10	12	12	17	21	17.1	15.8
Provisions	86	48	61	76	113	80	97	86	271	375
Profit before Tax	1,609	1,900	1,884	1,932	1,791	2,112	2,180	2,340	7,326	8,423
Tax Provisions	348	421	420	395	399	473	488	476	1,585	1,836
Profit after tax	1,261	1,479	1,464	1,537	1,392	1,639	1,691	1,864	5,741	6,587
YoY Growth (%)	15	22	26	8	10	11	16	21	17.0	14.7

Bajaj Finance

Neutral

CMP INR991 | TP: INR1,085 (+9%)
EPS CHANGE (%): FY26 | 27 | 28: 0.1 | -1.7 | -2.3

- BAF is expected to deliver AUM growth of 22% YoY/5% QoQ.
- Margin is likely to contract ~5bp QoQ to ~9.5%.

- Credit costs are expected to decline ~7bp QoQ to ~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	4Q		
Interest Income	1,40,492	1,49,870	1,57,682	1,63,591	1,71,447	1,77,960	1,85,879	1,93,854	6,11,636	7,29,139
Interest expenses	56,839	61,493	63,856	65,520	69,177	70,113	73,198	76,459	2,47,708	2,88,946
Net Interest Income	83,653	88,377	93,826	98,072	1,02,270	1,07,847	1,12,681	1,17,395	3,63,928	4,40,192
YoY Growth (%)	24.5	22.8	22.6	22.4	22.3	22.0	20.1	19.7	23.0	21.0
Other Operating Income	20,531	21,084	22,901	21,096	23,831	23,848	25,151	24,848	85,612	97,677
Net Income	1,04,185	1,09,461	1,16,727	1,19,168	1,26,101	1,31,695	1,37,832	1,42,242	4,49,540	5,37,869
YoY Growth (%)	24.1	23.8	25.5	22.7	21.0	20.3	18.1	19.4	24.0	19.6
Operating Expenses	34,709	36,390	38,670	39,493	41,230	42,959	45,021	46,872	1,49,261	1,76,082
Operating Profit	69,475	73,071	78,057	79,675	84,871	88,736	92,811	95,370	3,00,279	3,61,787
YoY Growth (%)	25.3	25.2	27.1	24.3	22.2	21.4	18.9	19.7	25.5	20.5
Provisions and Cont.	16,847	19,091	20,433	23,289	21,202	22,688	22,997	22,302	79,660	89,188
Profit before Tax	52,654	54,015	57,624	56,474	63,676	66,081	69,814	73,068	2,20,796	2,72,599
Tax Provisions	13,534	13,877	14,572	11,018	16,023	16,604	18,082	18,804	53,002	69,513
Net Profit	39,120	40,137	43,052	45,456	47,653	49,478	51,732	54,264	1,67,795	2,03,086
YoY Growth (%)	13.8	13.0	18.3	18.9	21.8	23.3	20.2	19.4	16.0	21.2

Bajaj Housing Finance

Neutral
CMP INR97 | TP: INR105 (+8%)
EPS CHANGE (%): FY26|27|28: -0.9|2.0|0.8

- Expect AUM growth of 23% YoY/ 5% QoQ.
- Margins are likely to contract ~5bp QoQ to ~3.45%.
- Credit costs are expected to remain benign at 20bp in 3QFY26.
- Commentaries on NIM trajectory and loan growth are the key monitorables.

Quarterly performance

Particulars	FY25								FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q		
Interest Income	20,635	22,269	23,220	23,737	24,926	26,144	27,347	28,821	89,862	1,07,238
Interest expense	13,988	15,137	15,159	15,509	16,060	16,580	17,342	18,161	59,793	68,142
Net interest income	6,648	7,133	8,060	8,228	8,866	9,565	10,005	10,660	30,069	39,096
Growth YoY (%)	9.7	13.0	24.9	30.9	33.4	34.1	24.1	29.6	19.7	30.0
Other operating income	1,452	1,833	1,270	1,343	1,259	1,406	1,518	1,577	5,898	5,759
Net total income	8,100	8,966	9,331	9,571	10,125	10,970	11,523	12,237	35,967	44,855
Growth YoY (%)	15.3	17.9	25.1	33.4	25.0	22.4	23.5	27.9	23.0	24.7
Operating expenses	1,701	1,840	1,846	2,078	2,145	2,147	2,238	2,369	7,464	8,898
Operating profits	6,399	7,126	7,485	7,493	7,980	8,823	9,285	9,868	28,503	35,956
Growth YoY (%)	20.1	20.1	30.8	43.1	24.7	23.8	24.0	31.7	28.3	26.1
Provisions	100	50	355	296	411	497	553	570	801	2,030
Profit before tax	6,299	7,076	7,130	7,198	7,569	8,327	8,732	9,298	27,702	33,926
Tax expenses	1,473	1,620	1,650	1,331	1,736	1,897	1,965	1,798	6,073	7,396
Net profit	4,826	5,456	5,480	5,867	5,833	6,430	6,767	7,501	21,629	26,530
Growth YoY (%)	4.5	20.9	25.4	53.8	20.9	17.8	23.5	27.8	24.9	22.7

Can Fin Homes

Neutral
CMP INR939 | TP: INR1,000 (+6%)
EPS CHANGE (%): FY26|27|28: 0.9|-|

- Estimate loan book to grow ~10% YoY.
- Spreads are expected to remain stable QoQ at ~3.5%.
- Margin is expected to remain stable QoQ at 3.8%.
- Commentaries on loan growth and the outlook for NIM in a declining rate environment are the key monitorables.

Quarterly performance

Y/E March	FY25								FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q		
Interest Income	9,242	9,553	9,803	9,829	10,111	10,432	10,661	10,888	38,426	42,091
Interest Expenses	6,027	6,155	6,356	6,343	6,483	6,386	6,475	6,689	24,882	26,033
Net Interest Income	3,214	3,398	3,447	3,485	3,628	4,046	4,186	4,199	13,544	16,059
YoY Growth (%)	12.7	7.3	4.8	6.3	12.9	19.1	21.4	20.5	7.6	18.6
Other income	70	74	58	168	93	63	70	202	370	429
Total Income	3,284	3,472	3,506	3,653	3,721	4,109	4,256	4,402	13,915	16,487
YoY Growth (%)	12.8	7.6	4.4	6.3	13.3	18.3	21.4	20.5	7.6	18.5
Operating Expenses	488	594	593	707	682	762	805	828	2,382	3,077
YoY Growth (%)	12.3	13.3	20.0	-1.7	39.7	28.4	35.8	17.0	9.6	29.2
Operating Profits	2,796	2,878	2,913	2,946	3,039	3,346	3,451	3,574	11,532	13,410
YoY Growth (%)	12.9	6.5	1.7	8.4	8.7	16.3	18.5	21.3	7.2	16.3
Provisions	245	137	221	154	263	31	55	83	758	431
Profit before Tax	2,551	2,741	2,691	2,792	2,776	3,316	3,396	3,491	10,775	12,979
Tax Provisions	555	626	570	452	538	801	733	705	2,203	2,778
Profit after tax	1,996	2,115	2,121	2,339	2,239	2,514	2,662	2,786	8,572	10,201
YoY Growth (%)	8.8	33.8	6.0	11.9	12.1	18.9	25.5	19.1	14.2	19.0

Cholamandalam Inv. & Fin.

Buy

CMP INR1,781 | TP: INR2,040 (+15%)

EPS CHANGE (%): FY26|27|28: 0.6|0.2| 1.1

- Estimate business AUM to grow at ~21% YoY.
- Margin is likely to expand ~7bp QoQ to 7%.

- Credit costs are expected to decline ~15bp QoQ to ~1.7%.
- Guidance on margins, loan growth, and asset quality of new businesses is expected to be closely monitored.

Quarterly Performance

Y/E March	FY25								FY26E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q	FY25	FY26
Interest Income	53,695	57,680	61,587	64,180	66,501	68,942	71,700	75,457	2,37,200	2,82,600
Interest Expenses	27,957	30,551	32,718	33,623	34,663	35,155	35,929	36,858	1,24,849	1,42,604
Net Interest Income	25,738	27,128	28,869	30,557	31,838	33,787	35,771	38,599	1,12,351	1,39,996
YoY Growth (%)	39.7	34.6	32.98	29.8	23.7	24.5	23.91	26.3	34.0	24.6
Other Income	4,595	5,248	6,537	7,027	6,807	6,959	7,611	8,983	23,348	30,360
Total Income	30,333	32,376	35,406	37,584	38,645	40,746	43,383	47,581	1,35,699	1,70,356
YoY Growth (%)	42.6	36.8	37.2	29.0	27.4	25.9	22.5	26.6	35.9	25.5
Operating Expenses	11,834	13,155	14,130	14,269	14,528	16,169	17,168	18,088	53,388	65,952
Operating Profit	18,499	19,221	21,276	23,315	24,117	24,578	26,215	29,493	82,311	1,04,403
YoY Growth (%)	38.1	35.3	40.4	43.2	30.4	27.9	23.2	26.5	39.4	26.8
Provisions & Loan Losses	5,814	6,235	6,640	6,253	8,821	8,970	8,650	8,309	24,943	34,750
Profit before Tax	12,685	12,986	14,636	17,062	15,296	15,608	17,565	21,184	57,369	69,653
Tax Provisions	3,263	3,355	3,771	4,395	3,937	4,054	4,532	5,426	14,783	17,949
Net Profit	9,422	9,631	10,865	12,667	11,359	11,553	13,033	15,758	42,585	51,704
YoY Growth (%)	29.8	26.3	24.0	19.7	20.6	20.0	20.0	24.4	24.4	21.4

CreditAccess Grameen

Buy

CMP INR1,288 | TP: INR1,620 (+26%)

EPS CHANGE (%): FY26|27|28: -2.4|-8.0|-7.8

- CREDAG is expected to report AUM growth of 7% YoY/3% QoQ in 3QFY26.
- Margin is likely to expand ~60bp QoQ to 15%.
- Credit costs are projected to decline ~280bp QoQ to ~5.3%.
- Guidance on credit costs and GLP growth to be keenly monitored.

CREDAG: Quarterly Performance

Y/E March	FY25								FY26E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q	FY25	FY26E
Interest Income	14,372	14,177	13,376	13,543	13,881	14,141	14,694	16,131	55,468	58,847
Interest Expenses	5,103	4,846	4,749	4,778	4,822	4,795	4,834	5,067	19,476	19,517
Net Interest Income	9,268	9,331	8,628	8,765	9,060	9,346	9,860	11,064	35,992	39,331
YoY Growth (%)	28.7	22.2	7.5	-0.5	-2.3	0.2	14.3	26.2	13.6	9.3
Other Income	754	362	443	535	755	949	581	686	2,094	2,971
Total Income	10,023	9,693	9,071	9,299	9,815	10,295	10,441	11,750	38,086	42,301
YoY Growth (%)	27.5	17.7	6.2	-4.8	-2.1	6.2	15.1	26.4	10.7	11.1
Operating Expenses	2,929	2,972	2,841	2,959	3,285	3,347	3,477	3,706	11,702	13,799
Operating Profit	7,093	6,721	6,229	6,340	6,530	6,948	6,965	8,044	26,384	28,502
YoY Growth (%)	30	19	4	-7	-8	3	12	27	10	8
Provisions & Loan Losses	1,746	4,202	7,519	5,829	5,719	5,257	3,469	3,310	19,295	17,755
Profit before Tax	5,347	2,520	-1,289	511	811	1,692	3,495	4,734	7,089	10,747
Tax Provisions	1,371	659	-294	39	209	434	888	1,156	1,775	2,687
Net Profit	3,977	1,861	-995	472	602	1,258	2,608	3,578	5,314	8,061
YoY Growth (%)	14.1	-46.4	-128.2	-88.1	-84.9	-32.4	-362.0	657.8	-63.2	51.7

Five Star Business Finance

Buy

CMP INR532 | TP: INR660 (+24%)

EPS CHANGE (%): FY26|27|28: -4.2|-6.1|-7.7

- Estimate AUM growth of ~17% YoY.
- Margin is likely to contract ~40bp QoQ to 18.35%.

- Credit costs are projected to rise ~10bp QoQ to ~1.45%.
- 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	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q	FY25	FY26E
Interest Income	6,411	6,793	7,112	7,347	7,647	7,731	7,809	7,918	27,663	31,105
Interest Expenses	1,582	1,631	1,714	1,753	1,873	1,800	1,847	1,861	6,680	7,380
Net Interest Income	4,829	5,161	5,399	5,594	5,774	5,931	5,962	6,057	20,983	23,724
YoY Growth (%)	31.4	29.6	28.3	21.2	19.6	14.9	10.4	8.3	27.3	13.1
Other Income	283	266	198	250	265	334	370	311	997	1,280
Total Income	5,112	5,427	5,597	5,844	6,039	6,265	6,332	6,368	21,980	25,005
YoY Growth (%)	32.0	30.3	26.8	21.4	18.1	15.4	13.1	9.0	27.3	13.8
Operating Expenses	1,565	1,627	1,713	1,880	2,012	1,936	2,029	2,083	6,785	8,059
Operating Profit	3,547	3,800	3,884	3,964	4,027	4,330	4,304	4,285	15,196	16,946
YoY Growth (%)	35.9	36.9	29.4	19.2	13.5	13.9	10.8	8.1	29.7	11.5
Provisions & Loan Losses	185	218	233	254	478	510	572	662	890	2,222
Profit before Tax	3,362	3,582	3,651	3,711	3,550	3,819	3,732	3,623	14,306	14,724
Tax Provisions	846	903	913	919	886	958	937	915	3,581	3,696
Net Profit	2,516	2,679	2,739	2,791	2,663	2,861	2,795	2,708	10,725	11,028
YoY Growth (%)	37	34	26	18	6	7	2	-3	28.3	2.8

Fusion Microfinance

Buy

CMP INR162 | TP: INR200 (+24%)

EPS CHANGE (%): FY26|27|28: -2.1|0.2

- Estimate AUM to decline ~34% YoY/flat QoQ.
- Margin is likely to expand ~30bp QoQ to ~15%.

- Annualized credit costs are projected at ~5.5% in 3QFY26.
- Guidance on credit costs, margins, and disbursement trajectory is expected to be closely monitored.

Fusion: Quarterly Performance

Y/E March	FY25								FY26E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q	FY25	FY26E
Interest Income	6,213	6,261	4,382	4,487	4,219	3,808	3,675	3,666	21,342	15,367
Interest Expenses	2,234	2,274	2,137	1,794	1,489	1,343	1,296	1,239	8,439	5,366
Net Interest Income	3,979	3,987	2,245	2,693	2,730	2,465	2,379	2,427	12,904	10,001
YoY Growth (%)	34.6	30.4	-33.7	-25.4	-31.4	-38.2	6.0	-9.9	-0.8	-22.5
Other Income	854	776	443	273	237	519	616	712	2,347	2,083
Total Income	4,833	4,764	2,688	2,966	2,967	2,984	2,995	3,138	15,250	12,084
YoY Growth (%)	30.9	25.3	-34.7	-35.6	-38.6	-37.4	11.4	5.8	-6.0	-20.8
Operating Expenses	1,855	1,925	2,041	2,065	2,101	2,094	2,043	2,006	7,886	8,245
Operating Profit	2,978	2,838	648	901	866	890	951	1,132	7,365	3,840
YoY Growth (%)	26.5	17.4	-75.1	-69.0	-70.9	-68.6	46.9	25.6	-28.4	-47.9
Provisions & Loan Losses	3,485	6,941	5,723	2,547	1,789	1,112	878	458	18,695	4,236
Profit before Tax	-507	-4,102	-5,075	-1,646	-923	-221	73	674	-11,330	-396
Tax Provisions	-151	-1,052	2,118	0	0	0	4	-63	915	-59
Net Profit	-356	-3,050	-7,193	-1,646	-923	-221	70	738	-12,245	-337
YoY Growth (%)	-130	-343	-669	-224	159	-93	-101	-145	-342	-97.2

Home First Finance Company

Buy

CMP INR1,106 | TP: INR1,370 (+24%)

EPS CHANGE (%): FY26|27|28 : -0.2|-0.9|-0.7

- Estimate AUM growth of ~25% YoY/5% QoQ.
- Margin is projected to expand ~15bp QoQ in 3QFY26.

- Cost/income ratio is expected to improve ~80bp QoQ to ~31%.
- 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	4Q		
Interest Income	3,032	3,322	3,558	3,629	3,944	4,091	4,241	4,447	13,540	16,723
Interest expenses	1,568	1,756	1,926	1,903	2,003	2,026	2,010	2,011	7,153	8,050
Net Interest Income	1,464	1,566	1,631	1,726	1,941	2,065	2,231	2,437	6,388	8,674
YoY Growth (%)	17.5	18.6	21.4	26.2	32.6	31.8	36.7	41.2	21.0	35.8
Other Income	382	421	517	533	609	699	704	711	1,852	2,723
Net Income	1,846	1,987	2,148	2,259	2,550	2,764	2,935	3,147	8,239	11,396
YoY Growth (%)	20.6	23.4	25.8	31.4	38.2	39.1	36.6	39.3	25.5	38.3
Operating Expenses	655	726	752	803	868	879	909	1,022	2,936	3,678
Operating Profit	1,191	1,261	1,396	1,456	1,682	1,885	2,026	2,126	5,304	7,719
YoY Growth (%)	21.9	20.7	27.2	28.3	41.2	49.5	45.1	46.0	24.7	45.5
Provisions and Cont.	56	57	98	77	117	152	140	105	288	514
Profit before Tax	1,135	1,204	1,298	1,379	1,565	1,732	1,886	2,021	5,016	7,205
Tax Provisions	258	281	324	332	376	414	453	486	1,195	1,729
Net Profit	878	922	974	1,047	1,189	1,318	1,434	1,535	3,821	5,476
YoY Growth (%)	27.0	24.1	23.5	25.4	35.5	43.0	47.2	46.6	25.0	43.3

HDB Financial Services Limited

Neutral

CMP INR770 | TP: INR830 (+8%)

EPS CHANGE (%): FY26|27|28: -1.9|1.3|0.6

- Estimate AUM growth of ~13% YoY/3.7% QoQ.
- Margin is projected to expand ~10bp QoQ in 3QFY26.

- Credit costs are expected to decline ~25bp QoQ to 2.45%.
- 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	4Q		
Interest Income	32,646	34,310	35,169	36,233	38,315	38,865	39,681	41,007	1,38,358	1,57,868
Interest Expenses	14,964	15,985	16,448	16,505	17,397	16,940	16,906	17,162	63,902	68,405
Net Interest Income	17,682	18,325	18,721	19,728	20,918	21,925	22,775	23,845	74,456	89,463
YoY Growth (%)	17.8	21.2	17.1	17.3	18.3	19.6	21.7	20.9	18.3	20.2
Other Income	6,192	5,758	6,267	6,428	6,339	6,589	6,760	7,066	12,478	14,466
Total Income	23,874	24,083	24,988	26,156	27,257	28,514	29,535	30,911	86,934	1,03,929
YoY Growth (%)	3.2	2.2	6.5	14.2	14.2	18.4	18.2	18.2	18.2	19.5
Operating Expenses	11,912	11,782	12,223	12,776	13,235	13,209	13,723	14,304	37,239	42,782
Operating Profit	11,962	12,301	12,765	13,380	14,022	15,305	15,812	16,608	49,695	61,146
YoY Growth (%)	16.5	13.6	12.1	19.1	17.2	24.4	23.9	24.1	17.9	23.0
Provisions & Loan Losses	4,125	4,310	6,357	6,338	6,697	7,483	6,977	6,468	21,130	27,625
Profit before Tax	7,837	7,991	6,408	7,042	7,325	7,822	8,835	10,139	28,565	33,521
Tax Provisions	2,020	2,081	1,685	1,733	1,648	2,008	2,253	2,621	7,519	8,530
Net Profit	5,817	5,910	4,723	5,309	5,677	5,814	6,582	7,518	21,046	24,991
YoY Growth (%)	2.6	-1.6	-25.8	-19.1	-2.4	-1.6	39.4	41.6	-8.6	18.7

IIFL Finance
Buy
CMP INR640 | TP: INR710 (+11%)
EPS CHANGE (%): FY26|27|28: 6.6|4.8|4.6

- Estimate consol. AUM growth of ~37% YoY to INR981b.
- Credit costs are expected to decline ~35bp QoQ to ~3.1%.

- Cost ratios are expected to decline to ~44.8%. (PQ: ~45.2%)
- 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	3QE	4Q		
Interest Income	24,721	23,181	22,308	24,833	25,835	28,209	30,466	31,500	95,043	1,16,010
Interest Expenses	10,340	9,788	9,957	11,694	12,888	13,819	14,441	15,696	41,695	56,844
Net Interest Income	14,381	13,394	12,352	13,139	12,947	14,390	16,025	15,804	53,348	59,166
YoY Growth (%)	9.7	-6.0	-21.6	-20.2	-10.0	7.4	29.7	20.3	-10.4	10.9
Other Income	-43	2,467	1,051	810	3,758	4,882	4,895	4,549	4,202	18,084
Total Income	14,338	15,861	13,402	13,949	16,705	19,272	20,920	20,352	57,550	77,250
YoY Growth (%)	-1	-2	-21	-10	17	22	56	46	-8.5	34.2
Operating Expenses	7,461	7,329	7,478	7,367	8,017	8,702	9,038	10,000	29,634	35,757
Operating Profit	6,878	8,531	5,925	6,582	8,688	10,570	11,148	11,087	27,916	41,493
YoY Growth (%)	-14.9	-8.9	-38.2	-16.6	26.3	23.9	88.1	68.4	-19.9	48.6
Provisions & Loan Losses	2,516	4,063	4,914	3,487	5,125	5,003	4,803	3,592	14,980	18,523
Profit before Tax	4,362	4,468	1,011	3,095	3,563	5,567	6,345	7,495	7,070	22,970
Exceptional items		-5,865			0					
Tax Provisions	980	-466	193	581	821	1,388	1,472	1,986	1,289	5,667
PAT (Pre NCI)	3,382	-931	818	2,514	2,742	4,179	4,873	5,509	5,782	17,303
NCI	501	646	410	437	408	416	429	347	1,994	1,600
PAT (Post NCI)	2,881	-1,577	408	2,077	2,334	3,763	4,444	5,162	3,788	15,703
YoY Growth (%)	-32	-133	-92	-44	-19	-339	989	149	-79	315

L&T Finance
Buy
CMP INR320 | TP: INR350 (+16%)
EPS CHANGE (%): FY26|27|28: -1.5 |-0.9|-0.3

- Expect LTF to report retail loan growth of ~18% YoY.
- Anticipate credit costs to rise ~5bp QoQ to ~2.5% (annualized) in 3QFY26.
- NIM is expected to expand ~15bp QoQ to ~10.5%.
- Outlook on the MFI business is the key monitorable.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q		
Interest Income	34,526	36,544	38,064	37,499	39,145	40,374	41,545	43,439	1,46,633	1,64,503
Interest Expenses	13,514	14,763	15,692	15,998	16,357	16,343	16,850	17,704	59,968	67,254
Net Interest Income	21,012	21,781	22,371	21,501	22,788	24,031	24,695	25,735	86,665	97,249
Change YoY (%)	19.9	18.1	14.6	8.2	8.4	10.3	10.4	19.7	15.0	12.2
Other Operating Income	3,318	3,649	2,912	2,730	3,451	2,983	4,050	4,133	12,610	13,665
Net Operating Income	24,330	25,431	25,283	24,231	26,238	27,015	28,745	29,868	99,275	1,10,914
Change YoY (%)	30.8	34.6	16.0	3.7	7.8	6.2	13.7	23.3	21.0	11.7
Other income	2	47	76	43	0	0	49	143	167	193
Total Income	24,332	25,477	25,359	24,274	26,239	27,015	28,794	30,010	99,442	1,11,107
Change YoY (%)	20.9	18.1	13.8	3.6	7.8	6.0	13.5	23.6	14.6	11.7
Operating Expenses	9,656	9,578	10,578	10,034	10,486	10,680	11,847	12,435	39,846	45,449
Change YoY (%)	24.1	11.4	18.9	2.4	8.6	11.5	12.0	23.9	13.6	14.1
Operating Profits	14,676	15,899	14,781	14,240	15,753	16,335	16,947	17,575	59,597	65,658
Change YoY (%)	18.9	22.5	10.5	4.6	7.3	2.7	14.7	23.4	15.3	10.2
Provisions	5,453	6,504	6,542	6,185	6,320	6,446	6,854	7,292	24,684	26,913
Profit before Tax	9,223	9,396	8,239	8,055	9,432	9,889	10,093	10,283	34,913	38,745
Tax Provisions	2,370	2,429	1,983	1,697	2,424	2,540	2,422	2,029	8,478	9,415
Profit after tax	6,855	6,967	6,257	6,358	7,008	7,349	7,671	8,254	26,434	29,330
Change YoY (%)	29	17	-2	15	2	5	23	30	14	11

LIC Housing Finance

Neutral
CMP INR546 | TP: INR600 (+10%)
EPS CHANGE (%): FY26|27|28: -0.7|-0.1|-0.1

- Expect loan growth of ~6% YoY with a fairly stable mix.
- Estimate annualized credit costs of ~18bp in 3QFY26.

- 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				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q		
Interest Income	67,391	68,534	69,516	71,173	71,131	70,335	70,617	71,321	2,76,615	2,83,404
Interest Expenses	47,501	48,796	49,515	49,508	50,473	49,951	50,251	50,903	1,95,320	2,01,577
Net Interest Income	19,891	19,739	20,001	21,664	20,658	20,385	20,366	20,419	81,295	81,827
YoY Growth (%)	-10.0	-6.3	-4.6	-3.2	3.9	3.3	1.8	-5.8	-6.0	0.7
Fees and other income	446	784	1,057	1,661	1,201	1,362	1,480	1,349	3,948	5,392
Net Income	20,337	20,522	21,059	23,326	21,859	21,747	21,847	21,767	85,243	87,219
YoY Growth (%)	-9.7	-4.9	-1.9	2.0	7.5	6.0	3.7	-6.7	-3.6	2.3
Operating Expenses	2,621	3,105	3,564	4,536	2,938	3,018	3,315	3,675	13,826	12,946
Operating Profit	17,715	17,417	17,495	18,790	18,920	18,729	18,532	18,092	71,416	74,273
YoY Growth (%)	-11.9	-8.3	-7.2	-1.3	6.8	7.5	5.9	-3.7	-7.2	4.0
Provisions and Cont.	1,431	773	-440	1,094	1,929	1,682	1,379	773	2,858	5,762
Profit before Tax	16,285	16,644	17,934	17,696	16,992	17,047	17,153	17,319	68,558	68,511
Tax Provisions	3,282	3,355	3,615	4,016	3,392	3,508	3,551	3,936	14,268	14,387
Net Profit	13,002	13,289	14,320	13,680	13,599	13,539	13,602	13,384	54,290	54,124
YoY Growth (%)	-2	12	23	25	5	2	-5	-2	14	0

Mahindra Financial Services

Buy
CMP INR403 | TP: INR450 (+11%)
EPS CHANGE (%): FY26|27|28: -1.0| -| -

- Expect disbursements of ~INR184b, leading to AUM of ~INR1.3t (up 13% YoY/ ~2.5% QoQ).
- We expect margins to expand ~20bp QoQ to 6.7%.
- Estimate credit costs to decline to ~1.9% in 3QFY26.
- 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	4Q		
Interest income	36,122	37,448	39,572	40,172	41,646	41,779	43,617	45,373	1,53,314	1,72,415
Interest Expenses	18,286	19,343	20,459	20,896	21,524	20,663	21,138	21,712	78,983	85,037
NII	17,836	18,106	19,113	19,276	20,122	21,116	22,479	23,661	74,331	87,378
YoY Growth (%)	12.6	14.1	12.5	6.4	12.8	16.6	17.6	22.7	11.2	17.6
Other income	1,480	1,802	1,872	2,279	2,732	3,113	3,491	3,629	7,433	12,965
Net Total Income	19,316	19,908	20,985	21,555	22,853	24,230	25,970	27,289	81,764	1,00,343
YoY Growth (%)	15.3	18.9	15.6	9.4	18.3	21.7	23.8	26.6	14.6	22.7
Operating Expenses	7,970	7,947	8,768	9,427	9,323	9,240	9,820	10,010	34,113	38,394
Operating Profit	11,345	11,961	12,217	12,128	13,530	14,989	16,150	17,279	47,651	61,949
YoY Growth (%)	13.5	26.9	15.0	3.4	19.3	25.3	32.2	42.5	14.0	30.0
Provisions	4,482	7,035	91	4,571	6,597	7,514	6,120	4,349	16,179	24,579
Profit before Tax	6,864	4,927	12,126	7,557	6,933	7,475	10,031	12,931	31,473	37,370
Tax Provisions	1,734	1,232	3,131	1,925	1,638	1,782	2,568	3,354	8,022	9,343
Net Profit	5,130	3,695	8,995	5,631	5,295	5,693	7,463	9,577	23,450	28,028
YoY Growth (%)	45.5	57.1	62.7	-9.0	3.2	54.1	-17.0	70.1	33.3	19.5

Manappuram Finance

Neutral
CMP INR311 | TP: INR345 (+11%)
EPS CHANGE (%): FY26|27|28: -5.0|4.3|10.7

- Expect strong gold loan growth, while MFI and CV AUM will continue to decline sequentially.
- Expect margin to contract ~1pp QoQ in the consolidated loan book.
- Expect credit costs to decline ~90bp QoQ to ~2.4%.
- Commentaries on gold loan growth and asset quality in the MFI and PL segments are the key monitorables.

MGFL - Quarterly Performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q		
Interest Income	23,861	25,411	25,163	23,062	22,357	22,512	22,692	24,018	97,997	91,579
Interest Expenses	8,483	9,057	9,253	8,616	8,553	8,756	9,089	9,720	35,747	36,118
Net Interest Income	15,378	16,354	15,909	14,446	13,804	13,756	13,603	14,298	62,250	55,461
YoY Growth (%)	19.4	20.8	9.54	-3.3	-10.2	-15.9	-14.49	-1.0	10.7	-10.9
Other income	1,259	961	464	230	293	341	417	356	2,752	2,764
Net Income	16,636	17,314	16,373	14,676	14,097	14,097	14,020	14,654	65,002	58,225
Operating Expenses	6,823	6,984	7,066	7,843	7,488	7,385	7,773	8,074	28,718	30,719
Operating Profits	9,814	10,331	9,307	6,833	6,609	6,712	6,247	6,580	36,285	27,506
YoY Growth (%)	22.4	19.2	-0.6	-26.8	-32.7	-35.0	-32.9	-3.7	2.6	-24.2
Provisions	2,286	2,604	5,546	9,192	5,594	3,692	2,910	2,668	19,628	14,864
PBT	7,528	7,727	3,761	-2,359	1,015	3,020	3,338	3,912	16,656	12,642
Tax Provisions	1,963	2,006	976	-327	-310	847	901	1,090	4,618	2,528
PAT	5,565	5,721	2,785	-2,032	1,325	2,173	2,437	2,822	12,039	10,114
YoY Growth (%)	12	2	-52	-136	-76	-62	-12	-239	-45	-16

MAS Financial

Buy
CMP INR325 | TP: INR395 (+21%)
EPS CHANGE (%): FY26|27|28: 1.6|1.6|1.9

- Standalone AUM is likely to grow ~5% QoQ/~17% YoY.
- We expect credit costs to remain largely stable QoQ at ~1.15%.
- Margin is expected to remain stable QoQ at ~7.75%.
- 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	4Q		
Revenue from Operations	3,465	3,670	3,901	4,169	4,438	4,586	4,816	5,199	15,205	19,039
Interest Income	2,952	3,078	3,332	3,535	3,687	3,760	3,930	4,150	12,896	15,527
Gain on assignments	304	375	356	396	430	534	587	638	1,431	2,189
Other operating Income	210	217	213	239	320	292	299	412	877	1,323
Interest expenses	1,714	1,754	1,845	1,910	2,062	2,116	2,243	2,469	7,224	8,889
Total income	1,751	1,916	2,056	2,259	2,376	2,471	2,573	2,730	7,981	10,150
Growth Y-o-Y (%)	27	26	31	34	36	29	25	21	31	27
Operating Expenses	567	632	673	744	827	897	933	971	2,615	3,628
Operating Profits	1,183	1,284	1,383	1,516	1,549	1,574	1,641	1,759	5,366	6,522
Growth Y-o-Y (%)	25	24	25	35	31	23	19	16	27	22
Provisions	239	263	332	427	424	371	383	412	1,261	1,591
Profit before tax	944	1,021	1,051	1,089	1,124	1,202	1,258	1,347	4,104	4,931
Growth Y-o-Y (%)	25	28	24	20	19	18	20	24	24	20
Tax Provisions	240	255	270	281	285	305	315	338	1,045	1,243
Net Profit	704	766	781	808	839	897	944	1,009	3,059	3,689
Growth Y-o-Y (%)	23	28	25	19	19	17	21	25	23	21

Muthoot Finance

Neutral
CMP INR 3,826 | TP: INR4,200 (+10%)
EPS CHANGE (%): FY26|27|28: 1.8|6.7|7.2

- Estimate gold AUM growth of ~49% YoY.
- Margin is likely to contract QoQ to ~11.5%.

- We expect credit costs of ~40bp in 3QFY26.
- 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	4Q		
Interest Income	36,560	40,685	43,690	47,836	55,923	63,044	64,244	70,897	1,68,770	2,54,108
Other operating income	478	489	545	708	1,110	1,279	654	67	2,221	3,109
Total Operating income	37,038	41,174	44,235	48,544	57,033	64,322	64,898	70,964	1,70,991	2,57,217
YoY Growth (%)	23.5	34.6	39.6	42.4	54.0	56.2	46.7	46.2	35.3	50.4
Other income	63	88	77	341	167	286	272	-64	569	660
Total Income	37,101	41,262	44,312	48,885	57,200	64,608	65,169	70,900	1,71,560	2,57,877
YoY Growth (%)	22.6	34.2	39.5	43.0	54.2	56.6	47.1	45.0	35.1	50.3
Interest Expenses	13,511	15,505	16,476	18,797	21,191	23,126	25,254	27,918	64,288	97,490
Net Income	23,590	25,758	27,836	30,088	36,009	41,482	39,915	42,981	1,07,271	1,60,387
Operating Expenses	6,437	6,608	7,243	8,610	8,121	8,827	9,445	10,049	28,898	36,442
Operating Profit	17,153	19,150	20,593	21,478	27,887	32,655	30,471	32,932	78,373	1,23,945
YoY Growth (%)	22.5	42.7	47.7	42.3	62.6	70.5	48.0	53.3	38.8	58.1
Provisions	2,236	2,070	2,088	1,274	433	1,141	1,400	2,252	7,667	5,226
Profit before Tax	14,917	17,080	18,505	20,204	27,455	31,514	29,071	30,680	70,706	1,18,720
Tax Provisions	4,130	4,568	4,874	5,126	6,992	8,063	7,471	8,341	18,698	30,867
Net Profit	10,787	12,511	13,631	15,078	20,463	23,452	21,599	22,338	52,008	87,853
YoY Growth (%)	10.6	26.3	32.7	42.7	89.7	87.4	58.5	48.1	28.4	68.9

PNB Housing Finance

Buy
CMP INR998 | TP: INR1,250 (+25%)
EPS CHANGE (%): FY26|27|28: -2.3|-2.6|-3.1

- Loan growth is expected to be ~15% 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	4Q		
Interest Income	17,391	17,803	18,484	19,059	19,804	20,175	20,578	21,378	72,737	81,934
Interest Expenses	10,969	11,185	11,579	11,781	12,344	12,670	12,974	13,538	45,514	51,525
Net Interest Income	6,421	6,618	6,905	7,279	7,460	7,505	7,604	7,840	27,223	30,409
YoY Growth (%)	3.7	2.5	16.47	16.8	16.2	13.4	10.12	7.7	9.7	11.7
Other income	930	994	947	1,309	1,015	1,132	1,222	1,429	4,179	4,798
Total Income	7,352	7,612	7,852	8,587	8,475	8,636	8,826	9,269	31,402	35,207
YoY Growth (%)	11.3	5.4	17.3	15.4	15.3	13.5	12.4	7.9	12.3	12.1
Operating Expenses	1,929	2,020	2,057	2,124	2,158	2,172	2,237	2,517	8,130	9,084
YoY Growth (%)	26.1	18.7	21.0	19.4	11.9	7.5	8.8	18.5	21.2	11.7
Operating Profits	5,422	5,591	5,795	6,464	6,317	6,465	6,589	6,752	23,272	26,123
YoY Growth (%)	6.9	1.3	16.0	14.1	16.5	15.6	13.7	4.5	9.5	12.2
Provisions	-120	-456	-361	-648	-562	-1,132	-396	-498	-1,585	-2,588
Profit before Tax	5,542	6,047	6,157	7,112	6,879	7,596	6,986	7,250	24,858	28,711
Tax Provisions	1,214	1,351	1,324	1,608	1,544	1,781	1,537	1,455	5,496	6,317
Profit after tax	4,328	4,697	4,833	5,504	5,335	5,816	5,449	5,795	19,361	22,395
YoY Growth (%)	24.6	22.6	42.8	25.3	23.3	23.8	12.7	5.3	28.4	15.7

Power Finance Corporation

Buy

CMP INR376 | TP: INR445 (+18%)

EPS CHANGE (%): FY26|27|28: -0.6|-2.9|-2.2

- Expect AUM/disbursement growth of ~13% each YoY.
- Expect credit costs to remain benign.

- Expect margins to remain stable QoQ in 3QFY26.
- 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
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q		
Interest Income	1,18,270	1,19,090	1,24,172	1,37,215	1,37,389	1,34,728	1,36,345	1,38,906	4,98,747	5,47,367
Interest Expenses	74,990	75,007	77,231	78,109	82,697	81,835	82,735	84,382	3,05,380	3,31,649
Net Interest Income	43,280	44,083	46,942	59,106	54,692	52,893	53,609	54,524	1,93,367	2,15,718
YoY Gr %	23.5	18.2	12.9	39.5	26.4	20.0	14.2	-7.8	23.7	11.6
Other Income	3,160	14,655	5,971	11,309	2,016	11,829	5,880	10,213	35,096	29,939
Net Operational Income	46,440	58,738	52,913	70,415	56,708	64,722	59,490	64,737	2,28,463	2,45,657
YoY Gr %	41.1	19.4	11.5	42.1	22.1	10.2	12.4	-8.1	27.6	7.5
Exchange gain/(loss)	589	-3,100	457	-2,614	-6,546	-4,972	-2,200	-1,282	-4,668	-15,000
Total Net Income	47,029	55,639	53,370	67,801	50,162	59,750	57,290	63,455	2,23,795	2,30,657
YoY Gr %	24.6	15.9	18.0	34.9	6.7	7.4	7.3	-6.4	23.5	3.1
Operating Expenses	1,016	2,355	1,832	2,341	1,848	1,932	2,071	2,390	7,500	8,241
Operating Profit	46,013	53,284	51,538	65,460	48,313	57,819	55,219	61,065	2,16,295	2,22,416
YoY Gr %	25.3	13.7	16.8	39.8	5.0	8.5	7.1	-6.7	23.9	2.8
Provisions	620	-1,241	745	4,447	-6,818	2,420	-2,500	-2,903	4,571	-9,801
PBT	45,393	54,525	50,793	61,013	55,132	55,399	57,719	63,968	2,11,724	2,32,217
Tax	8,214	10,821	9,244	9,924	10,117	10,780	10,389	10,978	38,202	42,264
Tax Rate %	18.1	19.8	18.2	16.3	18.3	19.5	18.0	17.2	18.0	18.2
PAT	37,179	43,704	41,549	51,090	45,015	44,619	47,330	52,990	1,73,522	1,89,954
YoY Gr %	23.6	13.6	23.0	23.5	21.1	2.1	13.9	3.7	20.6	9.5

Poonawalla Fincorp

Buy

CMP INR481 | TP: INR610 (+27%)

EPS CHANGE (%): FY26|27|28: -8.4|---|-

- PFL is expected to report AUM growth of ~75% YoY/13% QoQ.
- Expect the cost-to-income ratio to decline QoQ to 50.8% in 3QFY26 (PQ: ~57.3% and PY: ~43.3%).

- Expect credit costs to decline ~60bp 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	4Q		
Interest Income	8,962	9,107	9,991	10,685	11,853	14,022	16,266	18,349	38,745	60,491
Interest Expenses	3,201	3,516	3,850	4,584	5,461	6,378	7,271	8,208	15,151	27,318
Net Interest Income	5,761	5,592	6,141	6,101	6,393	7,644	8,995	10,141	23,594	33,173
YoY Growth (%)	36.8	17.8	25.1	8.5	11.0	36.7	46.5	66.2	21.1	40.6
Other Income	997	858	581	1,048	1,287	1,405	1,434	1,717	3,346	5,843
Total Income	6,758	6,449	6,722	7,149	7,679	9,050	10,429	11,858	26,940	39,016
YoY Growth (%)	35.1	22.0	22.2	11.6	33.9	40.3	55.2	65.9	22.6	44.8
Operating Expenses	2,436	3,610	2,908	3,821	4,434	5,184	5,298	5,256	13,713	20,172
Operating Profit	4,321	2,839	3,814	3,328	3,245	3,866	5,131	6,602	13,228	18,844
YoY Growth (%)	46.9	-15.4	8.89	-18.7	-24.9	36.1	34.54	98.4	-4.8	42.5
Provisions & Loan Losses	425	9,144	3,562	2,526	2,411	2,877	2,589	2,402	14,582	10,279
Profit before Tax	3,897	-6,305	252	802	834	989	2,542	4,200	-1,354	8,565
Exceptional items		0							0	0
Tax Provisions	980	-1,594	65	179	208	247	651	1,035	-371	2,141
PAT (excl. exceptional)	2,916	-4,710	187	623	626	742	1,891	3,165	-983	6,424
PAT (incl. exceptional)	2,916	-4,710	187	623	626	742	1,891	3,165	-983	6,424
YoY Growth (%)	46	-	-93	-81	-79	-116	910	408	-112	-753

Rural Electrification Corporation

Buy

CMP INR381 | TP: INR440 (16%)

EPS CHANGE (%): FY26|27|28: -1.5|-5.2|-8.1

- Disbursements/AUM expected to grow ~5%/2% YoY.
- Expect credit costs to remain benign.

- Expect asset quality to remain largely stable in 3QFY26.
- 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	4Q		
Interest Income	1,26,904	1,34,744	1,39,704	1,49,350	1,45,022	1,45,771	1,43,876	1,44,084	5,50,701	5,78,753
Interest Expenses	80,212	85,065	88,373	87,699	89,351	91,316	89,946	89,527	3,41,350	3,60,140
Net Interest Income	46,692	49,678	51,331	61,651	55,671	54,455	53,930	54,557	2,09,351	2,18,613
YoY Gr (%)	28.3	22.9	19.6	37.4	19.2	9.6	5.1	-11.5	27	4
Other Operational Income	469	483	757	2,228	1,442	4,738	2,500	0	8,410	(2,944)
Net Operational Income	47,161	50,161	52,088	63,879	57,113	59,192	56,430	54,557	2,15,680	2,13,669
YoY Gr (%)	28.9	22.4	19.9	39.5	21.1	18.0	8.3	-14.6	27	(1)
Other Income	2,998	731	1,266	163	-4,891	-149	-100	2,950	685	754
Total Net Income	50,159	50,892	53,354	64,042	52,222	59,043	56,330	57,507	2,16,365	2,14,423
YoY Gr (%)	28.1	20.0	22.7	34.9	4.1	16.0	5.6	-10.2	27	(1)
Operating Expenses	2,175	1,936	3,147	2,396	1,919	2,169	2,317	3,025	7,436	7,429
YoY Gr (%)	50.6	-0.1	78.2	-23.1	-11.8	12.0	-26.4	26.2	13	(0)
% to Income	4.3	3.8	5.9	3.7	3.7	3.7	4.1	5.3	3	3
Operating Profit	47,984	48,955	50,206	61,646	50,303	56,875	54,012	54,482	2,08,929	2,06,993
YoY Gr %	27.3	21.0	20.4	39.0	4.8	16.2	7.6	-11.6	27	(1)
Provisions	4,726	-1,441	-890	7,800	-6,166	1,347	-500	-4,389	10,194	(9,708)
PBT	43,258	50,396	51,097	53,847	56,469	55,528	54,512	58,872	1,98,734	2,16,702
YoY Gr (%)	16.5	4.8	24.2	4.6	30.5	10.2	6.7	9.3	12	9
Tax	8,834	10,342	10,806	11,485	11,959	11,269	11,175	11,321	41,466	45,724
Tax Rate (%)	20.4	20.5	21.1	21.3	21.2	20.3	20.5	19.2	21	21
PAT	34,425	40,055	40,291	42,362	44,510	44,259	43,337	47,551	1,57,269	1,70,978
YoY Gr (%)	16.3	6.2	23.2	5.5	29.3	10.5	7.6	12.2	12.2	8.7

Repco Home Finance

Neutral

CMP INR432 | TP: INR465 (+8%)

EPS CHANGE (%): FY26|27|28: -|0.2|0.3

- Disbursements/AUM expected to grow ~42%/9% YoY.
- Expect further improvement in asset quality, resulting in benign credit costs.

- Margins are likely to remain stable QoQ at ~5.45%.
- 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	4Q		
Interest Income	4,007	4,051	4,258	4,166	4,257	4,334	4,434	4,548	16,482	17,573
Interest Expenses	2,330	2,396	2,475	2,458	2,441	2,444	2,510	2,586	9,659	9,981
Net Income	1,677	1,656	1,783	1,708	1,816	1,890	1,924	1,962	6,823	7,592
YoY Growth (%)	8.5	-2.3	9.0	4.9	8.3	14.2	7.9	14.9	4.9	11.3
Other income	155	229	196	184	150	123	150	173	764	596
Total Income	1,833	1,884	1,978	1,892	1,966	2,013	2,074	2,135	7,587	8,188
YoY Growth (%)	11.8	6.8	11.2	6.9	7.3	6.8	4.9	12.8	9.1	7.9
Operating Expenses	452	517	535	584	530	603	591	656	2,088	2,380
YoY Growth (%)	15.4	21.2	30.5	21.0	17.2	16.7	10.6	12.4	22.1	14.0
Operating Profits	1,380	1,367	1,443	1,308	1,436	1,410	1,483	1,478	5,499	5,808
YoY Growth (%)	10.7	2.2	5.4	1.6	4.1	3.1	2.7	13.0	4.9	5.6
Provisions	14	-160	3	-233	-27	-15	-10	-27	-376	-79
Profit before Tax	1,366	1,528	1,440	1,541	1,463	1,424	1,493	1,506	5,875	5,886
Tax Provisions	312	403	375	392	384	355	388	356	1,481	1,483
Profit after tax	1,054	1,125	1,066	1,149	1,080	1,069	1,105	1,149	4,394	4,403
YoY Growth (%)	18.4	14.7	7.2	6.4	2.4	-5.0	3.7	0.0	11.3	0.2

Shriram Finance

Buy

CMP INR1,009 | TP: INR1,180 (+17%)
EPS CHANGE (%): FY26|27|28: 0.4|2.5|3.1

- Estimate disbursements of ~INR477b, leading to AUM of ~INR2.94t (up 15% YoY/ ~4% QoQ).
- Margin is expected to expand ~40bp QoQ to 9.1%.
- Credit cost is likely increase ~5bp QoQ to 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	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q				
Interest Income	93,628	98,145	1,03,408	1,07,895	1,11,732	1,15,506	1,19,491	1,24,364	4,03,076	4,71,092		
Interest Expenses	41,289	43,504	47,513	52,240	54,008	55,248	54,143	55,541	1,84,546	2,18,940		
Net Interest Income	52,339	54,641	55,896	55,655	57,725	60,258	65,348	68,822	2,18,531	2,52,152		
YoY Growth (%)	24.6	18.9	13.8	9.4	10.3	10.3	16.9	23.7	16.3	15.4		
Other Income	2,343	2,805	3,646	6,707	3,685	3,643	4,150	4,862	15,518	16,341		
Total Income	54,682	57,446	59,542	62,363	61,410	63,901	69,498	73,684	2,34,049	2,68,493		
YoY Growth (%)	21.1	16.2	14.1	13.2	12.3	11.2	16.7	18.2	15.9	14.7		
Operating Expenses	16,140	17,597	18,692	19,010	19,486	19,486	21,029	21,817	71,440	81,817		
Operating Profit	38,541	39,848	40,850	43,353	41,924	44,415	48,469	51,868	1,62,609	1,86,676		
YoY Growth (%)	23.3	14.5	10.7	11.0	8.8	11.5	18.7	19.6	14.5	14.8		
Provisions & Loan Losses	11,876	12,350	13,258	15,633	12,857	13,333	14,228	15,879	53,117	56,297		
Profit before Tax	26,666	27,498	27,592	27,720	29,067	31,082	34,241	35,989	1,09,493	1,30,379		
Tax Provisions	6,860	6,803	6,788	6,326	7,510	8,028	8,560	8,757	26,776	32,855		
Net Profit	19,806	20,696	20,804	21,394	21,557	23,053	25,681	27,232	82,716	97,523		
YoY Growth (%)	18.2	18.2	14.4	9.9	8.8	11.4	23.4	27.3	15.0	17.9		
Exceptional gain (Post tax)			14,894						14,894	0		
PAT (including exceptional gains/loss)			35,698						97,610	97,523		

Spandana Sphoorty

Neutral

CMP INR266 | TP: INR290 (+9%)
EPS CHANGE (%): FY26|27|28: -| -31.7| -7.7

- Estimate disbursements of ~INR12b, leading to AUM of ~INR41b (AUM declined ~55% YoY/flat QoQ).
- Margin is likely to expand ~90bp QoQ to ~11.7%, primarily due to a decline in interest income reversals.
- Annualized credit costs are likely to decline to 7.9% (PQ: 26.7%).
- Guidance on credit costs, margins, and AUM growth is expected to be closely monitored.

SPANDANA: Quarterly Performance

Y/E March	FY25								FY26E		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q				
Interest Income	6,935	6,071	5,029	3,907	2,837	2,246	2,134	2,371	21,943	9,588		
Interest Expenses	2,594	2,584	2,290	1,855	1,538	1,199	1,091	1,144	9,323	4,971		
Net Interest Income	4,342	3,487	2,739	2,052	1,300	1,048	1,043	1,227	12,621	4,617		
YoY Growth (%)	48.0	10.4	-13.4	-46.8	-70.1	-70.0	-61.9	-40.2	-3.8	-63.4		
Other Income	435	994	697	282	204	149	391	685	2,298	1,428		
Total Income	4,776	4,481	3,436	2,335	1,504	1,196	1,434	1,911	14,918	6,046		
YoY Growth (%)	45.7	8.6	-15.5	-49.3	-68.5	-73.3	-58.3	-18.1	-5.8	-59.5		
Operating Expenses	1,908	2,203	2,651	2,083	2,091	1,886	1,901	1,856	8,843	7,733		
Operating Profit	2,869	2,278	784	251	-587	-690	-466	56	6,075	-1,688		
YoY Growth (%)	51.7	-11.6	-67.4	-90.5	-120.5	-130.3	-159.5	-77.9	-34.7	-127.8		
Provisions & Loan Losses	2,118	5,164	6,661	6,028	4,222	2,582	700	-131	19,863	7,372		
Profit before Tax	751	-2,886	-5,876	-5,776	-4,809	-3,271	-1,166	187	-13,788	-9,060		
Tax Provisions	193	-723	-1,474	-1,433	-1,207	-780	-292	4	-3,436	-2,274		
Net Profit	557	-2,163	-4,402	-4,343	-3,602	-2,492	-875	183	-10,352	-6,786		
YoY Growth (%)	-53	-273	-446	-438	-747	15	-80	-104	-307	-34		

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