

PNB Housing Finance

BSE SENSEX

74,243

S&P CNX

23,367



Stock Info

Bloomberg	PNBHOUSI IN
Equity Shares (m)	261
M.Cap.(INRb)/(USD\$b)	260 / 2.7
52-Week Range (INR)	1142 / 730
1, 6, 12 Rel. Per (%)	-1/21/-1
12M Avg Val (INR M)	1500
Free float (%)	72.0

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	30.7	36.5	44.2
PPP	25.8	31.9	39.6
PAT	22.9	24.5	28.6
EPS (INR)	88	94	110
EPS Gr. (%)	18	7	17
BV/Sh. (INR)	738	824	924

Ratios

NIM (%)	3.8	3.8	3.9
C/I ratio (%)	26.3	24.8	23.3
RoAA (%)	2.6	2.4	2.3
RoE (%)	12.7	12.1	12.6

Valuations

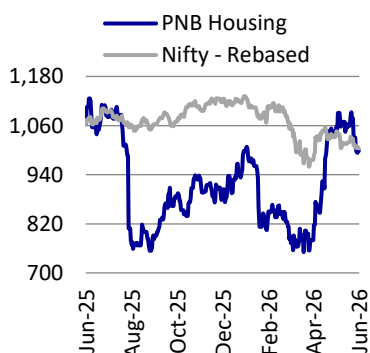
P/E (x)	11.3	10.6	9.1
P/BV (x)	1.4	1.2	1.1
Div. Yield (%)	0.8	1.0	1.1

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	28.0	28.0	28.1
DII	44.1	43.1	29.9
FII	16.6	17.2	21.4
Others	11.3	11.7	20.6

FII Includes depository receipts

Stock performance (one-year)



CMP: INR998

TP: INR1,275 (+28%)

Buy

Balancing growth, yields, and risk through strategic pivots

Executing a calibrated shift towards affordable/emerging segment opportunities

- PNB Housing Finance (PNBHF) is entering the next phase of its transformation, leveraging its retail franchise, distribution network, and improving operating infrastructure to accelerate growth in higher-yielding affordable and emerging segments.
- The strategic roadmap balances accelerating growth in affordable and emerging housing while preserving its prime housing franchise. PNBHF targets raising the affordable and emerging segment share from ~39% to ~45% by end-FY27 and ~50% within the next two years, driven by faster growth in these segments, rather than sacrificing its prime housing portfolio. We model an AUM CAGR of ~19% over FY26–28E.
- Growth is expected to be driven by improving branch productivity, expanding affordable housing sourcing across the existing network, and a calibrated entry into micro-housing—a higher-yielding segment that could meaningfully support margins over the medium term. PNBHF is also diversifying into prime and emerging developer finance, though management expects the wholesale loan mix to remain comfortably below 10% in the foreseeable future.
- Asset quality management is being strengthened through early-stage delinquency monitoring, improved collection efficiencies, and technology-led tools. Recoveries from written-off accounts remain a meaningful earnings contributor and are expected to sustain through FY27, helping contain credit costs (estimated at 5bp/20bp in FY27/28E).
- Ongoing geopolitical tensions in West Asia have led to a hardening of bond yields and are likely to increase the incremental CoB across all instruments. While the company will potentially absorb the impact in 1QFY27, higher incremental borrowing costs are likely to become visible in the weighted average portfolio CoB from 2QFY27, with spreads and NIM facing near-term pressure in the absence of RBI repo rate hikes.
- Overall, PNBHF's strategy reflects a balanced focus on growth, profitability, and risk discipline. Successful execution of the affordable and emerging housing expansion remains the key re-rating catalyst. The stock trades at 1.3x FY27 P/B; we estimate loan/PAT CAGR of 19%/12% over FY26–28 and an RoA/RoE of ~2.3%/12.6% in FY28. Reiterate BUY with a revised TP of INR1,275 (1.4x FY28E BVPS).

Strengthening the affordable and emerging housing franchise

- Affordable and emerging housing, currently ~40% of the retail portfolio and ~47% of retail disbursements, remain key long-term growth drivers for PNBHF, with their share expected to rise to ~50% over the next two years, supporting stronger loan growth and improved portfolio yields.

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- The company plans to accelerate affordable housing growth by expanding sourcing across its entire branch network. Earlier, affordable housing operations were limited to ~230 branches, while the remaining ~160 branches did not originate affordable loans. With the branch infrastructure already in place, incremental investments are expected to be largely manpower-led, supporting improved productivity and operating leverage.
- Underlying demand remains healthy, driven by urbanization, rising homeownership aspirations, improving infrastructure, and government initiatives such as PMAY 2.0, particularly across Tier-2 and Tier-3 markets. We model an AUM CAGR of ~19% over FY26–28E.

Affordable housing and micro-housing strategy

- Management acknowledges that micro-housing demands significantly stronger underwriting, collections infrastructure, monitoring capabilities, and specialized manpower.
- PNBHF sees significant growth opportunities in affordable housing across metro peripheries and urban markets. Its current affordable portfolio yields ~11.5–12%; however, management is evaluating entry into micro-housing, which offers meaningfully higher yields of ~14–16%.
- The initial focus will be on relatively better-quality borrowers with ticket sizes of ~INR1.1m–1.2m, rather than the deepest affordable segments. The higher-yield (~20–22%) segment, where some players operate with weaker collateral structures, is not an immediate priority. PNBHF intends to first establish operating stability in the micro-housing business before pursuing other loan growth opportunities further down the risk curve.

Pivot to higher-yield retail segments; incremental CoB inching up

- PNBHF is gradually expanding into higher-yielding segments to enhance portfolio yields and profitability. Construction finance and emerging developer finance have been initiated across select cities, with exposure (over the medium-term) to remain capped at ~8–10% of the overall portfolio. Yields across these segments are expected to remain healthy, further supported by the planned launch of micro-LAP and micro-housing products. Corporate lending has also been selectively revived, focused on high-quality developers in key urban markets, while keeping the overall corporate book tightly controlled.
- On funding costs, incremental borrowing rates have increased ~25–30bp to ~7.5–7.6% (from ~7.2–7.3%), despite no change in repo rates. Management expects to absorb the impact in 1QFY27. However, higher funding costs are likely to become visible from 2QFY27 onward, putting near-term pressure on spreads in the absence of RBI rate hikes. We model NIMs of 3.85% each in FY27/28E (FY26: 3.8%).

Asset quality stable; credit costs to remain benign

- Asset quality remains stable across segments, with no visible stress despite macroeconomic and geopolitical uncertainties. GNPA improved to ~0.93% in 4QFY26, supported by strong recoveries, disciplined underwriting, and improved collections infrastructure.
- Affordable housing portfolio seasoning remains healthy, with early warning indicators well within acceptable levels and portfolio quality continuing to outperform industry trends. Recoveries from the written-off pool are expected

to remain a meaningful earnings support lever, sustaining benign credit costs and provision write-backs.

- Expansion into construction finance and developer lending will remain tightly calibrated through controlled exposure limits, separate underwriting frameworks, and a predominantly retail-focused balance sheet. We model credit costs of 5bp/25bp in FY27/28E.

Valuation

- PNBHF continues to strengthen its positioning through a calibrated shift toward higher-growth and higher-yielding retail segments, while maintaining disciplined underwriting and strong asset quality. The company’s increasing focus on affordable and emerging housing markets, expansion into select developer-led opportunities, stable liability profile, and improving operating leverage are expected to support sustainable growth in earnings over the medium term. Prudent risk management, controlled exposure limits, and healthy recovery trends provide additional comfort on portfolio stability.
- The stock currently trades at 1.2x FY27 P/B. We estimate PNBHF to deliver a CAGR of 19%/12% in loans/PAT over FY26-28 and RoA/RoE of ~2.3%/12.6% in FY28. Reiterate BUY with a revised TP of INR1,275 (based on 1.4x FY28E BVPS).
- Key risks:** a) In the absence of any RBI repo rate hike, there could be near-term pressure on spreads and NIM, driven by higher incremental borrowing costs, and b) asset quality deterioration and elevated credit costs arising from seasoning in the affordable and emerging segment loans.

Exhibit 1: Comparison of PNBHF valuation matrix with peers

Val summary	Rating	CMP (INR)	TP (INR)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
PNB HF	Buy	998	1,275	94.5	111.7	824	925	2.4	2.4	12.1	12.8	10.6	8.9	1.2	1.1
LIC HF	Neutral	550	630	103.6	114.0	834	926	1.7	1.7	13.1	12.9	5.3	4.8	0.7	0.6
Bajaj Housing	Neutral	84	100	3.7	4.5	31	35	2.2	2.2	12.9	13.7	22.5	18.5	2.7	2.4
Aavas	Neutral	1,298	1,565	97.1	116.4	734	851	3.3	3.4	14.2	14.7	13.4	11.1	1.8	1.5
HomeFirst	Buy	1,081	1,425	62.2	72.2	475	543	3.9	3.7	13.9	14.2	17.4	15.0	2.3	2.0
CanFin	Neutral	808	1,000	80.3	92.8	515	593	2.3	2.3	16.7	16.7	10.1	8.7	1.6	1.4
Repco	Neutral	368	435	71.5	80.1	691	766	2.6	2.6	10.9	11.0	5.1	4.6	0.5	0.5

Story in charts

Exhibit 2: Disbursements CAGR of 22% over FY26-28E

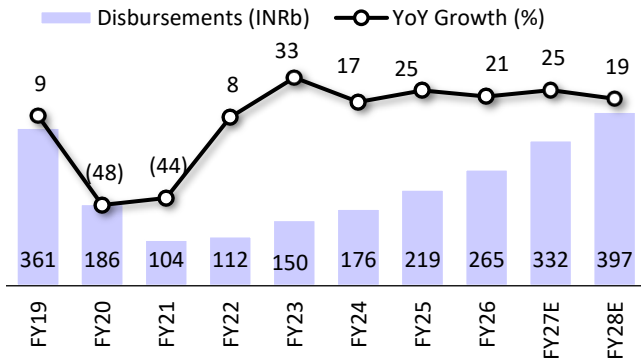


Exhibit 3: Loan book CAGR of ~19% over FY26-28E

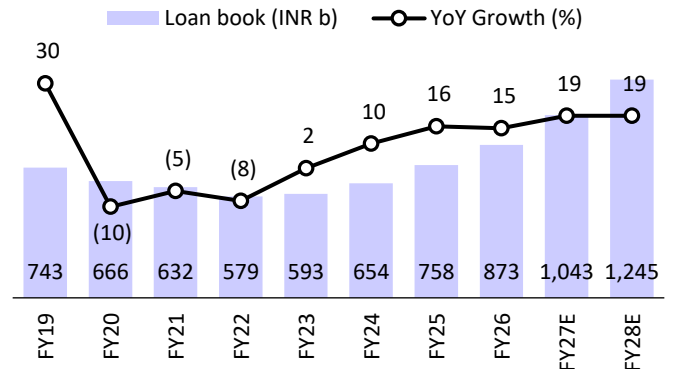


Exhibit 4: Expect spreads to improve to 2.8% by FY28

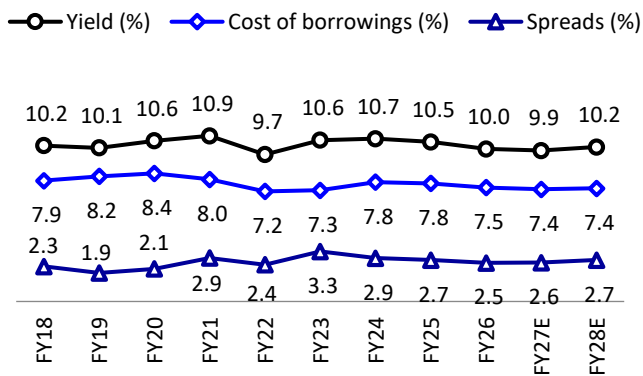


Exhibit 5: NIM to gradually expand in FY27/FY28E

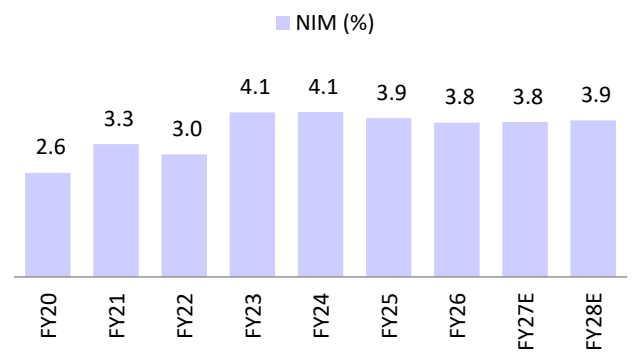


Exhibit 6: CI ratio to decline to ~23.2% by FY28E

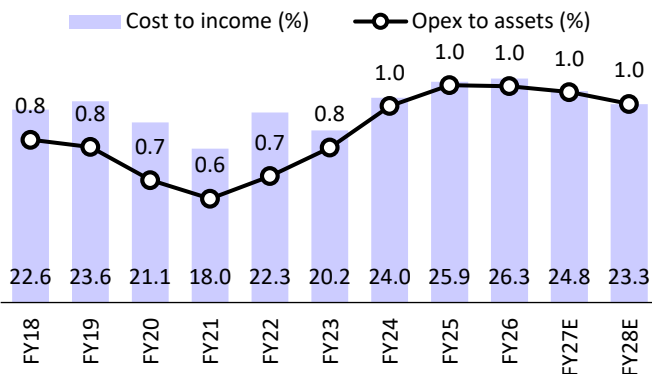


Exhibit 7: Asset quality to remain healthy

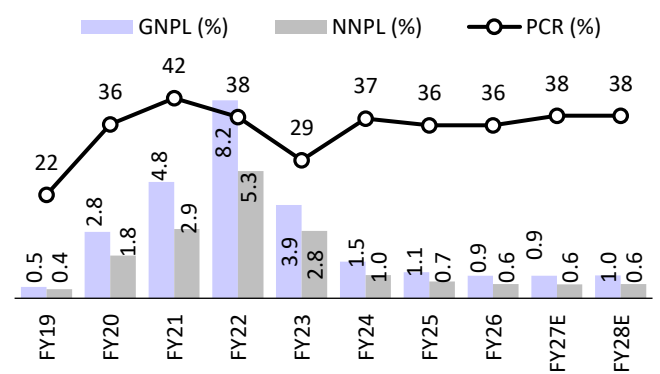


Exhibit 8: PAT CAGR of ~12% over FY26-FY28E

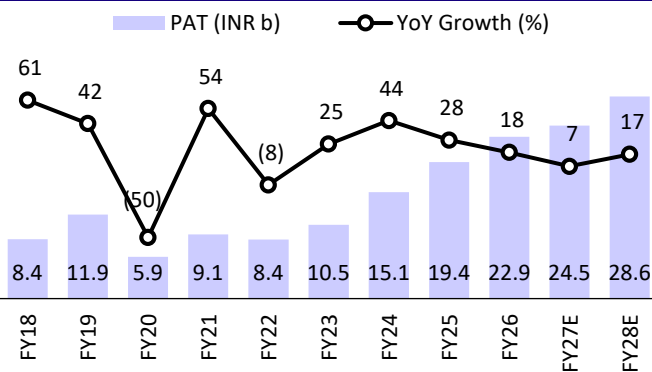
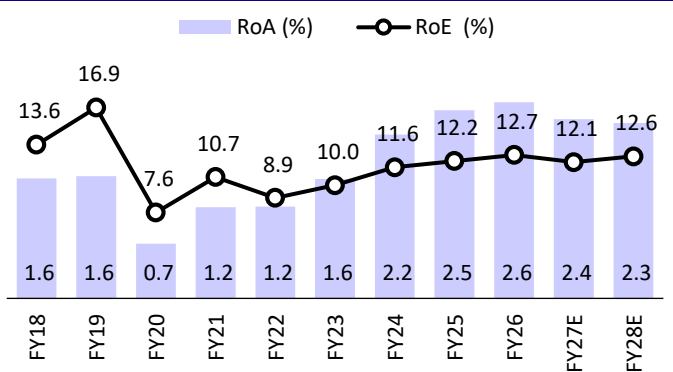


Exhibit 9: RoA/RoE of 2.3%/12.6% in FY28E



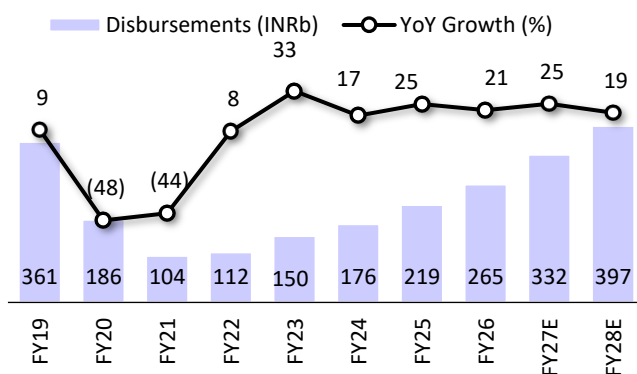
Source: MOFSL, Company

Source: MOFSL, Company

Affordable and emerging segments at the core of PNBHF's retail expansion

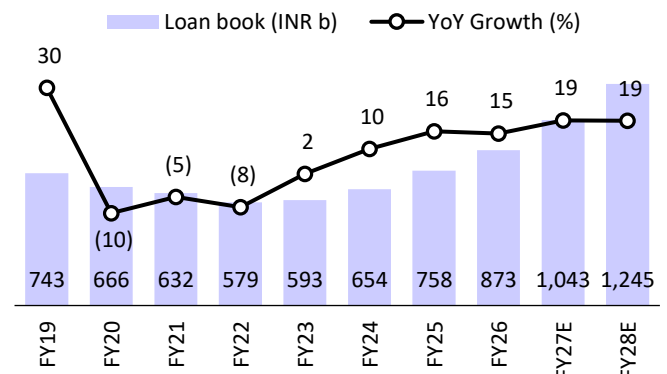
- PNBHF is increasingly repositioning its franchise toward affordable and emerging housing segments, which are expected to remain key structural growth drivers over the medium term. These segments currently contribute ~40% of the retail portfolio and ~47% of retail disbursements, with the mix expected to increase to ~50% over the next two years. The strategic pivot is aimed at driving faster retail loan growth, improving portfolio yields, and strengthening the company's positioning across underpenetrated Tier-2 and Tier-3 markets.
- PNBHF continues to witness strong demand visibility across affordable and emerging housing markets, supported by urbanization trends, improving infrastructure, rising home ownership aspirations, and supportive government initiatives such as PMAY 2.0, particularly in Tier-2 and Tier-3 cities.
- PNBHF's branch expansion strategy is also increasingly aligned toward these higher-growth segments, with ~80% of the network now focused on affordable and emerging markets. PNBHF plans to expand its branch network, primarily across Tier-3 and Tier-4 geographies, which is expected to further strengthen its sourcing capabilities and distribution reach in high-growth markets. We expect PNBHF to deliver ~19% AUM CAGR over FY26-FY28.

Exhibit 10: Disbursements CAGR of ~22% over FY26-28E



Source: MOFSL, Company

Exhibit 11: Loan book CAGR of ~19% over FY26-28E



Source: MOFSL, Company

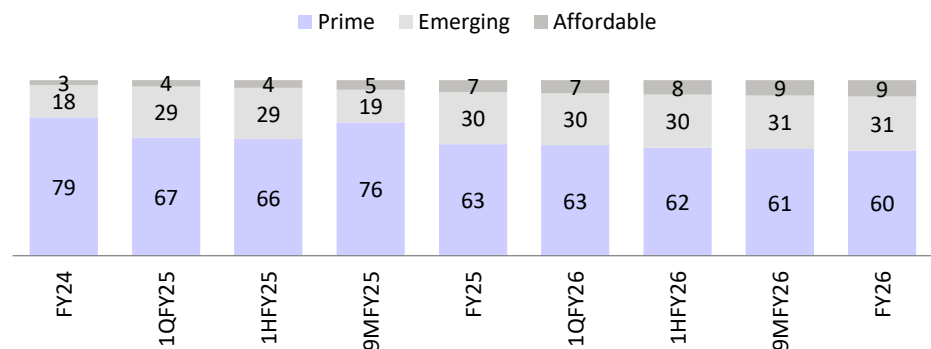
Affordable housing and micro-housing strategy

- PNBHF continues to witness significant growth opportunities within affordable housing across India, including metro peripheries and urban markets. The company's current affordable housing portfolio largely operates at yields of ~11.5–12%; however, management is evaluating entry into the micro-housing segment, which typically offers yields of ~14-16%. The initial strategy will focus on relatively better-quality borrowers with ticket sizes of ~INR1.1–1.2m rather than pursuing the deepest affordable segments immediately.
- Management shared that the higher-yield (~20-22%) housing segment, where some players operate with weaker collateral structures, is not an immediate priority. Instead, the company intends to first establish operating stability within the micro-housing segment before evaluating more aggressive opportunities.
- The company acknowledged that micro-housing requires significantly stronger underwriting, collection infrastructure, monitoring capabilities, and specialized manpower.

Emerging developer finance (EDF) and corporate lending

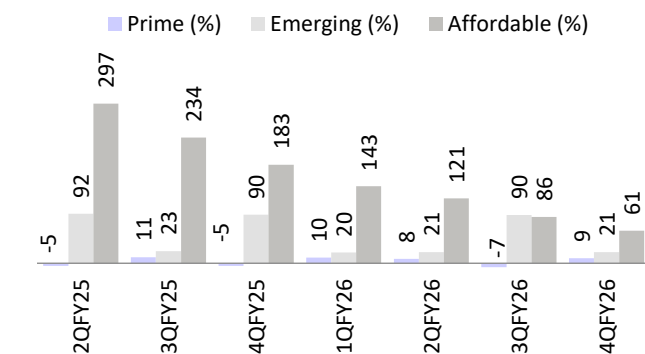
- The company has already commenced operations in the emerging developer finance (EDF) segment. EDF will primarily focus on smaller developers undertaking projects such as low-rise residential redevelopment, plotted housing, and small residential projects with ~25–40 units.
- Management highlighted that these projects typically have shorter gestation cycles and faster project churn, improving capital rotation and risk visibility. Ticket sizes in EDF will remain capped at ~INR250m per exposure with targeted yields to be around ~12%.
- Management emphasized that EDF will only be pursued with carefully selected developers having established local market credibility and proven execution capability. On broader corporate/construction finance, the company plans to remain highly selective and conservative compared to historical practices.
- Management highlighted that the company will not repeat its earlier large-ticket exposures of ~INR8-10b. Going forward, exposures are expected to remain significantly smaller and more granular. Recent corporate lending transactions include funding extended to reputed developers such as Kalpataru and Ashar.
- Corporate lending operations will operate under: a) separate underwriting teams, b) separate monitoring teams, c) strong project monitoring frameworks and committee-led approval structures, and d) tight end-use monitoring mechanisms.

Exhibit 12: Portfolio mix shifting toward emerging and affordable housing (%)



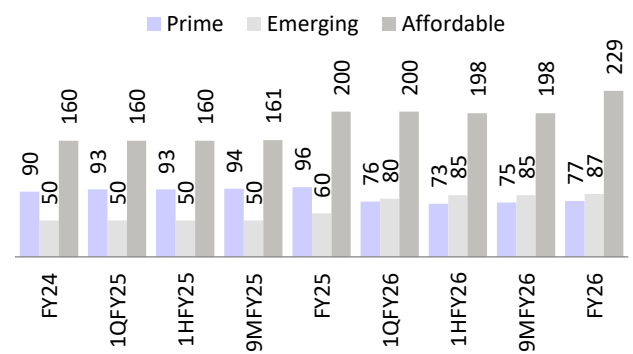
Source: MOFSL, Company

Exhibit 13: Affordable housing segment growing at the highest pace, albeit on a lower base (% YoY growth) ...



Source: MOFSL, Company

Exhibit 14: ... supported by an increasing number of branches

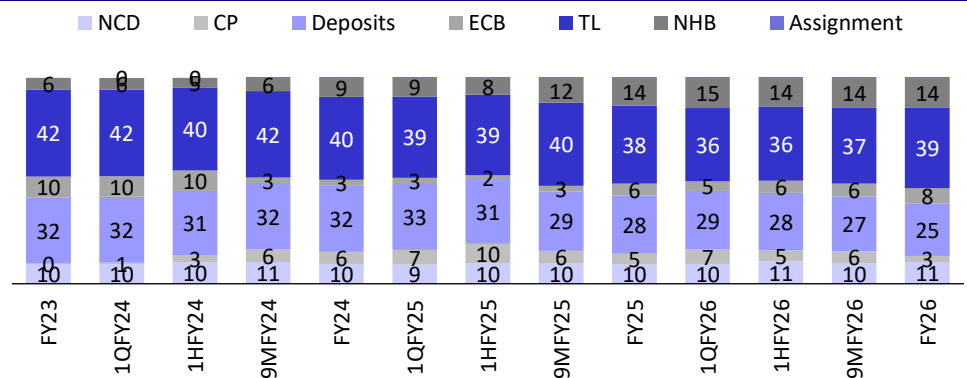


Source: MOFSL, Company

Higher-yield retail and developer finance to support PNBHF margins

- PNBHF is gradually expanding into higher-yield retail and developer-linked segments to structurally improve portfolio yields and profitability. The company has commenced construction finance and emerging developer finance in a calibrated manner across select cities, with exposure together capped at ~8-10% of the overall portfolio.
- PNBHF expects construction finance yields to remain in the ~12-12.5% range, while emerging developer finance yields are expected to range at ~11-13.5%. In addition, the company is launching micro-LAP and micro-housing products targeting ~14-16% yield segments, which should further support blended portfolio yields and improve return ratios over the medium term.
- Corporate lending has also been selectively revived, with the company focusing only on high-quality developers across key urban markets such as Mumbai, Pune, Hyderabad, Chennai, Delhi, and Bangalore. Management reiterated that the corporate portfolio would continue to remain tightly controlled, with exposure capped at ~3% of the book in FY27 and scaling gradually thereafter.
- Management shared that funding costs have started rising despite no change in repo rates. Incremental borrowing rates have increased from ~7.2-7.3% to ~7.5-7.6%, implying a ~25-30bp increase across funding sources. While the company expects to absorb the impact during 1QFY27, the effect of higher incremental funding costs is likely to become visible from 2QFY27 onwards. In the absence of RBI repo rate hikes, spreads could face near-term pressure. We expect NIMs of 3.85% each in FY27/FY28E.

Exhibit 15: Diversified funding mix with term loans as the largest component (%)



Source: MOFSL, Company

- While portfolio yields moderated in FY26 due to elevated run-offs and lower disbursement yields, the decline in funding costs helped preserve margin stability. PNBHF expects NIMs to remain broadly stable at ~3.55-3.65%, with a gradual upward bias supported by better product mix, lower CoF, and operating leverage.

Exhibit 16: Expect spreads to improve to 2.8% by FY28

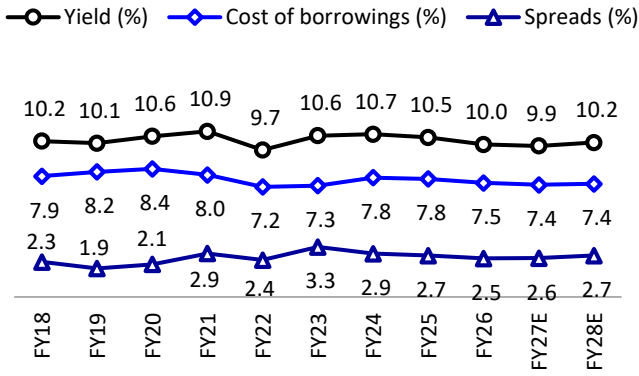
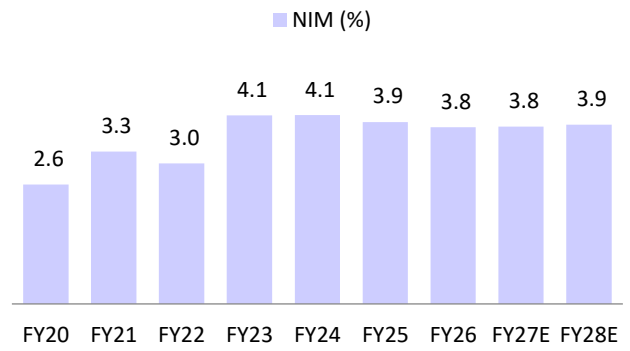


Exhibit 17: NIM to gradually expand in FY27/FY28



Source: MOFSL, Company

Technology and operational efficiency

- The company has implemented a new loan origination system (LOS), with 100% of fresh underwriting now being processed through the new platform.
- Management stated that the new LOS is improving underwriting turnaround time and processing efficiency. The company has also developed a new internal workflow platform called ‘Infinity’, through which all files will now be logged and processed.
- Earlier-stage data entry processes are being shifted upstream within the workflow, which management believes will significantly improve productivity over time. Over the next 6–12 months, management expects these technology initiatives to improve processing productivity, reduce operational redundancies, and potentially lower manpower requirements in backend processing functions.
- AI-led collection calling systems are also being integrated into collection management frameworks to improve repayment behavior and reduce bounce rates. We expect Opex/avg. assets to remain stable over the next couple of years at ~1%.

Exhibit 18: CI ratio to decline to ~24% by FY28E

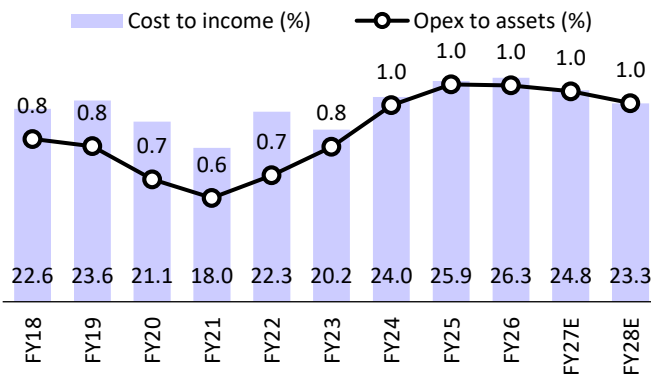
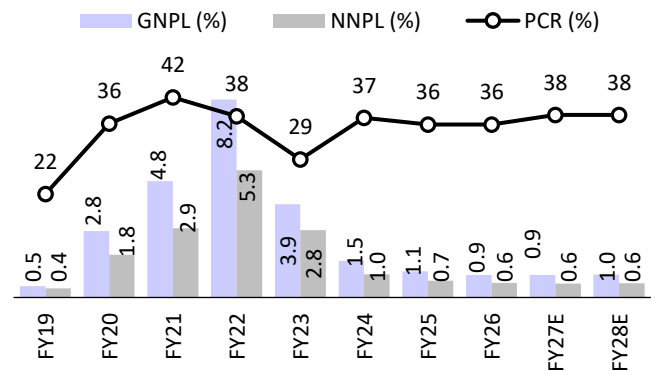


Exhibit 19: Asset quality to remain healthy



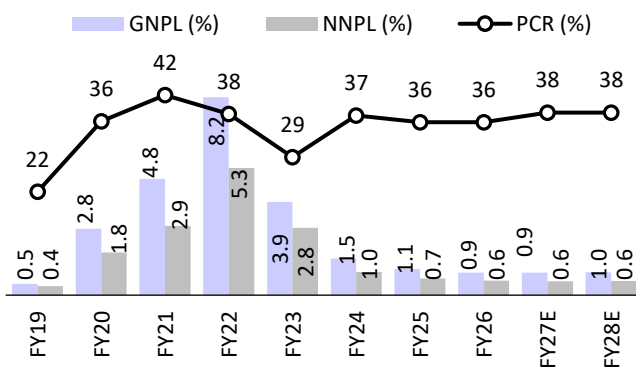
Stable asset quality and strong recoveries support PNBHF’s growth outlook

- Asset quality trends continue to remain stable across segments, with management indicating no visible signs of stress build-up despite broader macro and geopolitical uncertainties. GNPA improved to below ~1% by 4QFY26, supported by stronger recoveries, disciplined underwriting, and improved collection infrastructure.
- PNBHF emphasized that portfolio seasoning within affordable housing remains healthy, with early warning indicators staying within acceptable thresholds. The

company also highlighted that affordable housing portfolio quality continues to remain superior to industry trends despite faster growth in the segment.

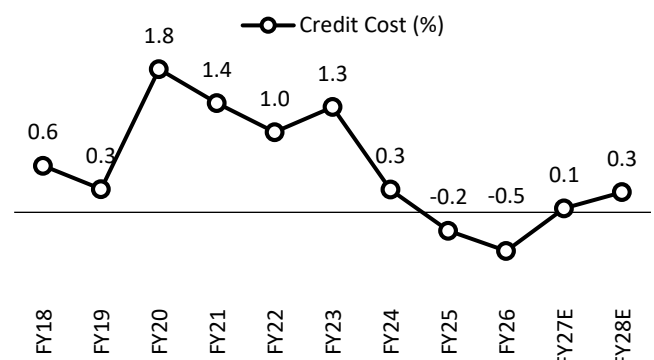
- Management indicated that affordable housing bounce rates of ~11–12% remain broadly in line with industry trends, while overall consolidated retail bounce rates remain around ~8%, which management considers comfortable.
- Recoveries from the written-off pool continue to remain a meaningful earnings support lever, with the company expecting recoveries to continue over the next 4-5 quarters. Strong recoveries across both retail and corporate portfolios have supported continued provision write-backs and benign credit costs during FY26. Management expects credit costs to remain contained even after recoveries normalize, aided by improving portfolio quality and calibrated underwriting.
- The company reiterated that even as it enters construction finance and emerging developer lending, growth would remain tightly governed through separate underwriting frameworks, controlled exposure limits, and a predominantly retail-focused balance sheet structure. Management believes this calibrated approach should allow the company to improve yields without materially compromising portfolio quality. We expect credit costs of 5bp/20bp in FY27/FY28.

Exhibit 20: Asset quality to remain healthy



Sources: MOFSL, Company

Exhibit 21: Credit costs expected to remain benign

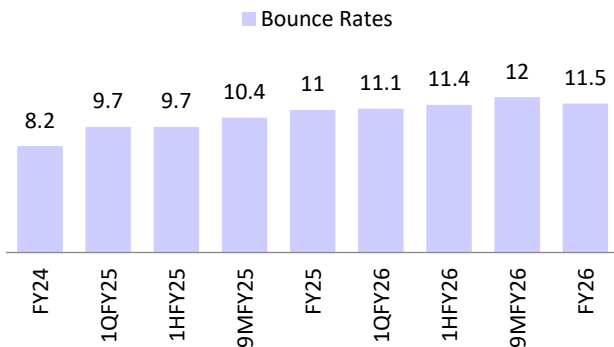


Sources: MOFSL, Company

- Management highlighted that improving ex-bucket collection efficiency has become the most critical asset quality priority. While many institutions focus primarily on headline GNPA numbers, the company believes controlling early-stage delinquency buckets is the most effective mechanism for sustaining long-term asset quality.
- An internal benchmark of >98% ex-bucket collection efficiency has been established, with teams being measured closely against this target. Management believes stronger early-bucket collections reduce forward-flow slippages, lower collection costs, and ultimately improve portfolio quality.
- Collection efforts are increasingly focused on customer engagement during the first 12-18 months of the loan cycle, when borrower engagement levels are typically strongest. Simultaneously, AI-led communication and reminder systems are being integrated to improve repayment behavior, reduce payment bounces, and strengthen collection outcomes.
- Management indicated that these initiatives, along with broader collection model enhancements, have contributed to GNPA improving to ~0.93% from

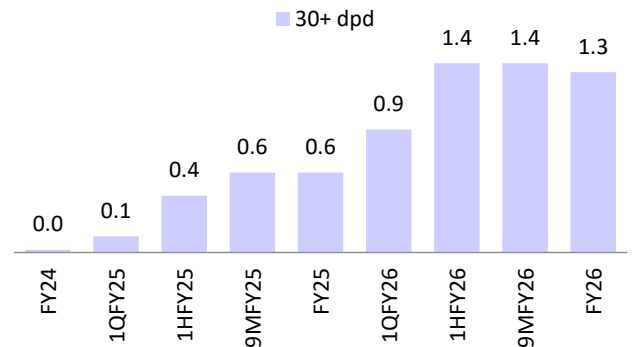
~1.04%. However, asset quality improvement continues to remain an ongoing strategic focus area.

Exhibit 22: Bounce rate for affordable housing (%)



Sources: MOFSL, Company

Exhibit 23: DPD 30+ for affordable housing (%)



Sources: MOFSL, Company

Exhibit 24: Gross NPA for affordable housing (%)

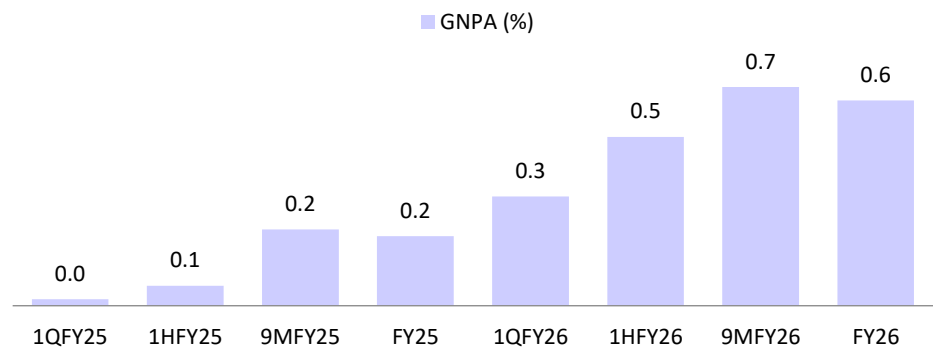
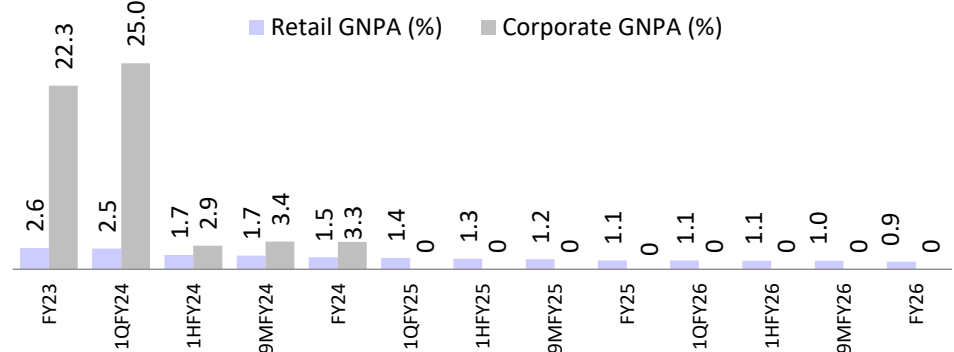


Exhibit 25: Asset quality stable (Corporate loans restarted in 4QFY26)



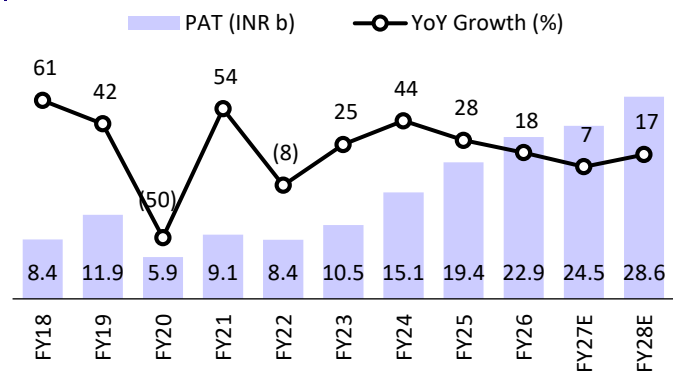
Source: MOFSL, Company

Valuation and View

- PNBHF continues to strengthen its positioning through a calibrated shift toward higher-growth and higher-yielding retail segments, while maintaining disciplined underwriting and strong asset quality. The company's increasing focus on affordable and emerging housing markets, expansion into select developer-led opportunities, stable liability profile, and improving operating leverage are expected to support sustainable growth in earnings over the medium term. Prudent risk management, controlled exposure limits, and healthy recovery trends provide additional comfort on portfolio stability.

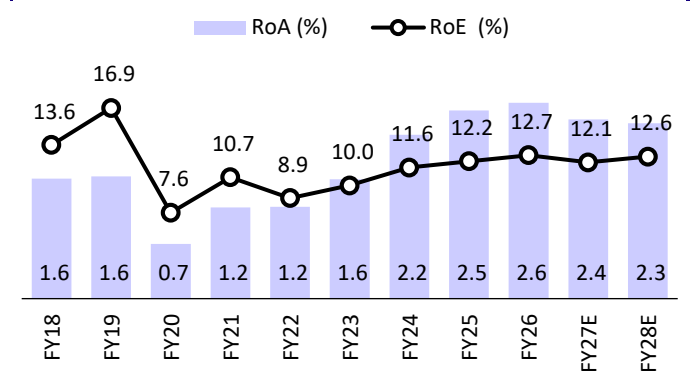
- The stock currently trades at 1.2x FY27 P/B. We estimate PNBHF to deliver a CAGR of 19%/12% in loans/PAT over FY26-28E and RoA/RoE of ~2.3%/12.6% in FY28E. Reiterate BUY with a revised TP of INR1,275 (based on 1.4x FY28E BVPS).
- **Key risks:** a) In the absence of any RBI repo rate hike, there could be near-term pressure on spreads and NIM, driven by higher incremental borrowing costs, and b) asset quality deterioration and elevated credit costs arising from seasoning in the affordable and emerging segment loans.

Exhibit 26: PAT CAGR of ~12% over FY26-FY28E



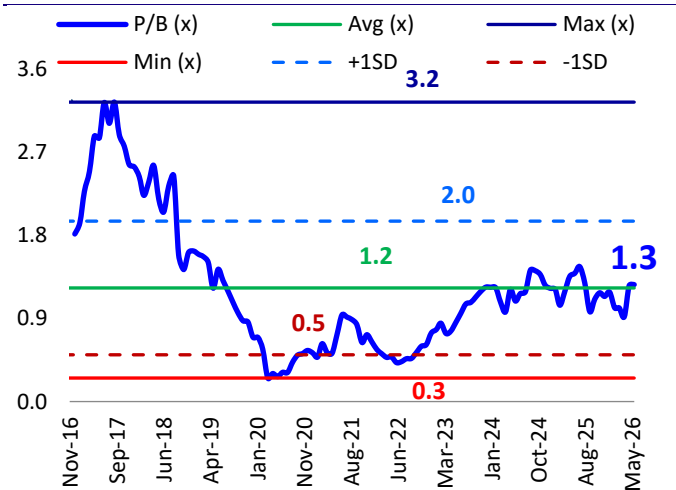
Source: MOFSL, Company

Exhibit 27: RoA/RoE of 2.3%/12.6% in FY28E



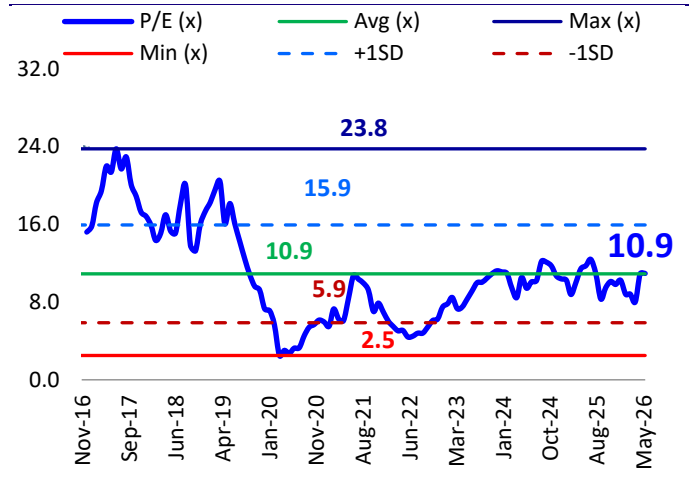
Source: MOFSL, Company

Exhibit 28: One-year forward P/B



Source: MOFSL, Company

Exhibit 29: One-year forward P/E



Source: MOFSL, Company

Exhibit 30: DuPont analysis

DuPont Analysis	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	9.6	8.5	9.4	9.7	9.4	9.2	9.2	9.5
Interest Expended	6.8	5.9	5.9	6.1	5.9	5.7	5.7	5.9
Net Interest Income	2.8	2.6	3.5	3.6	3.5	3.5	3.5	3.6
Other Income	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.6
Fees	0.2	0.4	0.4	0.4	0.5	0.4	0.5	0.5
Trading gains and MM	0.3	0.2	0.1	0.1	0.1	0.0	0.1	0.1
Net Income	3.4	3.1	4.0	4.0	4.1	4.0	4.1	4.2
Operating Expenses	0.6	0.7	0.8	1.0	1.0	1.0	1.0	1.0
<i>Cost to Income Ratio (%)</i>	<i>18.0</i>	<i>22.3</i>	<i>20.2</i>	<i>24.0</i>	<i>25.9</i>	<i>26.3</i>	<i>24.8</i>	<i>23.3</i>
Employee Expenses	0.3	0.3	0.4	0.5	0.5	0.6	0.5	0.5
Other Expenses	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.4
Operating Profit	2.8	2.4	3.2	3.1	3.0	2.9	3.1	3.2
Provisions/write offs	1.1	0.8	1.1	0.2	-0.2	-0.4	0.0	0.2
PBT	1.6	1.6	2.1	2.8	3.2	3.4	3.1	3.0
Tax	0.4	0.4	0.5	0.6	0.7	0.8	0.7	0.7
<i>Tax Rate (%)</i>	<i>24.7</i>	<i>22.8</i>	<i>23.1</i>	<i>22.8</i>	<i>22.1</i>	<i>22.9</i>	<i>22.0</i>	<i>22.0</i>
Reported PAT	1.2	1.2	1.6	2.2	2.5	2.6	2.4	2.3
Leverage	8.9	7.3	6.3	5.3	4.9	4.9	5.1	5.4
RoE	10.7	8.9	10.0	11.6	12.2	12.7	12.1	12.6

Financials and valuations

							(INR M)	
Income statement								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	71,898	58,220	61,991	67,422	72,737	80,712	95,059	1,16,121
Interest Expended	50,998	40,645	38,985	42,611	45,514	50,002	58,561	71,904
Net Interest Income	20,901	17,575	23,006	24,811	27,223	30,709	36,497	44,217
Change (%)	15.3	-15.9	30.9	7.8	9.7	12.8	18.8	21.2
Other Operating Income	4,343	3,787	3,306	3,149	4,179	4,339	5,951	7,353
Net Income	25,243	21,363	26,311	27,960	31,402	35,048	42,449	51,570
Change (%)	-3.5	-15.4	23.2	6.3	12.3	11.6	21.1	21.5
Operating Expenses	4,554	4,760	5,313	6,710	8,130	9,203	10,529	11,997
PPoP	20,689	16,603	20,998	21,250	23,272	25,845	31,920	39,573
Change (%)	0.3	-19.7	26.5	1.2	9.5	11.1	23.5	24.0
Provisions/write offs	8,619	5,764	7,389	1,711	-1,585	-3,862	477	2,860
PBT	12,070	10,840	13,609	19,539	24,858	29,706	31,443	36,713
Extraordinary Items	0	0	0	0	0	0	0	0
Reported PBT	12,070	10,840	13,609	19,539	24,858	29,706	31,443	36,713
Tax	2,978	2,475	3,149	4,459	5,496	6,794	6,917	8,077
Tax Rate (%)	24.7	22.8	23.1	22.8	22.1	22.9	22.0	22.0
DTL on Special Reserve								
Reported PAT	9,092	8,365	10,460	15,080	19,361	22,912	24,525	28,636
Change (%)	53.9	-8.0	25.0	44.2	28.4	18.3	7.0	16.8
PAT adjusted for EO	9,092	8,365	10,460	15,080	19,361	22,912	24,525	28,636
Change (%)	53.9	-8.0	25.0	44.2	28.4	18.3	7.0	16.8
Proposed Dividend	0	0	0	0	1,300	2,084	2,477	2,921

							(INR M)	
Balance sheet								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Capital	1,683	1,686	1,689	2,597	2,599	2,606	2,606	2,606
Reserves & Surplus	87,548	97,030	1,08,448	1,47,147	1,66,032	1,89,586	2,12,027	2,38,186
Net Worth	89,230	98,716	1,10,137	1,49,744	1,68,631	1,92,191	2,14,632	2,40,791
Borrowings	5,93,925	5,30,050	5,36,211	5,50,166	6,23,096	7,11,986	8,77,196	10,58,304
Change (%)	-12.3	-10.8	1.2	2.6	13.3	14.3	23.2	20.6
Other liabilities	30,767	28,530	15,795	24,138	33,481	30,943	32,491	34,115
Total Liabilities	7,13,922	6,57,296	6,62,143	7,24,049	8,25,208	9,35,121	11,24,318	13,33,210
Loans	6,06,447	5,53,359	5,78,398	6,41,082	7,46,453	8,64,334	10,43,039	12,45,063
Change (%)	-9.0	-8.8	4.5	10.8	16.4	15.8	20.7	19.4
Investments	20,448	34,827	31,963	43,460	33,809	27,788	29,178	30,636
Change (%)	-1.5	70.3	-8.2	36.0	-22.2	-17.8	5.0	5.0
Net Fixed Assets	1,056	935	839	989	1,227	1,222	1,283	1,347
Other assets	85,971	68,175	50,943	38,517	43,719	41,777	50,819	56,164
Total Assets	7,13,922	6,57,296	6,62,143	7,24,049	8,25,208	9,35,121	11,24,318	13,33,210

E: MOFSL Estimates

Financials and valuations

Ratios	(%)							
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)								
Avg yield on loans	10.9	9.7	10.6	10.7	10.5	10.0	9.9	10.2
Avg. cost of funds	8.0	7.2	7.3	7.8	7.8	7.5	7.4	7.4
Interest Spread	2.9	2.4	3.3	2.9	2.7	2.5	2.6	2.7
NIM on loans	3.3	3.0	4.1	4.1	3.9	3.81	3.83	3.86
Profitability Ratios (%)								
RoE	10.7	8.9	10.0	11.6	12.2	12.7	12.1	12.6
RoA	1.2	1.2	1.6	2.2	2.5	2.6	2.4	2.3
Int. Expended/Int.Earned	70.9	69.8	62.9	63.2	62.6	62.0	61.6	61.9
Other Inc./Net Income	17.2	17.7	12.6	11.3	13.3	12.4	14.0	14.3
Efficiency Ratios (%)								
Op. Exps./Net Income	18.0	22.3	20.2	24.0	25.9	26.3	24.8	23.3
Empl. Cost/Op. Exps.	46.4	45.5	50.1	50.3	51.8	52.9	53.6	54.1
Asset Quality (INR m)								
Gross NPA	29,990	47,062	22,714	9,840	8,160	8,090	9,819	11,905
GNPA ratio	4.8	8.2	3.9	1.5	1.1	0.9	0.9	1.0
Net NPA	17,500	29,312	16,184	6,160	5,220	5,175	6,088	7,381
NNPA ratio	2.9	5.3	2.8	1.0	0.7	0.6	0.6	0.6
CAR	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
VALUATION								
Book Value (INR)	530	586	652	577	649	738	824	924
BVPS Growth YoY	11.5	10.4	11.4	-11.6	12.5	13.7	11.7	12.2
Price-BV (x)	1.9	1.7	1.5	1.7	1.5	1.4	1.2	1.1
EPS (INR)	54.0	49.6	61.9	58.1	74.5	87.9	94.1	109.9
EPS Growth YoY	53.8	-8.2	24.9	-6.3	28.3	18.1	7.0	16.8
Price-Earnings (x)	18.5	20.2	16.1	17.2	13.4	11.4	10.6	9.1
Dividend per share (INR)	0.0	0.0	0.0	0.0	5.0	8.0	9.5	11.2
Dividend yield (%)	0.0	0.0	0.0	0.0	0.5	0.8	1.0	1.1

E: MOFSL Estimates

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