

Financials - NBFCs

Result Preview



Company

| |
|-----------------------------------|
| Aavas Financiers |
| Bajaj Finance |
| Can Fin Homes |
| Chola Inv. & Fin. |
| CreditAccess Grameen |
| Five Star Business Finance |
| Fusion Microfinance |
| HomeFirst |
| 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; seasonal weakness visible in asset quality

Limited benefit on MCLR borrowings; expect margin benefits from next quarter

- Demand momentum exhibits mixed trends:** We expect ~10% YoY growth in AUM for our coverage HFCs, including both affordable and large HFCs. Vehicle financiers are projected to report ~18% YoY AUM growth. Gold lenders (despite the weakness in MFI growth) are likely to record ~29% YoY growth (primarily driven by ~43% YoY growth in MUTH). NBFC-MFI AUM is estimated to decline ~22% YoY, while diversified lenders are anticipated to deliver ~24% YoY growth. For our NBFC coverage universe, we estimate a loan growth of ~16% YoY/~4% QoQ as of Jun'25. During the quarter, loan growth exhibited mixed trends across segments: 1) Gold financiers saw *very strong* growth, 2) MFIs (except CRETAG) reported a decline in AUM due to muted disbursements, 3) Vehicle finance growth moderated slightly due to seasonality and weak auto industry volumes, and 4) Home loan disbursements for large HFCs remained relatively weak since they had to let go of some business amid price competition from banks.
- Lag in transmission of MCLR rate cuts; marginal reduction in borrowing costs:** CoB for most NBFCs has seen a very minor sequential decline because of the repricing of EBLR borrowings. The transmission through bank MCLR has been limited, as not all banks have reduced their MCLR rates. Even among those that have, the benefit to NBFCs has been marginal at only ~10-15 bps. A more meaningful transmission of policy rate cuts through MCLR cuts for NBFCs is likely to begin from Jul'25. 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, while affordable HFCs and vehicle financiers would see slight NIM expansion driven by segment-specific nuances. VFs are expected to report healthy NIM expansion in 2HFY26.
- Weak macro resulting in sustained asset quality weakness; credit costs elevated across the board:** In addition to the weak seasonality of 1Q, macro weakness had a bigger role to play in the asset quality weakness witnessed during the quarter. The stress in Karnataka remains elevated and is now anticipated to normalize by the end of 2QFY26 (vs. the earlier expectation of end-1QFY26). For MFIs, credit costs are likely to moderate sequentially, having peaked in 4QFY25; however, they are expected to remain elevated through 1HFY26 and will normalize only in 2HFY26. Asset quality for HFCs (including affordable HFCs) remains broadly stable, apart from the minor seasonal weakness typically observed during the quarter. For Power financiers, there were no new slippages or stressed asset resolutions during the quarter. Credit costs for vehicle financiers are slightly higher than our earlier expectations, driven by broad-based weakness in asset quality.
- Earnings likely to grow ~8% YoY but decline 2% QoQ for our coverage universe:** We estimate ~14%/13%/8% YoY growth in NII/PPoP/PAT in 1QFY26 for our NBFC coverage universe. Excluding NBFC-MFI, we estimate ~12% YoY growth in PAT for our coverage universe. Our preference is for Housing Financiers, including select affordable HFCs and diversified lenders (who 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, Home First, PNBHF, and LTFH.

Affordable HFCs doing better on NIM compared to their large counterparts

- Large HFCs are facing heightened competition, particularly from PSU banks that are offering home loans at significantly lower rates. Given their inability to match these rates without compromising yields, many large HFCs are opting to forego such business. Large HFCs are expected to report NIM compression, driven by declining yields amidst intensifying competition, while benefits on the liabilities book (ones that are MCLR-linked) have remained limited.
- Despite a 100bp repo rate cut by the RBI, most affordable HFCs did not make any changes to their PLR rates until Jun'25. As a result, affordable HFCs are likely to witness margin expansion, supported by some benefits in their CoB.
- Asset quality for HFCs remains largely stable, but for the typical seasonal flows seen in 1Q. Credit costs are expected to remain benign.
- For LICHF, we expect credit costs at ~20bp (vs. ~15bp in 4QFY25). Margins are likely to dip ~5bp QoQ. We expect LICHF to report ~8% YoY growth in loans.
- We forecast HomeFirst to report a ~12% YoY growth in disbursements, leading to a healthy AUM growth of ~29% YoY. We expect NIMs to expand for HomeFirst primarily due to a decline in leverage driven by capital raise. Aavas is likely to report NIM expansion of ~5bp QoQ. Asset quality for both HomeFirst and Aavas could exhibit seasonal weakness, but credit costs will remain benign.
- We estimate PNBHF to deliver a ~16%-17% YoY growth in total loan book as of Jun'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 again result in provision write-backs (like in the prior quarters).
- 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. The stress in Karnataka continues to be more pronounced for Five Star, with normalization expected in 2HFY26. We expect disbursements to remain flat YoY, translating into ~20%-21% YoY growth in AUM. NIMs are likely to contract ~50bp QoQ, driven by ~200bp cut in lending rates implemented by the company from Nov'24. We expect a deterioration in asset quality, which would lead to a rise in credit costs to ~100bp (vs. ~70bp in 4QFY25).

Vehicle Finance – loan growth remains weak; credit costs to inch up QoQ

- MMFS reported disbursements of ~INR128b in 1QFY26 (up ~1% YoY), leading to business assets growing by ~15% YoY. We expect credit costs (as % of avg. loans) for MMFS to be at ~2% in 1QFY26 (vs. 1.6% in 4QFY25). MMFS also reported deterioration of ~50-60bp QoQ in 30+ dpd.
- For CIFIC and SHTF, we expect a disbursement growth of 2%/17% YoY, which should translate into ~23%/17% YoY growth in AUM for CIFIC/SHTF as of Jun'25. Disbursements were largely flat YoY for CIFIC because the company has stopped doing fintech-originated CSEL, supply chain financing, and flexi loans.
- We estimate NIM expansion for vehicle financiers in FY26, driven by a decline in CoB and a fixed-rate vehicle finance book. Vehicle financiers faced seasonal asset quality deterioration this quarter, which is expected to result in sequentially higher credit costs.

- The broad industry trends remain challenging, particularly in the CV segment. While volumes in the HCV segment are declining, the LCV segment is performing relatively better. The entry-level PV segment also remains weak, with 2W and tractors being the only segments showing relatively better performance from an overall auto industry standpoint.

Gold Finance – robust gold loan growth but with NIM compression

- We expect gold loan financiers to deliver very strong gold loan growth (partly driven by tonnage growth and partly by an increase in portfolio LTV) in 1QFY26. While we expect MGFL to have delivered ~24% YoY gold loan growth, the drag from its MFI and CV business would keep consolidated loan growth muted at just ~2% YoY. We expect ~43% YoY gold loan growth for MUTH.
- Gold financiers are likely to witness NIM compression this quarter, driven by a moderation in lending yields. We expect margins to contract ~40bp QoQ for MUTH and ~15bp QoQ for MGFL.
- While credit costs peaked in 4QFY25 for both Asirvad and Belstar, they are expected to remain elevated over the next two quarters, with normalization likely only in 2HFY26.

MFIs – credit costs decline sequentially but will remain elevated

- Disbursements remained muted across all MFIs (except CREDAG). We expect the loan book to de-grow for Fusion and Spandana, while CREDAG's GLP has largely remained flat QoQ. We expect AUM to decline ~11%/22% QoQ for Fusion/Spandana in 1QFY26.
- The impact of the Karnataka ordinance is yet to fully normalize, with lingering stress still evident in the state. Normalization is now anticipated by 2QFY26, a slight delay from the earlier estimate of 1QFY26. We expect credit costs to remain elevated for the next two quarters, a major proportion of which will be contributed by write-offs that had slipped over Jan-Apr'25. We estimate *annualized* credit costs of ~8%/~7%/36% for CREDAG/Fusion/Spandana in this quarter.
- A trend reversal is on the horizon in the MFI sector and is likely to play out over the next couple of quarters, with the sector likely nearing normalization by 2HFY26. That said, we strongly believe that the upcoming three months present an opportunity to separate high-quality franchises from weaker ones, with performance divergence across the MFI sector expected to be increasingly evident.

Diversified Financiers – poised for stronger growth in unsecured segments; credit costs slightly higher due to seasonality

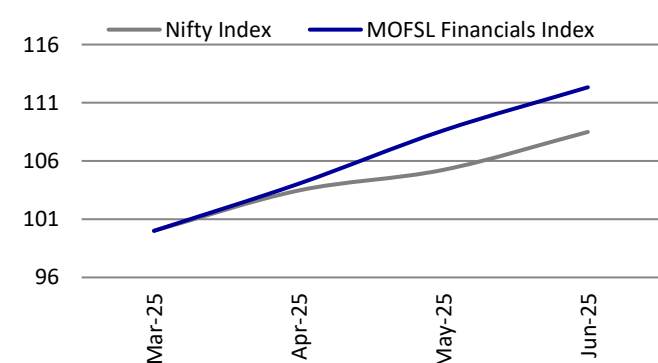
- LTFH reported ~18% YoY/5% QoQ growth in retail loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), we expect the consolidated loan book to grow ~4% QoQ in 1QFY26. We anticipate credit costs to remain broadly stable QoQ at 2.6%.
- BAF reported AUM growth of ~25% YoY/6% QoQ. We estimate a ~7bp QoQ contraction in NIM for BAF with credit costs at ~205bp (v/s 197bp QoQ).
- Poonawalla posted AUM growth of ~53% YoY/16% QoQ with total AUM of INR413b. We expect credit costs to dip ~45bp QoQ to ~1.45% (vs. 1.9% in 4QFY25).
- For IIFL Finance, we expect strong growth in gold loan AUM to sustain and estimate gold loan book growth of ~25% QoQ. While we expect a sequential decline in its MFI AUM, it would still exhibit a ~7% QoQ growth in its consolidated AUM. We estimate a PAT of INR2.2b in 1QFY26 (vs. INR2.1b in 4QFY25).

Power Financiers – muted loan growth; asset quality to remain broadly stable

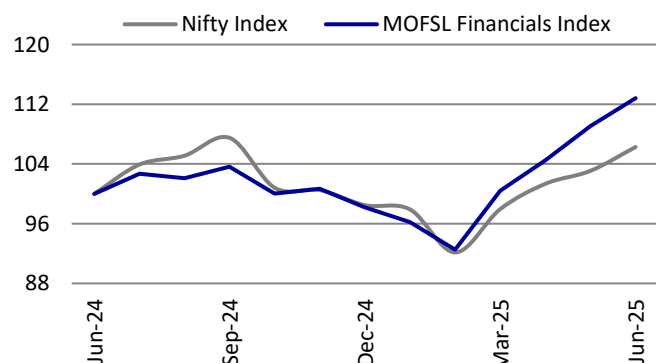
- Disbursements among power financiers showed mixed trends. REC is expected to report healthy disbursement growth, whereas disbursements for PFC are likely to remain muted. Asset quality is expected to remain stable/improve, since there were no new slippages or stressed asset resolutions in the quarter. TRN Energy has been restructured, and we expect the benefit to accrue in provision write-backs in 2QFY26. The final guidelines on project financing have been published by the RBI and will not lead to any material increase in provisioning requirements for either PFC or REC.
- For PFC, we expect disbursements to decline 47% QoQ, leading to loan book growth of ~16% YoY/1.4% QoQ. For REC, we expect disbursement growth of ~26% YoY, which could potentially result in loan book growth of ~10% YoY/2.4% QoQ.

Exhibit 1: Quarterly performance

| Name | CMP (INR) | Rating | NII (INR m) | | | Operating profit (INR m) | | | Net profit (INR m) | | |
|--------------------|-----------|---------|-----------------|------------------|------------------|--------------------------|------------------|------------------|--------------------|------------------|------------------|
| | | | Jun-25 | Variance YoY (%) | Variance QoQ (%) | Jun -25 | Variance YoY (%) | Variance QoQ (%) | Jun -25 | Variance YoY (%) | Variance QoQ (%) |
| AAVAS Financiers | 2034 | Neutral | 2,829 | 15.7 | 4.6 | 1,981 | 16.9 | -1.4 | 1,460 | 15.8 | -5.0 |
| Bajaj Finance | 937 | Neutral | 1,02,517 | 22.6 | 4.5 | 84,300 | 21.3 | 5.8 | 46,297 | 18.3 | 1.8 |
| Can Fin Homes | 791 | Neutral | 3,513 | 9.3 | 0.8 | 2,995 | 7.1 | 1.7 | 2,162 | 8.3 | -7.6 |
| Chola. Inv & Fin. | 1599 | Buy | 32,437 | 26.0 | 6.2 | 23,407 | 26.5 | 0.4 | 11,284 | 19.8 | -10.9 |
| CreditAccess | 1256 | Buy | 9,047 | -2.4 | 3.2 | 6,550 | -7.7 | 3.3 | 842 | -78.8 | 78.3 |
| Five-Star Business | 763 | Buy | 5,748 | 19.0 | 2.7 | 3,914 | 10.3 | -1.3 | 2,703 | 7.5 | -3.1 |
| Fusion Finance | 200 | Neutral | 2,711 | -31.9 | 0.7 | 915 | -69.3 | 1.6 | -434 | 22.0 | -73.6 |
| Home First Fin. | 1322 | Buy | 2,009 | 37.2 | 16.4 | 1,596 | 34.1 | 9.6 | 1,152 | 31.3 | 10.1 |
| IIFL Finance | 469 | Buy | 13,740 | -4.5 | 4.6 | 9,363 | 36.1 | 42.2 | 2,201 | -23.6 | 6.0 |
| L&T Finance | 208 | Buy | 21,691 | 3.2 | 0.9 | 15,677 | 6.8 | 10.1 | 7,030 | 2.6 | 10.6 |
| LIC Housing Fin | 612 | Neutral | 21,689 | 9.0 | 0.1 | 18,819 | 6.2 | 0.2 | 13,758 | 5.8 | 0.6 |
| M & M Financial | 267 | Buy | 20,050 | 12.4 | 4.0 | 13,176 | 16.1 | 8.6 | 5,313 | 3.6 | -5.7 |
| Manappuram Finance | 278 | Neutral | 14,480 | -5.8 | 0.3 | 6,793 | -30.8 | -0.6 | -631 | -111.3 | -68.9 |
| MAS Financial | 310 | Buy | 1,635 | 32.2 | 0.6 | 1,541 | 30.2 | 1.7 | 832 | 18.2 | 3.0 |
| Muthoot Finance | 2643 | Neutral | 31,610 | 37.1 | 8.9 | 24,217 | 41.2 | 12.8 | 16,953 | 57.2 | 12.4 |
| PFC | 424 | Buy | 48,474 | 12.0 | -18.0 | 54,258 | 17.9 | -17.1 | 43,843 | 17.9 | -14.2 |
| PNB Housing | 1103 | Buy | 7,415 | 15.5 | 1.9 | 6,406 | 18.1 | -0.9 | 5,057 | 16.8 | -8.1 |
| Poonawalla Fincorp | 464 | Buy | 6,818 | 18.3 | 11.7 | 2,805 | -35.1 | 17.6 | 1,051 | -64.0 | 68.6 |
| REC | 401 | Buy | 54,106 | 15.9 | -12.2 | 52,658 | 9.7 | -14.6 | 41,264 | 19.9 | -2.6 |
| Repco Home Fin | 439 | Neutral | 1,754 | 4.6 | 2.7 | 1,346 | -2.5 | 2.9 | 1,021 | -3.1 | -11.1 |
| Shriram Finance | 696 | Buy | 58,228 | 11.3 | 4.6 | 43,388 | 12.6 | 0.1 | 20,681 | 4.4 | -3.3 |
| Spandana Sphoorty | 281 | Buy | 1,409 | -67.5 | -31.3 | -155 | -105.4 | -161.5 | -3,466 | -722.2 | -20.2 |
| NBFC | | | 4,63,909 | 13.73 | -0.8 | 3,75,951 | 13.0 | -1.9 | 2,20,374 | 8.0 | -1.6 |

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

| Company | Old Estimates | | New Estimates | | Change (%) | |
|--------------------|---------------|-------|---------------|-------|------------|-------|
| | FY26 | FY27 | FY26 | FY27 | FY26 | FY27 |
| AAVAS | 86.6 | 102.7 | 85.2 | 101.0 | -1.6 | -1.6 |
| BAF | 33.9 | 42.5 | 33.4 | 42.4 | -1.5 | -0.3 |
| CANF | 70.4 | 79.9 | 69.1 | 78.9 | -1.8 | -1.2 |
| CIFC | 63.7 | 82.4 | 63.7 | 81.6 | 0.1 | -1.0 |
| CREDAG | 54.7 | 103.3 | 58.1 | 105.2 | 6.1 | 1.8 |
| Five Star Business | 40.4 | 47.0 | 41.3 | 46.9 | 2.1 | -0.2 |
| FUSION | 13.2 | 25.5 | 3.8 | 18.3 | -71.1 | -28.3 |
| HomeFirst | 51.4 | 62.8 | 50.7 | 64.4 | -1.5 | 2.5 |
| IIFL Fin | 37.8 | 49.5 | 40.8 | 54.2 | 7.9 | 9.4 |
| LTFH | 12.4 | 16.0 | 12.5 | 16.5 | 0.9 | 2.7 |
| LICHF | 95.7 | 102.9 | 95.7 | 102.7 | -0.1 | -0.1 |
| MMFSL | 20.2 | 25.0 | 20.2 | 25.0 | -0.2 | -0.1 |
| MASFIN | 21.0 | 25.9 | 20.2 | 25.7 | -3.8 | -0.7 |
| Muthoot | 171.3 | 193.0 | 177.9 | 211.0 | 3.8 | 9.4 |
| MGFL | 21.5 | 26.0 | 12.6 | 23.8 | -41.3 | -8.2 |
| PNBHF | 87.8 | 102.9 | 87.8 | 102.1 | 0.0 | -0.8 |
| PFC | 54.7 | 60.9 | 56.9 | 60.1 | 4.1 | -1.3 |
| PFL | 12.6 | 22.7 | 12.8 | 22.7 | 1.9 | -0.0 |
| REC | 66.4 | 73.6 | 66.2 | 73.2 | -0.2 | -0.6 |
| REPCO | 69.6 | 74.9 | 67.5 | 73.9 | -3.0 | -1.4 |
| SHFL | 52.9 | 62.7 | 51.2 | 61.0 | -3.1 | -2.8 |
| SPANDANA | -21.0 | 28.5 | -116.7 | 23.3 | - | -18.2 |

Exhibit 5: Margin trends for MOFSL NBFC Coverage Universe (%)

| Name of the company | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | YoY (bp) | QoQ (bp) |
|---------------------|--------|--------|--------|--------|--------|----------|----------|
| AAVAS | 6.9 | 6.6 | 6.7 | 6.9 | 6.9 | 3 | 5 |
| BAF | 9.8 | 9.7 | 9.7 | 9.6 | 9.6 | -21 | -7 |
| CANF | 3.6 | 3.8 | 3.7 | 3.7 | 3.6 | 0 | -5 |
| CIFC | 6.8 | 6.8 | 6.8 | 6.8 | 6.9 | 5 | 9 |
| CRE DAG | 14.0 | 14.5 | 13.8 | 13.8 | 13.9 | -7 | 10 |
| Five Star | 19.3 | 19.4 | 19.5 | 19.4 | 18.9 | -43 | -51 |
| Fusion | 15.0 | 15.1 | 9.1 | 12.2 | 13.4 | -166 | 114 |
| HomeFirst | 5.8 | 5.2 | 4.9 | 5.1 | 5.2 | -57 | 12 |
| IIFL Fin | 7.7 | 7.8 | 7.1 | 7.0 | 6.6 | -118 | -45 |
| LTHF | 11.2 | 11.2 | 10.8 | 10.0 | 10.2 | -95 | 17 |
| LIC HF | 2.8 | 2.7 | 2.7 | 2.9 | 2.8 | 3 | -6 |
| MMFSL | 6.8 | 6.6 | 6.7 | 6.6 | 6.6 | -19 | 7 |
| MGFL | 14.5 | 14.8 | 14.4 | 13.5 | 13.3 | -118 | -15 |
| MASFIN | 6.8 | 7.2 | 7.2 | 7.6 | 7.5 | 71 | -6 |
| Muthoot | 11.8 | 11.8 | 11.9 | 11.7 | 11.3 | -53 | -42 |
| PNBHF | 3.6 | 3.6 | 3.6 | 3.7 | 3.6 | 7 | -6 |
| PFC | 3.6 | 3.6 | 3.8 | 4.6 | 3.6 | 6 | -99 |
| PFL | 10.0 | 9.2 | 9.3 | 8.0 | 7.7 | -228 | -34 |
| REC | 3.5 | 3.7 | 3.7 | 4.3 | 3.7 | 18 | -59 |
| REPCO | 5.4 | 5.4 | 5.6 | 5.3 | 5.3 | -12 | -1 |
| SFL | 9.1 | 9.2 | 9.0 | 8.6 | 8.7 | -44 | 9 |
| Spandana | 15.9 | 14.0 | 13.1 | 12.3 | 11.0 | -492 | -132 |

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: INR2,034 | TP: INR2,065 (+2%)
EPS CHANGE (%): FY26|27: -1.6|-1.6

- AUM/disbursements are likely to grow ~17%/1% YoY.
- We expect NIM to expand ~5bp QoQ. Upfront assignment income is estimated at ~INR510m.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 4,797 | 4,906 | 5,121 | 5,353 | 5,529 | 5,651 | 5,857 | 6,157 | 20,177 | 23,194 |
| Interest Expenses | 2,352 | 2,489 | 2,587 | 2,647 | 2,700 | 2,738 | 2,848 | 3,019 | 10,075 | 11,305 |
| Net Income | 2,446 | 2,418 | 2,533 | 2,705 | 2,829 | 2,913 | 3,009 | 3,138 | 10,102 | 11,889 |
| YoY Growth (%) | 8 | 9 | 15 | 14 | 16 | 20 | 19 | 16 | 11 | 18 |
| Other income | 628 | 898 | 859 | 1,022 | 830 | 931 | 1,003 | 1,116 | 3,407 | 3,881 |
| Total Income | 3,074 | 3,316 | 3,392 | 3,728 | 3,659 | 3,844 | 4,012 | 4,254 | 13,509 | 15,769 |
| YoY Growth (%) | 10 | 13 | 16 | 15 | 19 | 16 | 18 | 14 | 13 | 17 |
| Operating Expenses | 1,379 | 1,368 | 1,447 | 1,719 | 1,678 | 1,701 | 1,719 | 1,728 | 5,912 | 6,826 |
| YoY Growth (%) | 3 | 5 | 7 | 20 | 22 | 24 | 19 | 1 | 9 | 15 |
| Operating Profits | 1,695 | 1,948 | 1,945 | 2,009 | 1,981 | 2,143 | 2,293 | 2,526 | 7,597 | 8,943 |
| YoY Growth (%) | 16 | 19 | 23 | 10 | 17 | 10 | 18 | 26 | 17.1 | 17.7 |
| Provisions | 86 | 48 | 61 | 76 | 90 | 72 | 76 | 97 | 271 | 335 |
| Profit before Tax | 1,609 | 1,900 | 1,884 | 1,932 | 1,891 | 2,071 | 2,217 | 2,429 | 7,326 | 8,608 |
| Tax Provisions | 348 | 421 | 420 | 395 | 431 | 466 | 484 | 482 | 1,585 | 1,862 |
| Profit after tax | 1,261 | 1,479 | 1,464 | 1,537 | 1,460 | 1,605 | 1,733 | 1,948 | 5,741 | 6,746 |
| YoY Growth (%) | 15 | 22 | 26 | 8 | 16 | 9 | 18 | 27 | 17.0 | 17.5 |

Bajaj Finance Neutral

CMP INR911 | TP: INR1,000 (+10%)
EPS CHANGE (%): FY26|27: -1.5|-0.3

- BAF reported AUM growth of 25% YoY/ 6% QoQ.
- Margin is likely to contract ~5bp QoQ to ~9.60%.
- Credit costs are expected to decline ~20bp QoQ to ~2.1%.
- Commentaries on NIM trajectory and credit costs are the key monitorables.

Quarterly Performance

| Y/E March | FY25 | | | | FY26E | | | | FY25 | FY26E |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 1,40,492 | 1,49,870 | 1,57,682 | 1,63,591 | 1,71,117 | 1,79,672 | 1,89,734 | 2,02,585 | 6,11,636 | 7,43,108 |
| Interest expenses | 56,839 | 61,493 | 63,856 | 65,520 | 68,599 | 71,755 | 75,199 | 77,202 | 2,47,708 | 2,92,755 |
| Net Interest Income | 83,653 | 88,377 | 93,826 | 98,072 | 1,02,517 | 1,07,918 | 1,14,535 | 1,25,384 | 3,63,928 | 4,50,354 |
| YoY Growth (%) | 24.5 | 22.8 | 22.6 | 22.4 | 22.6 | 22.1 | 22.1 | 27.8 | 23.0 | 23.7 |
| Other Operating Income | 20,531 | 21,084 | 22,901 | 21,096 | 23,053 | 23,971 | 26,121 | 24,596 | 85,612 | 97,741 |
| Net Income | 1,04,185 | 1,09,461 | 1,16,727 | 1,19,168 | 1,25,570 | 1,31,889 | 1,40,656 | 1,49,980 | 4,49,540 | 5,48,095 |
| YoY Growth (%) | 24.1 | 23.8 | 25.5 | 22.7 | 20.5 | 20.5 | 20.5 | 25.9 | 24.0 | 21.9 |
| Operating Expenses | 34,709 | 36,390 | 38,670 | 39,493 | 41,270 | 43,251 | 45,976 | 50,533 | 1,49,261 | 1,81,029 |
| Operating Profit | 69,475 | 73,071 | 78,057 | 79,675 | 84,300 | 88,638 | 94,681 | 99,446 | 3,00,279 | 3,67,065 |
| YoY Growth (%) | 25.3 | 25.2 | 27.1 | 24.3 | 21.3 | 21.3 | 21.3 | 24.8 | 25.5 | 22.2 |
| Provisions and Cont. | 16,847 | 19,091 | 20,433 | 23,289 | 21,990 | 22,633 | 22,142 | 22,089 | 79,660 | 88,854 |
| Profit before Tax | 52,654 | 54,015 | 57,624 | 56,474 | 62,310 | 66,005 | 72,538 | 77,358 | 2,20,796 | 2,78,212 |
| Tax Provisions | 13,534 | 13,877 | 14,572 | 11,018 | 16,014 | 17,095 | 18,787 | 19,047 | 53,002 | 70,944 |
| Net Profit | 39,120 | 40,137 | 43,052 | 45,456 | 46,297 | 48,910 | 53,751 | 58,310 | 1,67,795 | 2,07,268 |
| YoY Growth (%) | 13.8 | 13.0 | 18.3 | 18.9 | 18.3 | 21.9 | 24.9 | 28.3 | 16.0 | 23.7 |

Can Fin Homes

Neutral
CMP INR791 | TP: INR850 (+7%)
EPS CHANGE (%): FY26|27: -1.8|-1.2

- Estimate loan book to grow ~9% YoY.
- Spreads are expected to remain stable QoQ at ~3.05%.
- Margin is expected to contract ~5bp QoQ to 3.65%.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 9,242 | 9,553 | 9,803 | 9,829 | 9,951 | 10,071 | 10,222 | 10,498 | 38,426 | 40,742 |
| Interest Expenses | 6,027 | 6,155 | 6,356 | 6,343 | 6,439 | 6,464 | 6,561 | 6,715 | 24,882 | 26,179 |
| Net Interest Income | 3,214 | 3,398 | 3,447 | 3,485 | 3,513 | 3,607 | 3,661 | 3,783 | 13,544 | 14,563 |
| YoY Growth (%) | 12.7 | 7.3 | 4.8 | 6.3 | 9.3 | 6.2 | 6.2 | 8.5 | 7.6 | 7.5 |
| Other income | 70 | 74 | 58 | 168 | 77 | 90 | 82 | 177 | 370 | 425 |
| Total Income | 3,284 | 3,472 | 3,506 | 3,653 | 3,590 | 3,696 | 3,742 | 3,960 | 13,915 | 14,988 |
| YoY Growth (%) | 12.8 | 7.6 | 4.4 | 6.3 | 9.3 | 6.5 | 6.8 | 8.4 | 7.6 | 7.7 |
| Operating Expenses | 488 | 594 | 593 | 707 | 595 | 627 | 667 | 774 | 2,382 | 2,664 |
| YoY Growth (%) | 12.3 | 13.3 | 20.0 | -1.7 | 21.9 | 5.6 | 12.5 | 9.5 | 9.6 | 11.8 |
| Operating Profits | 2,796 | 2,878 | 2,913 | 2,946 | 2,995 | 3,069 | 3,075 | 3,186 | 11,532 | 12,325 |
| YoY Growth (%) | 12.9 | 6.5 | 1.7 | 8.4 | 7.1 | 6.6 | 5.6 | 8.1 | 7.2 | 6.9 |
| Provisions | 245 | 137 | 221 | 154 | 240 | 140 | 115 | 126 | 758 | 621 |
| Profit before Tax | 2,551 | 2,741 | 2,691 | 2,792 | 2,755 | 2,929 | 2,960 | 3,060 | 10,775 | 11,704 |
| Tax Provisions | 555 | 626 | 570 | 452 | 592 | 627 | 639 | 646 | 2,203 | 2,505 |
| Profit after tax | 1,996 | 2,115 | 2,121 | 2,339 | 2,162 | 2,302 | 2,321 | 2,414 | 8,572 | 9,199 |
| YoY Growth (%) | 8.8 | 33.8 | 6.0 | 11.9 | 8.3 | 8.9 | 9.4 | 3.2 | 14.2 | 7.3 |

Cholamandalam Inv. & Fin.

Buy
CMP INR1,599 | TP: INR1,770 (+11%)
EPS CHANGE (%): FY26|27: 0.1|-1.0

- Estimate business AUM to grow at ~23% YoY.
- Margin is likely to expand ~10bp QoQ to 6.9%.
- Credit costs are expected to increase ~35bp QoQ to ~1.75%.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 53,695 | 57,680 | 61,587 | 64,180 | 67,068 | 69,550 | 72,819 | 76,189 | 2,37,200 | 2,85,626 |
| Interest Expenses | 27,957 | 30,551 | 32,718 | 33,623 | 34,632 | 35,324 | 36,384 | 37,389 | 1,24,849 | 1,43,729 |
| Net Interest Income | 25,738 | 27,128 | 28,869 | 30,557 | 32,437 | 34,226 | 36,435 | 38,800 | 1,12,351 | 1,41,897 |
| YoY Growth (%) | 39.7 | 34.6 | 33.0 | 29.8 | 26.0 | 26.2 | 26.2 | 27.0 | 34.0 | 26.3 |
| Other Income | 4,595 | 5,248 | 6,537 | 7,027 | 5,881 | 7,028 | 8,063 | 9,882 | 23,348 | 30,854 |
| Total Income | 30,333 | 32,376 | 35,406 | 37,584 | 38,318 | 41,254 | 44,498 | 48,682 | 1,35,699 | 1,72,751 |
| YoY Growth (%) | 42.6 | 36.8 | 37.2 | 29.0 | 26.3 | 27.4 | 25.7 | 29.5 | 35.9 | 27.3 |
| Operating Expenses | 11,834 | 13,155 | 14,130 | 14,269 | 14,911 | 16,312 | 17,662 | 18,632 | 53,388 | 67,518 |
| Operating Profit | 18,499 | 19,221 | 21,276 | 23,315 | 23,407 | 24,941 | 26,836 | 30,050 | 82,311 | 1,05,234 |
| YoY Growth (%) | 38.1 | 35.3 | 40.4 | 43.2 | 26.5 | 29.8 | 26.1 | 28.9 | 39.4 | 27.8 |
| Provisions & Loan Losses | 5,814 | 6,235 | 6,640 | 6,253 | 8,200 | 8,400 | 7,700 | 7,277 | 24,943 | 31,577 |
| Profit before Tax | 12,685 | 12,986 | 14,636 | 17,062 | 15,207 | 16,541 | 19,136 | 22,772 | 57,369 | 73,656 |
| Tax Provisions | 3,263 | 3,355 | 3,771 | 4,395 | 3,923 | 4,268 | 4,937 | 5,852 | 14,783 | 18,981 |
| Net Profit | 9,422 | 9,631 | 10,865 | 12,667 | 11,284 | 12,274 | 14,199 | 16,920 | 42,585 | 54,676 |
| YoY Growth (%) | 29.8 | 26.3 | 24.0 | 19.7 | 19.8 | 27.4 | 30.7 | 33.6 | 24.4 | 28.4 |

CreditAccess Grameen Ltd.

Buy
CMP INR1,268 | | TP: INR1,500 (+18%)
EPS CHANGE (%): FY26|27: 6.1|1.8

- CREDAG reported flat AUM growth in 1QFY26.
- Margin is likely to expand ~10bp QoQ to 13.9%.
- Credit costs are projected to dip ~100bp QoQ to ~8.3%.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 14,372 | 14,177 | 13,376 | 13,543 | 13,858 | 14,048 | 14,570 | 15,694 | 55,468 | 58,170 |
| Interest Expenses | 5,103 | 4,846 | 4,749 | 4,778 | 4,811 | 4,840 | 4,898 | 5,107 | 19,476 | 19,657 |
| Net Interest Income | 9,268 | 9,331 | 8,628 | 8,765 | 9,047 | 9,208 | 9,672 | 10,587 | 35,992 | 38,514 |
| YoY Growth (%) | 28.7 | 22.2 | 7.5 | -0.5 | -2.4 | -1.3 | 12.1 | 20.8 | 13.6 | 7.0 |
| Other Income | 754 | 362 | 443 | 535 | 725 | 759 | 816 | 787 | 2,094 | 3,087 |
| Total Income | 10,023 | 9,693 | 9,071 | 9,299 | 9,772 | 9,967 | 10,488 | 11,374 | 38,086 | 41,601 |
| YoY Growth (%) | 27.5 | 17.7 | 6.2 | -4.8 | -2.5 | 2.8 | 15.6 | 22.3 | 10.7 | 9.2 |
| Operating Expenses | 2,929 | 2,972 | 2,841 | 2,959 | 3,222 | 3,301 | 3,375 | 3,557 | 11,702 | 13,455 |
| Operating Profit | 7,093 | 6,721 | 6,229 | 6,340 | 6,550 | 6,666 | 7,113 | 7,817 | 26,384 | 28,146 |
| YoY Growth (%) | 30 | 19 | 4 | -7 | -8 | -1 | 14 | 23 | 10 | 7 |
| Provisions & Loan Losses | 1,746 | 4,202 | 7,519 | 5,829 | 5,421 | 5,313 | 2,656 | 2,386 | 19,295 | 15,776 |
| Profit before Tax | 5,347 | 2,520 | -1,289 | 511 | 1,129 | 1,353 | 4,457 | 5,431 | 7,089 | 12,370 |
| Tax Provisions | 1,371 | 659 | -294 | 39 | 287 | 344 | 1,132 | 1,330 | 1,775 | 3,092 |
| Net Profit | 3,977 | 1,861 | -995 | 472 | 842 | 1,009 | 3,325 | 4,101 | 5,314 | 9,277 |
| YoY Growth (%) | 14.1 | -46.4 | -128.2 | -88.1 | -78.8 | -45.8 | -434.1 | 768.7 | -63.2 | 74.6 |

Five Star Business Finance

Buy
CMP INR770 | | TP: INR892 (+16%)
EPS CHANGE (%): FY26|27: 2.1|-0.2

- Estimate AUM growth of ~20% YoY.
- Margin is likely to contract ~50bp QoQ to 18.9%.
- Credit costs are projected to rise ~25bp QoQ to ~1%.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 6,411 | 6,793 | 7,112 | 7,347 | 7,604 | 7,946 | 8,304 | 8,703 | 27,663 | 32,558 |
| Interest Expenses | 1,582 | 1,631 | 1,714 | 1,753 | 1,856 | 1,940 | 2,056 | 2,190 | 6,680 | 8,043 |
| Net Interest Income | 4,829 | 5,161 | 5,399 | 5,594 | 5,748 | 6,006 | 6,248 | 6,513 | 20,983 | 24,514 |
| YoY Growth (%) | 31.4 | 29.6 | 28.3 | 21.2 | 19.0 | 16.4 | 15.7 | 16.4 | 27.3 | 16.8 |
| Other Income | 283 | 266 | 198 | 250 | 161 | 257 | 295 | 331 | 997 | 1,045 |
| Total Income | 5,112 | 5,427 | 5,597 | 5,844 | 5,909 | 6,263 | 6,543 | 6,844 | 21,980 | 25,559 |
| YoY Growth (%) | 32.0 | 30.3 | 26.8 | 21.4 | 15.6 | 15.4 | 16.9 | 17.1 | 27.3 | 16.3 |
| Operating Expenses | 1,565 | 1,627 | 1,713 | 1,880 | 1,995 | 2,169 | 2,319 | 1,767 | 6,785 | 8,250 |
| Operating Profit | 3,547 | 3,800 | 3,884 | 3,964 | 3,914 | 4,095 | 4,224 | 5,077 | 15,196 | 17,309 |
| YoY Growth (%) | 35.9 | 36.9 | 29.4 | 19.2 | 10.3 | 7.8 | 8.7 | 28.1 | 29.7 | 13.9 |
| Provisions & Loan Losses | 185 | 218 | 233 | 254 | 299 | 284 | 256 | 239 | 890 | 1,079 |
| Profit before Tax | 3,362 | 3,582 | 3,651 | 3,711 | 3,614 | 3,810 | 3,968 | 4,838 | 14,306 | 16,230 |
| Tax Provisions | 846 | 903 | 913 | 919 | 911 | 945 | 984 | 1,234 | 3,581 | 4,074 |
| Net Profit | 2,516 | 2,679 | 2,739 | 2,791 | 2,703 | 2,865 | 2,984 | 3,604 | 10,725 | 12,156 |
| YoY Growth (%) | 37 | 34 | 26 | 18 | 7 | 7 | 9 | 29 | 28.3 | 13.3 |

Fusion Microfinance

Neutral
CMP INR190 | TP: INR210 (+11%)
EPS CHANGE (%): FY26|27: -71.1|-28.3

- Estimate AUM to decline ~ 35% YoY/11% QoQ.
- Margin is likely to expand ~110bp QoQ to ~13.4%.
- Annualized credit costs are projected at ~6.7% in 1QFY26.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 6,213 | 6,261 | 4,382 | 4,487 | 4,307 | 4,135 | 3,846 | 3,756 | 21,342 | 16,044 |
| Interest Expenses | 2,234 | 2,274 | 2,137 | 1,794 | 1,597 | 1,421 | 1,329 | 1,319 | 8,439 | 5,666 |
| Net Interest Income | 3,979 | 3,987 | 2,245 | 2,693 | 2,711 | 2,714 | 2,517 | 2,437 | 12,904 | 10,378 |
| YoY Growth (%) | 34.6 | 30.4 | -33.7 | -25.4 | -31.9 | -31.9 | 12.1 | -9.5 | -0.8 | -19.6 |
| Other Income | 854 | 776 | 443 | 273 | 231 | 351 | 600 | 988 | 2,347 | 2,170 |
| Total Income | 4,833 | 4,764 | 2,688 | 2,966 | 2,942 | 3,065 | 3,117 | 3,425 | 15,250 | 12,548 |
| YoY Growth (%) | 30.9 | 25.3 | -34.7 | -35.6 | -39.1 | -35.7 | 15.9 | 15.5 | -6.0 | -17.7 |
| Operating Expenses | 1,855 | 1,925 | 2,041 | 2,065 | 2,026 | 1,976 | 1,889 | 1,772 | 7,886 | 7,663 |
| Operating Profit | 2,978 | 2,838 | 648 | 901 | 915 | 1,089 | 1,228 | 1,653 | 7,365 | 4,885 |
| YoY Growth (%) | 26.5 | 17.4 | -75.1 | -69.0 | -69.3 | -61.6 | 89.5 | 83.4 | -28.4 | -33.7 |
| Provisions & Loan Losses | 3,485 | 6,941 | 5,723 | 2,547 | 1,350 | 1,147 | 975 | 823 | 18,695 | 4,296 |
| Profit before Tax | -507 | -4,102 | -5,075 | -1,646 | -434 | -58 | 252 | 830 | -11,330 | 590 |
| Tax Provisions | -151 | -1,052 | 2,118 | 0 | 0 | -9 | 38 | 59 | 915 | 88 |
| Net Profit | -356 | -3,050 | -7,193 | -1,646 | -434 | -50 | 215 | 771 | -12,245 | 501 |
| YoY Growth (%) | -130 | -343 | -669 | -224 | 22 | -98 | -103 | -147 | -342 | -104.1 |

Home First Finance Company

Buy
CMP INR1,322 | TP: INR1,560 (+18%)
EPS CHANGE (%): FY26|27: -1.5|2.5

- Estimate a robust AUM growth of ~29% YoY/6% QoQ.
- Margin is projected to expand ~50bp QoQ in 1QFY26 primarily due to a decline in leverage.
- Cost/income ratio is expected to improve ~200bp QoQ to ~33.6%.
- The outlook on margins and credit costs is a key monitorable.

Quarterly Performance

| Y/E March | FY25 | | | | FY26E | | | | FY25 | FY26E |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 3,032 | 3,322 | 3,558 | 3,629 | 3,986 | 4,154 | 4,343 | 4,563 | 13,540 | 17,047 |
| Interest expenses | 1,568 | 1,756 | 1,926 | 1,903 | 1,977 | 2,043 | 2,090 | 2,116 | 7,153 | 8,225 |
| Net Interest Income | 1,464 | 1,566 | 1,631 | 1,726 | 2,009 | 2,112 | 2,254 | 2,448 | 6,388 | 8,822 |
| YoY Growth (%) | 17.5 | 18.6 | 21.4 | 26.2 | 37.2 | 34.8 | 38.1 | 41.8 | 21.0 | 38.1 |
| Other Income | 382 | 421 | 517 | 533 | 395 | 485 | 580 | 696 | 1,852 | 2,156 |
| Net Income | 1,846 | 1,987 | 2,148 | 2,259 | 2,404 | 2,597 | 2,834 | 3,144 | 8,239 | 10,978 |
| YoY Growth (%) | 20.6 | 23.4 | 25.8 | 31.4 | 30.2 | 30.7 | 31.9 | 39.2 | 25.5 | 33.2 |
| Operating Expenses | 655 | 726 | 752 | 803 | 807 | 905 | 970 | 1,006 | 2,936 | 3,689 |
| Operating Profit | 1,191 | 1,261 | 1,396 | 1,456 | 1,596 | 1,691 | 1,863 | 2,138 | 5,304 | 7,288 |
| YoY Growth (%) | 21.9 | 20.7 | 27.2 | 28.3 | 34.1 | 34.1 | 33.5 | 46.8 | 24.7 | 37.4 |
| Provisions and Cont. | 56 | 57 | 98 | 77 | 90 | 95 | 110 | 117 | 288 | 412 |
| Profit before Tax | 1,135 | 1,204 | 1,298 | 1,379 | 1,506 | 1,596 | 1,753 | 2,020 | 5,016 | 6,876 |
| Tax Provisions | 258 | 281 | 324 | 332 | 354 | 356 | 421 | 520 | 1,195 | 1,650 |
| Net Profit | 878 | 922 | 974 | 1,047 | 1,152 | 1,240 | 1,332 | 1,501 | 3,821 | 5,226 |
| YoY Growth (%) | 27.0 | 24.1 | 23.5 | 25.4 | 31.3 | 34.5 | 36.8 | 43.3 | 25.0 | 36.8 |

IIFL Finance

Buy
CMP INR469 | TP: INR550 (+17%)
EPS CHANGE (%): FY26|27: 7.9|9.4

- Estimate consol. AUM growth of ~21% YoY to INR842b.
- Credit costs are expected to rise ~150bp QoQ to ~4.2%.
- Cost ratios are expected to decline to ~44.3%. (PQ: 52.8%)
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 24,721 | 23,181 | 22,308 | 24,833 | 27,067 | 28,421 | 29,842 | 22,634 | 95,043 | 1,07,964 |
| Interest Expenses | 10,340 | 9,788 | 9,957 | 11,694 | 12,629 | 13,261 | 13,791 | 9,404 | 41,695 | 49,085 |
| Net Interest Income | 14,381 | 13,394 | 12,352 | 13,139 | 14,438 | 15,160 | 16,051 | 13,230 | 53,348 | 58,879 |
| YoY Growth (%) | 9.7 | -6.0 | -21.6 | -20.2 | 0.4 | 13.2 | 29.9 | 0.7 | -10.4 | 10.4 |
| Other Income | -43 | 2,467 | 1,051 | 810 | 3,070 | 3,254 | 3,484 | 4,817 | 4,202 | 14,625 |
| Total Income | 14,338 | 15,861 | 13,402 | 13,949 | 17,508 | 18,415 | 19,535 | 18,047 | 57,550 | 73,505 |
| YoY Growth (%) | -1 | -2 | -21 | -10 | 22 | 16 | 46 | 29 | -8.5 | 27.7 |
| Operating Expenses | 7,461 | 7,329 | 7,478 | 7,367 | 7,448 | 7,907 | 8,040 | 9,064 | 29,634 | 32,459 |
| Operating Profit | 6,878 | 8,531 | 5,925 | 6,582 | 9,363 | 9,774 | 10,678 | 11,232 | 27,916 | 41,046 |
| YoY Growth (%) | -14.9 | -8.9 | -38.2 | -16.6 | 36.1 | 14.6 | 80.2 | 70.6 | -19.9 | 47.0 |
| Provisions & Loan Losses | 2,516 | 4,063 | 4,914 | 3,487 | 5,929 | 5,039 | 2,520 | 2,201 | 14,980 | 15,688 |
| Profit before Tax | 4,362 | 4,468 | 1,011 | 3,095 | 3,434 | 4,735 | 8,158 | 9,031 | 7,070 | 25,358 |
| Exceptional items | | -5,865 | | | | 0 | | | | |
| Tax Provisions | 980 | -466 | 193 | 581 | 797 | 1,098 | 1,893 | 2,271 | 1,289 | 6,059 |
| PAT (Pre NCI) | 3,382 | -931 | 818 | 2,514 | 2,637 | 3,636 | 6,265 | 6,759 | 5,782 | 19,298 |
| NCI | 501 | 646 | 410 | 437 | 437 | 459 | 495 | 609 | 1,994 | 2,000 |
| PAT (Post NCI) | 2,881 | -1,577 | 408 | 2,077 | 2,201 | 3,178 | 5,770 | 6,150 | 3,788 | 17,298 |
| YoY Growth (%) | -32 | -133 | -92 | -44 | -24 | -302 | 1,315 | 196 | -79 | 357 |

L&T Finance

Buy
CMP INR208 | TP: INR250 (+20%)
EPS CHANGE (%): FY26|27: 0.9 |2.7

- Expect consolidated loan book growth of 4% QoQ.
- Anticipate credit costs to remain largely stable at ~2.6% (annualized) in 1QFY26.
- NIM is expected to expand ~15bp QoQ to ~10.2%.
- Outlook on the MFI business is the key monitorable.

Quarterly performance

| Y/E March | FY25 | | | | FY26E | | | | FY25 | FY26E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 34,526 | 36,544 | 38,064 | 37,499 | 38,249 | 39,779 | 41,569 | 47,530 | 1,46,633 | 1,67,127 |
| Interest Expenses | 13,514 | 14,763 | 15,692 | 15,998 | 16,558 | 16,641 | 17,057 | 17,877 | 59,968 | 68,133 |
| Net Interest Income | 21,012 | 21,781 | 22,371 | 21,501 | 21,691 | 23,138 | 24,512 | 29,653 | 86,665 | 98,993 |
| Change YoY (%) | 19.9 | 18.1 | 14.6 | 8.2 | 3.2 | 6.2 | 9.6 | 37.9 | 15.0 | 14.2 |
| Other Operating Income | 3,318 | 3,649 | 2,912 | 2,730 | 3,800 | 3,600 | 3,850 | 4,069 | 12,610 | 15,319 |
| Net Operating Income | 24,330 | 25,431 | 25,283 | 24,231 | 25,491 | 26,738 | 28,362 | 33,722 | 99,275 | 1,14,312 |
| Change YoY (%) | 30.8 | 34.6 | 16.0 | 3.7 | 4.8 | 5.1 | 12.2 | 39.2 | 21.0 | 15.1 |
| Other income | 2 | 47 | 76 | 43 | 36 | 42 | 49 | 66 | 167 | 193 |
| Total Income | 24,332 | 25,477 | 25,359 | 24,274 | 25,526 | 26,780 | 28,411 | 33,788 | 99,442 | 1,14,505 |
| Change YoY (%) | 20.9 | 18.1 | 13.8 | 3.6 | 4.9 | 5.1 | 12.0 | 39.2 | 14.6 | 15.1 |
| Operating Expenses | 9,656 | 9,578 | 10,578 | 10,034 | 9,849 | 10,248 | 11,530 | 13,663 | 39,846 | 45,291 |
| Change YoY (%) | 24.1 | 11.4 | 18.9 | 2.4 | 2.0 | 7.0 | 9.0 | 36.2 | 13.6 | 13.7 |
| Operating Profits | 14,676 | 15,899 | 14,781 | 14,240 | 15,677 | 16,531 | 16,881 | 20,124 | 59,597 | 69,214 |
| Change YoY (%) | 18.9 | 22.5 | 10.5 | 4.6 | 6.8 | 4.0 | 14.2 | 41.3 | 15.3 | 16.1 |
| Provisions | 5,453 | 6,504 | 6,542 | 6,185 | 6,487 | 6,752 | 6,242 | 8,547 | 24,684 | 28,027 |
| Profit before Tax | 9,223 | 9,396 | 8,239 | 8,055 | 9,190 | 9,780 | 10,639 | 11,578 | 34,913 | 41,186 |
| Tax Provisions | 2,370 | 2,429 | 1,983 | 1,697 | 2,160 | 2,298 | 2,660 | 2,891 | 8,478 | 10,008 |
| Profit after tax | 6,855 | 6,967 | 6,257 | 6,358 | 7,030 | 7,481 | 7,979 | 8,687 | 26,434 | 31,178 |
| Change YoY (%) | 29 | 17 | -2 | 15 | 3 | 7 | 28 | 37 | 14 | 18 |

LIC Housing Finance

Neutral
CMP INR612 | TP: INR670 (+10%)
EPS CHANGE (%): FY26|27: -0.1|-0.1

- Expect loan growth of ~8% YoY with a fairly stable mix.
- Estimate annualized credit costs of ~20bp in 1QFY26.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 67,391 | 68,534 | 69,516 | 71,173 | 71,742 | 71,240 | 71,382 | 71,727 | 2,76,615 | 2,86,091 |
| Interest Expenses | 47,501 | 48,796 | 49,515 | 49,508 | 50,053 | 50,403 | 50,706 | 50,591 | 1,95,320 | 2,01,753 |
| Net Interest Income | 19,891 | 19,739 | 20,001 | 21,664 | 21,689 | 20,837 | 20,677 | 21,136 | 81,295 | 84,339 |
| YoY Growth (%) | -10.0 | -6.3 | -4.6 | -3.2 | 9.0 | 5.6 | 3.4 | -2.4 | -6.0 | 3.7 |
| Fees and other income | 446 | 784 | 1,057 | 1,661 | 669 | 940 | 1,047 | 1,153 | 3,948 | 3,809 |
| Net Income | 20,337 | 20,522 | 21,059 | 23,326 | 22,358 | 21,777 | 21,724 | 22,289 | 85,243 | 88,148 |
| YoY Growth (%) | -9.7 | -4.9 | -1.9 | 2.0 | 9.9 | 6.1 | 3.2 | -4.4 | -3.6 | 3.4 |
| Operating Expenses | 2,621 | 3,105 | 3,564 | 4,536 | 3,539 | 3,680 | 3,827 | 4,130 | 13,826 | 15,176 |
| Operating Profit | 17,715 | 17,417 | 17,495 | 18,790 | 18,819 | 18,097 | 17,896 | 18,160 | 71,416 | 72,972 |
| YoY Growth (%) | -11.9 | -8.3 | -7.2 | -1.3 | 6.2 | 3.9 | 2.3 | -3.4 | -7.2 | 2.2 |
| Provisions and Cont. | 1,431 | 773 | -440 | 1,094 | 1,359 | 1,495 | 1,645 | 1,808 | 2,858 | 6,308 |
| Profit before Tax | 16,285 | 16,644 | 17,934 | 17,696 | 17,460 | 16,602 | 16,251 | 16,351 | 68,558 | 66,664 |
| Tax Provisions | 3,282 | 3,355 | 3,615 | 4,016 | 3,701 | 3,320 | 3,413 | 3,565 | 14,268 | 13,999 |
| Net Profit | 13,002 | 13,289 | 14,320 | 13,680 | 13,758 | 13,281 | 12,839 | 12,787 | 54,290 | 52,665 |
| YoY Growth (%) | -2 | 12 | 23 | 25 | 6 | 0 | -10 | -7 | 14 | -3 |

Mahindra Financial Services

Buy
CMP INR267 | TP: INR315 (+18%)
EPS CHANGE (%): FY26|27: -0.2|-0.1

- MMFS reported disbursements of ~INR128b, leading to AUM of ~INR1.22t (up 15% YoY/ ~2% QoQ).
- We expect margins to expand ~15bp QoQ to 6.6%.
- Estimate credit costs of ~2% in 1QFY26.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest income | 36,122 | 37,448 | 39,572 | 40,172 | 41,458 | 42,577 | 44,025 | 45,574 | 1,53,314 | 1,73,634 |
| Interest Expenses | 18,286 | 19,343 | 20,459 | 20,896 | 21,408 | 21,601 | 21,881 | 22,167 | 78,983 | 87,057 |
| NII | 17,836 | 18,106 | 19,113 | 19,276 | 20,050 | 20,977 | 22,143 | 23,407 | 74,331 | 86,577 |
| YoY Growth (%) | 12.6 | 14.1 | 12.5 | 6.4 | 12.4 | 15.9 | 15.9 | 21.4 | 11.2 | 16.5 |
| Other income | 1,480 | 1,802 | 1,872 | 2,279 | 2,132 | 2,455 | 2,590 | 3,117 | 7,433 | 10,294 |
| Net Total Income | 19,316 | 19,908 | 20,985 | 21,555 | 22,182 | 23,432 | 24,733 | 26,524 | 81,764 | 96,871 |
| YoY Growth (%) | 15.3 | 18.9 | 15.6 | 9.4 | 14.8 | 17.7 | 17.9 | 23.1 | 14.6 | 18.5 |
| Operating Expenses | 7,970 | 7,947 | 8,768 | 9,427 | 9,006 | 9,139 | 9,469 | 10,552 | 34,113 | 38,166 |
| Operating Profit | 11,345 | 11,961 | 12,217 | 12,128 | 13,176 | 14,293 | 15,264 | 15,973 | 47,651 | 58,705 |
| YoY Growth (%) | 13.5 | 26.9 | 15.0 | 3.4 | 16.1 | 19.5 | 24.9 | 31.7 | 14.0 | 23.2 |
| Provisions | 4,482 | 7,035 | 91 | 4,571 | 6,035 | 5,911 | 5,134 | 3,970 | 16,179 | 21,051 |
| Profit before Tax | 6,864 | 4,927 | 12,126 | 7,557 | 7,141 | 8,381 | 10,129 | 12,002 | 31,473 | 37,654 |
| Tax Provisions | 1,734 | 1,232 | 3,131 | 1,925 | 1,828 | 2,146 | 2,593 | 3,035 | 8,022 | 9,602 |
| Net Profit | 5,130 | 3,695 | 8,995 | 5,631 | 5,313 | 6,236 | 7,536 | 8,967 | 23,450 | 28,052 |
| YoY Growth (%) | 45.5 | 57.1 | 62.7 | -9.0 | 3.6 | 68.8 | -16.2 | 59.2 | 33.3 | 19.6 |

Manappuram Finance

Neutral
CMP INR278 | TP: INR290 (+4%)
EPS CHANGE (%): FY26|27: -41.3|-8.2

- Expect gold AUM/consolidated AUM to grow ~15%/2% on a sequential basis.
- Expect credit costs to decline ~160bp QoQ to ~6.8%.
- Expect margin to contract ~15bp QoQ and spreads to decline ~20bp in the consolidated loan book.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 23,861 | 25,411 | 25,163 | 23,393 | 23,416 | 23,861 | 24,386 | 25,122 | 97,997 | 96,785 |
| Interest Expenses | 8,483 | 9,057 | 9,253 | 8,954 | 8,936 | 9,097 | 8,915 | 8,820 | 35,747 | 35,767 |
| Net Interest Income | 15,378 | 16,354 | 15,909 | 14,439 | 14,480 | 14,764 | 15,471 | 16,302 | 62,250 | 61,018 |
| YoY Growth (%) | 19.40 | 20.8 | 9.5 | -3.4 | -5.84 | -9.7 | -2.8 | 12.9 | 11.4 | -2.0 |
| Other income | 1,259 | 961 | 464 | 240 | 296 | 362 | 429 | 474 | 2,752 | 2,918 |
| Net Income | 16,636 | 17,314 | 16,373 | 14,679 | 14,776 | 15,127 | 15,900 | 16,776 | 65,002 | 63,935 |
| Operating Expenses | 6,823 | 6,984 | 7,066 | 7,845 | 7,982 | 8,031 | 8,091 | 7,888 | 28,718 | 31,992 |
| Operating Profits | 9,814 | 10,331 | 9,307 | 6,833 | 6,793 | 7,096 | 7,809 | 8,889 | 36,285 | 31,944 |
| YoY Growth (%) | 22.4 | 19.2 | -0.6 | -26.8 | -30.8 | -31.3 | -16.1 | 30.1 | 2.6 | -12.0 |
| Provisions | 2,286 | 2,604 | 5,546 | 9,192 | 7,536 | 4,869 | 2,026 | 1,509 | 19,628 | 15,940 |
| PBT | 7,528 | 7,727 | 3,761 | -2,359 | -743 | 2,227 | 5,783 | 7,380 | 16,656 | 16,004 |
| Tax Provisions | 1,963 | 2,006 | 976 | -327 | -111 | 334 | 1,504 | 2,435 | 4,618 | 4,161 |
| PAT | 5,565 | 5,721 | 2,785 | -2,032 | -631 | 1,893 | 4,280 | 4,945 | 12,039 | 11,843 |
| YoY Growth (%) | 12 | 2 | -52 | -136 | -111 | -67 | 54 | -343 | -45 | -2 |

MAS Financial

Buy
CMP INR310 | TP: INR360 (+16%)
EPS CHANGE (%): FY26|27: -3.8|-0.7

- Standalone AUM is likely to grow ~2% QoQ/~19% YoY.
- Margin is expected to contract ~5bp QoQ to ~7.55%.
- We expect credit costs to remain largely stable QoQ at ~1.4%.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Revenue from Operations | 3,465 | 3,670 | 3,901 | 4,169 | 4,312 | 4,466 | 4,702 | 4,994 | 15,205 | 18,474 |
| Interest Income | 2,952 | 3,078 | 3,332 | 3,535 | 3,641 | 3,772 | 3,979 | 4,230 | 12,896 | 15,621 |
| Gain on assignments | 304 | 375 | 356 | 396 | 416 | 433 | 454 | 486 | 1,431 | 1,789 |
| Other operating Income | 210 | 217 | 213 | 239 | 256 | 262 | 269 | 278 | 877 | 1,064 |
| Interest expenses | 1,714 | 1,754 | 1,845 | 1,910 | 2,006 | 2,086 | 2,215 | 2,365 | 7,224 | 8,671 |
| Total income | 1,751 | 1,916 | 2,056 | 2,259 | 2,307 | 2,380 | 2,487 | 2,629 | 7,981 | 9,803 |
| Growth Y-o-Y (%) | 27 | 26 | 31 | 34 | 32 | 24 | 21 | 16 | 31 | 23 |
| Operating Expenses | 567 | 632 | 673 | 744 | 766 | 789 | 813 | 845 | 2,615 | 3,213 |
| Operating Profits | 1,183 | 1,284 | 1,383 | 1,516 | 1,541 | 1,591 | 1,675 | 1,783 | 5,366 | 6,590 |
| Growth Y-o-Y (%) | 25 | 24 | 25 | 35 | 30 | 24 | 21 | 18 | 27 | 23 |
| Provisions | 239 | 263 | 332 | 427 | 431 | 410 | 430 | 408 | 1,261 | 1,678 |
| Profit before tax | 944 | 1,021 | 1,051 | 1,089 | 1,110 | 1,182 | 1,245 | 1,376 | 4,104 | 4,912 |
| Growth Y-o-Y (%) | 25 | 28 | 24 | 20 | 18 | 16 | 18 | 26 | 24 | 20 |
| Tax Provisions | 240 | 255 | 270 | 281 | 277 | 295 | 311 | 354 | 1,045 | 1,238 |
| Net Profit | 704 | 766 | 781 | 808 | 832 | 886 | 933 | 1,022 | 3,059 | 3,674 |
| Growth Y-o-Y (%) | 23 | 28 | 25 | 19 | 18 | 16 | 20 | 26 | 23 | 20 |

Muthoot Finance

Neutral
CMP INR 2,643 | TP: INR2,790 (+6%)
EPS CHANGE (%): FY26|27: 3.8|9.4

- Estimate gold AUM growth of ~43% YoY.
- Margin is likely to contract ~45bp QoQ to ~11.25%.
- We expect credit costs to remain largely stable at ~50bp in 1QFY26
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 36,560 | 40,685 | 43,690 | 47,836 | 52,380 | 56,047 | 57,448 | 58,997 | 1,68,770 | 2,24,872 |
| Other operating income | 478 | 489 | 545 | 708 | 550 | 563 | 627 | 704 | 2,221 | 2,443 |
| Total Operating income | 37,038 | 41,174 | 44,235 | 48,544 | 52,930 | 56,609 | 58,075 | 59,701 | 1,70,991 | 2,27,315 |
| YoY Growth (%) | 23.5 | 34.6 | 39.6 | 42.4 | 42.9 | 37.5 | 31.3 | 23.0 | 35.3 | 32.9 |
| Other income | 63 | 88 | 77 | 341 | 85 | 94 | 89 | 282 | 569 | 550 |
| Total Income | 37,101 | 41,262 | 44,312 | 48,885 | 53,015 | 56,703 | 58,164 | 59,983 | 1,71,560 | 2,27,865 |
| YoY Growth (%) | 22.6 | 34.2 | 39.5 | 43.0 | 42.9 | 37.4 | 31.3 | 22.7 | 35.1 | 32.8 |
| Interest Expenses | 13,511 | 15,505 | 16,476 | 18,797 | 20,770 | 22,016 | 22,787 | 23,884 | 64,288 | 89,458 |
| Net Income | 23,590 | 25,758 | 27,836 | 30,088 | 32,245 | 34,687 | 35,377 | 36,099 | 1,07,271 | 1,38,407 |
| Operating Expenses | 6,437 | 6,608 | 7,243 | 8,610 | 8,028 | 8,429 | 8,850 | 10,665 | 28,898 | 35,972 |
| Operating Profit | 17,153 | 19,150 | 20,593 | 21,478 | 24,217 | 26,258 | 26,526 | 25,434 | 78,373 | 1,02,435 |
| YoY Growth (%) | 22.5 | 42.7 | 47.7 | 42.3 | 41.2 | 37.1 | 28.8 | 18.4 | 38.8 | 30.7 |
| Provisions | 2,236 | 2,070 | 2,088 | 1,274 | 1,400 | 1,300 | 1,500 | 1,995 | 7,667 | 6,195 |
| Profit before Tax | 14,917 | 17,080 | 18,505 | 20,204 | 22,817 | 24,958 | 25,026 | 23,439 | 70,706 | 96,240 |
| Tax Provisions | 4,130 | 4,568 | 4,874 | 5,126 | 5,864 | 6,414 | 6,432 | 6,120 | 18,698 | 24,830 |
| Net Profit | 10,787 | 12,511 | 13,631 | 15,078 | 16,953 | 18,544 | 18,594 | 17,319 | 52,008 | 71,410 |
| YoY Growth (%) | 10.6 | 26.3 | 32.7 | 42.7 | 57.2 | 48.2 | 36.4 | 14.9 | 28.4 | 37.3 |

PNB Housing Finance

Buy
CMP INR1,100 | TP: INR1,300 (18%)
EPS CHANGE (%): FY26|27|: 0|-0.8

- Loan growth is expected to be ~16.5% 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 | | | | FY26 | | | | FY25 | FY26 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 17,391 | 17,803 | 18,484 | 19,059 | 19,479 | 19,965 | 20,964 | 22,190 | 72,737 | 82,597 |
| Interest Expenses | 10,969 | 11,185 | 11,579 | 11,781 | 12,063 | 12,365 | 12,859 | 13,475 | 45,514 | 50,762 |
| Net Interest Income | 6,421 | 6,618 | 6,905 | 7,279 | 7,415 | 7,601 | 8,104 | 8,715 | 27,223 | 31,835 |
| YoY Growth (%) | 3.66 | 2.5 | 16.5 | 16.8 | 15.48 | 14.8 | 17.4 | 19.7 | 9.7 | 16.9 |
| Other income | 930 | 994 | 947 | 1,309 | 1,178 | 1,284 | 1,412 | 1,616 | 4,179 | 5,489 |
| Total Income | 7,352 | 7,612 | 7,852 | 8,587 | 8,593 | 8,884 | 9,516 | 10,331 | 31,402 | 37,325 |
| YoY Growth (%) | 11.3 | 5.4 | 17.3 | 15.4 | 16.9 | 16.7 | 21.2 | 20.3 | 12.3 | 18.9 |
| Operating Expenses | 1,929 | 2,020 | 2,057 | 2,124 | 2,187 | 2,275 | 2,343 | 2,497 | 8,130 | 9,302 |
| YoY Growth (%) | 26.1 | 18.7 | 21.0 | 19.4 | 13.4 | 12.6 | 13.9 | 17.6 | 21.2 | 14.4 |
| Operating Profits | 5,422 | 5,591 | 5,795 | 6,464 | 6,406 | 6,610 | 7,174 | 7,833 | 23,272 | 28,022 |
| YoY Growth (%) | 6.9 | 1.3 | 16.0 | 14.1 | 18.1 | 18.2 | 23.8 | 21.2 | 9.5 | 20.4 |
| Provisions | -120 | -456 | -361 | -648 | -162 | -243 | -340 | -491 | -1,585 | -1,237 |
| Profit before Tax | 5,542 | 6,047 | 6,157 | 7,112 | 6,568 | 6,853 | 7,514 | 8,325 | 24,858 | 29,259 |
| Tax Provisions | 1,214 | 1,351 | 1,324 | 1,608 | 1,511 | 1,576 | 1,728 | 1,622 | 5,496 | 6,437 |
| Profit after tax | 4,328 | 4,697 | 4,833 | 5,504 | 5,057 | 5,277 | 5,786 | 6,703 | 19,361 | 22,822 |
| YoY Growth (%) | 24.6 | 22.6 | 42.8 | 25.3 | 16.8 | 12.3 | 19.7 | 21.8 | 28.4 | 17.9 |

Power Finance Corporation

Buy
CMP INR424 | TP: INR490 (+16%)
EPS CHANGE (%): FY26|27: 4.1|-1.3

- Expect AUM/Disbursement growth of ~16%/85% YoY.
- Expect credit costs to remain benign, aided by stressed asset resolutions.
- Expect margins (normalized) to decline ~5bp QoQ in 1QFY26.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Particulars | | | | | | | | | | |
| Interest Income | 1,18,270 | 1,19,090 | 1,24,172 | 1,37,215 | 1,32,463 | 1,34,847 | 1,37,274 | 1,42,982 | 4,98,747 | 5,47,566 |
| Interest Expenses | 74,990 | 75,007 | 77,231 | 78,109 | 83,989 | 85,249 | 86,527 | 88,034 | 3,05,380 | 3,43,799 |
| Net Interest Income | 43,280 | 44,083 | 46,942 | 59,106 | 48,474 | 49,598 | 50,747 | 54,949 | 1,93,367 | 2,03,768 |
| YoY Gr % | 23.5 | 18.2 | 12.9 | 39.5 | 12.0 | 12.5 | 8.1 | -7.0 | 23.7 | 5.4 |
| Other Income | 3,160 | 14,655 | 5,971 | 11,309 | 7,812 | 8,975 | 10,116 | 11,092 | 35,096 | 37,996 |
| Net Operational Income | 46,440 | 58,738 | 52,913 | 70,415 | 56,286 | 58,574 | 60,863 | 66,041 | 2,28,463 | 2,41,763 |
| YoY Gr % | 41.1 | 19.4 | 11.5 | 42.1 | 21.2 | -0.3 | 15.0 | -6.2 | 27.6 | 5.8 |
| Exchange gain/(loss) | 589 | -3,100 | 457 | -2,614 | -300 | -500 | -500 | -700 | -4,668 | -2,000 |
| Total Net Income | 47,029 | 55,639 | 53,370 | 67,801 | 55,986 | 58,074 | 60,363 | 65,341 | 2,23,795 | 2,39,763 |
| YoY Gr % | 24.6 | 15.9 | 18.0 | 34.9 | 19.0 | 4.4 | 13.1 | -3.6 | 23.5 | 7.1 |
| Operating Expenses | 1,016 | 2,355 | 1,832 | 2,341 | 1,728 | 1,978 | 2,162 | 2,448 | 7,500 | 8,316 |
| Operating Profit | 46,013 | 53,284 | 51,538 | 65,460 | 54,258 | 56,096 | 58,201 | 62,893 | 2,16,295 | 2,31,447 |
| YoY Gr % | 25.3 | 13.7 | 16.8 | 39.8 | 17.9 | 5.3 | 12.9 | -3.9 | 23.9 | 7.0 |
| Provisions | 620 | -1,241 | 745 | 4,447 | 791 | -900 | 1,100 | 771 | 4,571 | 1,762 |
| PBT | 45,393 | 54,525 | 50,793 | 61,013 | 53,468 | 56,996 | 57,101 | 62,121 | 2,11,724 | 2,29,685 |
| Tax | 8,214 | 10,821 | 9,244 | 9,924 | 9,624 | 10,259 | 10,278 | 11,641 | 38,202 | 41,803 |
| Tax Rate % | 18.1 | 19.8 | 18.2 | 16.3 | 18.0 | 18.0 | 18.0 | 18.7 | 18.0 | 18.2 |
| PAT | 37,179 | 43,704 | 41,549 | 51,090 | 43,843 | 46,736 | 46,823 | 50,480 | 1,73,522 | 1,87,883 |
| YoY Gr % | 23.6 | 13.6 | 23.0 | 23.5 | 17.9 | 6.9 | 12.7 | -1.2 | 20.6 | 8.3 |

Poonawalla Fincorp

Buy
CMP INR464 | TP: INR550 (+18%)
EPS CHANGE (%): FY26|27: 1.9|0

- PFL reported AUM growth of ~53% YoY/16% QoQ.
- Expect credit costs to decline ~45bp QoQ to 1.45%.
- Expect cost ratios to remain elevated at 64.7% in 1QFY26 (PQ: ~66.7% and PY: ~36.1%).
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 8,962 | 9,107 | 9,991 | 10,685 | 12,181 | 13,886 | 15,552 | 16,424 | 38,745 | 58,042 |
| Interest Expenses | 3,201 | 3,516 | 3,850 | 4,584 | 5,363 | 5,899 | 6,607 | 7,268 | 15,151 | 25,138 |
| Net Interest Income | 5,761 | 5,592 | 6,141 | 6,101 | 6,818 | 7,986 | 8,945 | 9,156 | 23,594 | 32,904 |
| YoY Growth (%) | 36.8 | 17.8 | 25.1 | 8.5 | 18.3 | 42.8 | 45.7 | 50.1 | 20.6 | 39.5 |
| Other Income | 997 | 858 | 581 | 1,048 | 1,134 | 1,191 | 1,236 | 1,369 | 3,346 | 4,930 |
| Total Income | 6,758 | 6,449 | 6,722 | 7,149 | 7,951 | 9,178 | 10,180 | 10,525 | 26,940 | 37,834 |
| YoY Growth (%) | 35.1 | 22.0 | 22.2 | 11.6 | 35.8 | 42.3 | 51.5 | 47.2 | 22.3 | 40.4 |
| Operating Expenses | 2,436 | 3,657 | 2,991 | 4,765 | 5,147 | 5,301 | 4,241 | 4,049 | 13,713 | 18,737 |
| Operating Profit | 4,321 | 2,792 | 3,731 | 2,384 | 2,805 | 3,877 | 5,940 | 6,476 | 13,228 | 19,097 |
| YoY Growth (%) | 46.92 | -16.8 | 6.5 | -41.8 | -35.10 | 38.9 | 59.2 | 171.6 | -5.3 | 44.4 |
| Provisions & Loan Losses | 425 | 9,096 | 3,479 | 1,582 | 1,392 | 1,253 | 1,491 | 1,730 | 14,582 | 5,866 |
| Profit before Tax | 3,897 | -6,305 | 252 | 802 | 1,413 | 2,624 | 4,449 | 4,746 | -1,354 | 13,232 |
| Exceptional items | | 0 | | | | 0 | | | 0 | 0 |
| Tax Provisions | 980 | -1,594 | 65 | 179 | 362 | 672 | 1,139 | 1,136 | -371 | 3,308 |
| PAT (excl. exceptional) | 2,916 | -4,710 | 187 | 623 | 1,051 | 1,952 | 3,310 | 3,610 | -983 | 9,924 |
| PAT (incl. exceptional) | 2,916 | (4,710) | 187 | 623 | 1,051 | 1,952 | 3,310 | 3,610 | (983) | 9,924 |
| YoY Growth (%) | 45.7 | - | -92.9 | -81.2 | -64.0 | - | 1,667.2 | 479.2 | -109.5 | -1,109.1 |

Rural Electrification Corporation

Buy
CMP INR401 | TP: INR460 (15%)
EPS CHANGE (%): FY26|27: -0.2|-0.6

- Disbursements/AUM expected to grow ~26%/10% YoY.
- Expect credit costs to remain benign, aided by stress assets resolutions.
- Expect asset quality to remain largely stable in 1QFY26.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 1,26,904 | 1,34,744 | 1,39,704 | 1,49,350 | 1,43,559 | 1,46,430 | 1,50,530 | 1,57,923 | 5,50,701 | 5,98,442 |
| Interest Expenses | 80,212 | 85,065 | 88,373 | 87,699 | 89,453 | 91,690 | 93,982 | 98,030 | 3,41,350 | 3,73,155 |
| Net Interest Income | 46,692 | 49,678 | 51,331 | 61,651 | 54,106 | 54,740 | 56,548 | 59,893 | 2,09,351 | 2,25,287 |
| YoY Gr (%) | 28.3 | 22.9 | 19.6 | 37.4 | 15.9 | 10.2 | 10.2 | -2.9 | 27 | 8 |
| Other Operational Income | 469 | 483 | 757 | 2,228 | 0 | 0 | 0 | 0 | 8,410 | 9,672 |
| Net Operational Income | 47,161 | 50,161 | 52,088 | 63,879 | 54,106 | 54,740 | 56,548 | 59,893 | 2,15,680 | 2,33,459 |
| YoY Gr (%) | 28.9 | 22.4 | 19.9 | 39.5 | 14.7 | 9.1 | 8.6 | -6.2 | 27 | 8 |
| Other Income | 2,998 | 731 | 1,266 | 163 | 1,000 | 2,500 | 2,700 | 4,225 | 685 | 754 |
| Total Net Income | 50,159 | 50,892 | 53,354 | 64,042 | 55,106 | 57,240 | 59,248 | 64,118 | 2,16,365 | 2,34,212 |
| YoY Gr (%) | 28.1 | 20.0 | 22.7 | 34.9 | 9.9 | 12.5 | 11.0 | 0.1 | 27 | 8 |
| Operating Expenses | 2,175 | 1,936 | 3,147 | 2,396 | 2,447 | 2,337 | 2,702 | 2,847 | 7,436 | 8,833 |
| YoY Gr (%) | 50.6 | -0.1 | 78.2 | -23.1 | 12.5 | 20.7 | -14.2 | 18.8 | 13 | 19 |
| % to Income | 4.3 | 3.8 | 5.9 | 3.7 | 4.4 | 4.1 | 4.6 | 4.4 | 3 | 4 |
| Operating Profit | 47,984 | 48,955 | 50,206 | 61,646 | 52,658 | 54,903 | 56,547 | 61,272 | 2,08,929 | 2,25,380 |
| YoY Gr % | 27.3 | 21.0 | 20.4 | 39.0 | 9.7 | 12.1 | 12.6 | -0.6 | 27 | 8 |
| Provisions | 4,726 | -1,441 | -890 | 7,800 | 1,078 | 1,357 | 1,456 | 1,352 | 10,194 | 5,243 |
| PBT | 43,258 | 50,396 | 51,097 | 53,847 | 51,580 | 53,546 | 55,091 | 59,920 | 1,98,734 | 2,20,137 |
| YoY Gr (%) | 16.5 | 4.8 | 24.2 | 4.6 | 19.2 | 6.3 | 7.8 | 11.3 | 12 | 11 |
| Tax | 8,834 | 10,342 | 10,806 | 11,485 | 10,316 | 10,977 | 11,844 | 12,651 | 41,466 | 45,788 |
| Tax Rate (%) | 17.6 | 20.5 | 21.1 | 21.3 | 16.8 | 20.5 | 21.5 | 21.1 | 21 | 21 |
| PAT | 34,425 | 40,055 | 40,291 | 42,362 | 41,264 | 42,569 | 43,246 | 47,269 | 1,57,269 | 1,74,348 |
| YoY Gr (%) | 16.3 | 6.2 | 23.2 | 5.5 | 19.9 | 6.3 | 7.3 | 11.6 | 12.2 | 10.9 |

Repc Home Finance

Neutral
CMP INR439 | TP: INR475 (+8%)
EPS CHANGE (%): FY26|27: -3.0|-1.4

- Disbursements/AUM expected to grow ~13%/7% YoY.
- Expect asset quality to continue to improve, resulting in benign credit costs.
- Margins are likely to remain stable QoQ at ~5.3%.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 4,007 | 4,051 | 4,258 | 4,166 | 4,229 | 4,302 | 4,361 | 4,463 | 16,482 | 17,356 |
| Interest Expenses | 2,330 | 2,396 | 2,475 | 2,458 | 2,475 | 2,520 | 2,553 | 2,559 | 9,659 | 10,106 |
| Net Income | 1,677 | 1,656 | 1,783 | 1,708 | 1,754 | 1,782 | 1,809 | 1,904 | 6,823 | 7,250 |
| YoY Growth (%) | 8.5 | -2.3 | 9.0 | 4.9 | 4.6 | 7.7 | 1.5 | 11.5 | 4.9 | 6.2 |
| Other income | 155 | 229 | 196 | 184 | 170 | 210 | 220 | 332 | 764 | 932 |
| Total Income | 1,833 | 1,884 | 1,978 | 1,892 | 1,924 | 1,992 | 2,029 | 2,236 | 7,587 | 8,181 |
| YoY Growth (%) | 11.8 | 6.8 | 11.2 | 6.9 | 5.0 | 5.7 | 2.6 | 18.2 | 9.1 | 7.8 |
| Operating Expenses | 452 | 517 | 535 | 584 | 578 | 596 | 613 | 620 | 2,088 | 2,407 |
| YoY Growth (%) | 15.4 | 21.2 | 30.5 | 21.0 | 27.8 | 15.2 | 14.7 | 6.1 | 22.1 | 15.3 |
| Operating Profits | 1,380 | 1,367 | 1,443 | 1,308 | 1,346 | 1,397 | 1,416 | 1,616 | 5,499 | 5,775 |
| YoY Growth (%) | 10.7 | 2.2 | 5.4 | 1.6 | -2.5 | 2.1 | -1.9 | 23.6 | 4.9 | 5.0 |
| Provisions | 14 | -160 | 3 | -233 | 11 | -19 | 38 | 97 | -376 | 127 |
| Profit before Tax | 1,366 | 1,528 | 1,440 | 1,541 | 1,335 | 1,415 | 1,378 | 1,520 | 5,875 | 5,648 |
| Tax Provisions | 312 | 403 | 375 | 392 | 314 | 354 | 358 | 397 | 1,481 | 1,423 |
| Profit after tax | 1,054 | 1,125 | 1,066 | 1,149 | 1,021 | 1,061 | 1,019 | 1,122 | 4,394 | 4,224 |
| YoY Growth (%) | 18.4 | 14.7 | 7.2 | 6.4 | -3.1 | -5.7 | -4.3 | -2.4 | 11.3 | -3.9 |

Shriram Finance Ltd

Buy
CMP INR696 | TP: INR800 (+15%)
EPS CHANGE (%): FY26 | 27: -3.1 | -2.8

- Estimate disbursements of ~INR442b, leading to AUM of ~INR2.73t (up 17% YoY/ ~4% QoQ).
- Margin is expected to expand ~10bp QoQ to 8.7%.
- Credit cost is likely to remain largely stable QoQ at 2.4%.
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 93,628 | 98,145 | 1,03,408 | 1,07,895 | 1,11,617 | 1,16,082 | 1,20,725 | 1,25,335 | 4,03,076 | 4,73,760 |
| Interest Expenses | 41,289 | 43,504 | 47,513 | 52,240 | 53,389 | 53,923 | 54,462 | 55,175 | 1,84,546 | 2,16,950 |
| Net Interest Income | 52,339 | 54,641 | 55,896 | 55,655 | 58,228 | 62,159 | 66,263 | 70,160 | 2,18,531 | 2,56,810 |
| YoY Growth (%) | 24.6 | 18.9 | 13.8 | 9.4 | 11.3 | 13.8 | 18.5 | 26.1 | 16.3 | 17.5 |
| Other Income | 2,343 | 2,805 | 3,646 | 6,707 | 3,721 | 4,011 | 4,436 | 5,075 | 15,518 | 17,244 |
| Total Income | 54,682 | 57,446 | 59,542 | 62,363 | 61,949 | 66,170 | 70,699 | 75,235 | 2,34,049 | 2,74,054 |
| YoY Growth (%) | 21.1 | 16.2 | 14.1 | 13.2 | 13.3 | 15.2 | 18.7 | 20.6 | 15.9 | 17.1 |
| Operating Expenses | 16,140 | 17,597 | 18,692 | 19,010 | 18,561 | 20,237 | 21,496 | 22,146 | 71,440 | 82,441 |
| Operating Profit | 38,541 | 39,848 | 40,850 | 43,353 | 43,388 | 45,933 | 49,203 | 53,089 | 1,62,609 | 1,91,614 |
| YoY Growth (%) | 23.3 | 14.5 | 10.7 | 11.0 | 12.6 | 15.3 | 20.4 | 22.5 | 14.5 | 17.8 |
| Provisions & Loan Losses | 11,876 | 12,350 | 13,258 | 15,633 | 15,740 | 15,292 | 15,207 | 16,554 | 53,117 | 62,794 |
| Profit before Tax | 26,666 | 27,498 | 27,592 | 27,720 | 27,648 | 30,641 | 33,996 | 36,534 | 1,09,493 | 1,28,820 |
| Tax Provisions | 6,860 | 6,803 | 6,788 | 6,326 | 6,967 | 7,599 | 8,499 | 9,397 | 26,776 | 32,463 |
| Net Profit | 19,806 | 20,696 | 20,804 | 21,394 | 20,681 | 23,042 | 25,497 | 27,137 | 82,716 | 96,357 |
| YoY Growth (%) | 18.2 | 18.2 | 14.4 | 9.9 | 4.4 | 11.3 | 22.6 | 26.8 | 15.0 | 16.5 |
| Exceptional gain (Post tax) | | | 14,894 | | | | | | 14,894 | 0 |
| PAT (including exceptional gains/loss) | | | 35,698 | | | | | | 97,610 | 96,357 |

Spandana Sphoorty

BUY
CMP INR281 | TP: INR330 (+17%)
EPS CHANGE (%): FY26 | 27: - | -18.2

- Estimate disbursements of ~INR3.2b, leading to AUM of ~INR53b (AUM declined ~54% YoY/22% QoQ).
- Margin is likely to contract ~130bp QoQ to ~11%.
- Annualized credit costs to increase to 36.4% (PQ: 36.2%).
- 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 | 1QE | 2QE | 3QE | 4QE | | |
| Interest Income | 6,935 | 6,071 | 5,029 | 3,907 | 2,930 | 2,608 | 2,712 | 3,124 | 21,943 | 11,374 |
| Interest Expenses | 2,594 | 2,584 | 2,290 | 1,855 | 1,521 | 1,323 | 1,376 | 1,502 | 9,323 | 5,722 |
| Net Interest Income | 4,342 | 3,487 | 2,739 | 2,052 | 1,409 | 1,285 | 1,336 | 1,622 | 12,621 | 5,653 |
| YoY Growth (%) | 48.0 | 10.4 | -13.4 | -46.8 | -67.5 | -63.2 | -51.2 | -21.0 | -3.8 | -55.2 |
| Other Income | 435 | 994 | 697 | 282 | 476 | 756 | 680 | 1,196 | 2,298 | 2,554 |
| Total Income | 4,776 | 4,481 | 3,436 | 2,335 | 1,885 | 2,041 | 2,016 | 2,818 | 14,918 | 8,207 |
| YoY Growth (%) | 45.7 | 8.6 | -15.5 | -49.3 | -60.5 | -54.5 | -41.3 | 20.7 | -5.8 | -45.0 |
| Operating Expenses | 1,908 | 2,203 | 2,651 | 2,083 | 2,040 | 1,959 | 1,889 | 1,834 | 8,843 | 7,722 |
| Operating Profit | 2,869 | 2,278 | 784 | 251 | -155 | 81 | 128 | 984 | 6,075 | 484 |
| YoY Growth (%) | 51.7 | -11.6 | -67.4 | -90.5 | -105.4 | -96.4 | -83.7 | 291.2 | -34.7 | -92.0 |
| Provisions & Loan Losses | 2,118 | 5,164 | 6,661 | 6,028 | 4,660 | 3,262 | 2,446 | 1,222 | 19,863 | 11,590 |
| Profit before Tax | 751 | -2,886 | -5,876 | -5,776 | -4,814 | -3,180 | -2,319 | -239 | -13,788 | -11,106 |
| Tax Provisions | 193 | -723 | -1,474 | -1,433 | -1,348 | -795 | -580 | -65 | -3,436 | -2,787 |
| Net Profit | 557 | -2,163 | -4,402 | -4,343 | -3,466 | -2,385 | -1,739 | -174 | -10,352 | -8,318 |
| YoY Growth (%) | -53 | -273 | -446 | -438 | -722 | 10 | -60 | -96 | -307 | -20 |

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|----------------------------------|--|
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| SELL | < - 10% |
| NEUTRAL | > - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

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|--------------------|-----------------------------|--|
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| Ms. Kumud Upadhyay | 022 40548082 | servicehead@motilaloswal.com |
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