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9 November 2025
2QFY26 Results Update | Sector: Financials

Power Finance Corporation

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	POWF IN
Equity Shares (m)	3300
M.Cap.(INRb)/(USDb)	1254.9 / 14.2
52-Week Range (INR)	524 / 357
1, 6, 12 Rel. Per (%)	-9/-10/-23
12M Avg Val (INR M)	3254

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	193	216	240
PPP	216	228	264
PAT	174	191	203
EPS (INR)	52.6	57.9	61.4
EPS Gr. (%)	21	10	6
BV/Sh. (INR)	276	316	359
ABV/Sh. (INR)	232	272	315
RoAA (%)	3.2	3.2	3.1
RoAE (%)	20.4	19.6	18.2
Div Payout (%)	30.0	30.1	30.0
Valuations			
P/E (x)	7.2	6.6	6.2
P/BV (x)	1.4	1.2	1.1
Core P/E (x)	5.1	4.6	4.3
Core P/BV (x)	1.1	0.9	0.8
Div. Yld (%)	4.2	4.6	4.8

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	56.0	56.0	56.0
DII	16.0	16.1	17.5
FII	18.8	18.7	17.7
Others	9.1	9.2	8.8

FII includes depository receipts

CMP: INR380 TP: INR485 (+28%) Buy

Earnings below est.; muted loan growth from higher repayments

Asset quality broadly stable; reported NIM dips ~5bp QoQ

- Power Finance Corporation (PFC)'s 2QFY26 PAT grew ~2% YoY to INR44.6b (~17% miss). PAT in 1HFY26 grew 11% YoY, and we expect PAT in 2HFY26 to grow by 10% YoY. NII grew ~20% YoY to ~INR52.9b in 2QFY26 (inline).
- Other operating income declined ~19% YoY to ~INR11.8b (PY: INR14.7b), which included dividend income of INR11b (PY: INR12.5b). The company reported exchange losses of INR5b (PQ: exchange losses of INR6.5b). The EUR/INR movement is one of the major reasons for the foreign exchange translation loss in 2QFY26.
- Opex declined ~18% YoY to ~INR1.9b (inline), and the cost-income ratio rose ~25bp QoQ to ~3.65%. PPoP grew ~9% YoY to INR57.8b (~9% miss).
- PFC shared that ~95% of its foreign currency borrowings are hedged, with the small unhedged portion majorly linked to Euro-denominated bonds. The EUR appreciated by ~8% against the USD in 1HFY26, which led to mark-to-market losses. However, the company also shared that since these foreign borrowings are long-term, any favorable movement in exchange rates could help reverse these exchange losses. The company noted that the EUR/USD exchange rate has moved more favorably in recent days.
- The reported yield dipped ~3bp QoQ to ~9.98%, while the reported CoB rose ~3bp QoQ to ~7.43%. This led to ~5bp QoQ dip in spreads to 2.55% in 1HFY26. Reported NIM for 2QFY26 contracted 5bp QoQ to ~3.62% (PQ: 3.68%).
- GS3 declined ~5bp QoQ to ~1.87%, while NS3 was broadly stable QoQ at 0.37%. PCR on Stage 3 was stable QoQ at ~80.2%. Provisions for the quarter stood at INR2.4b (PQ: -INR6.8b and PY: -INR1.2b). This translated into annualized credit costs of 4bp (PY: -3bp and PQ: -12bp).
- PFC highlighted that the resolution plan for the Sinnar Thermal Power project (with an exposure of ~INR10b) has been submitted for NCLT approval. The company has ~80% provision cover on this account.
- **We estimate a disbursement/advances/PAT CAGR of 11%/12%/10% over FY25-FY28E, an RoA/RoE of 3.1%/18%, and a dividend yield of ~5.5% in FY28E. We reiterate our BUY rating with an SoTP (Sep'27E)-based TP of INR485 (premised on 1x target multiple for the PFC standalone business and INR151/share for PFC's stake in REC after a hold-co discount of 20%).**

Disbursements rise ~7% YoY; loan book grows ~2% QoQ

- Loan book stood at INR5.61t and grew 14% YoY/2% QoQ. Disbursements during the quarter rose ~7% YoY to ~INR498b. Repayments during the quarter stood at ~28% (PQ: 22% and PY: ~24%).
- The renewables segment in the loan mix was stable at 15% (PQ: 15%). Disbursements to the infrastructure sector formed ~4% of the total disbursements in 2QFY26.
- PFC maintained its loan growth guidance to ~10-11% in FY26. We model a loan book CAGR of ~12% over FY25-FY28E.

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Asset quality broadly stable; PCR also stable QoQ

- GS3 declined ~5bp QoQ to ~1.87%, while NS3 was broadly stable QoQ at 0.37%. PCR on Stage 3 was broadly stable QoQ at ~80.2%. Standard assets (Stage 1 + 2) PCR was broadly stable QoQ at ~1%.
- PFC has ~22 projects (PQ: 22 projects) that are classified as NPA. Resolutions in ~11 NPA projects (PQ: 11) are being pursued under NCLT, and the remaining ~11 NPA projects (PQ: 11) are being pursued outside NCLT.
- CRAR stood at ~21.6% as of Sep'25.

Key highlights from the management commentary

- Management noted that there have been no prepayment requests for the Kaleshwaram project (exposure of ~INR260b), and repayments are happening in their normal course. Given that this project is backed by a state guarantee and has budgetary support, PFC does not see any prepayment or credit risk associated with this exposure.
- The company closed its first cross-border project financing transaction in Bhutan, providing INR48b of funding for a 600MW hydropower project. The loan has been denominated in INR, and the transaction was undertaken with a special approval from the RBI.

Valuation and view

- PFC delivered a muted performance for the quarter, with loan growth remaining soft and earnings coming in below expectations due to elevated forex losses on the unhedged portion of its foreign currency borrowings. NIM and spreads moderated during the quarter, reflecting some pressure on yields in a declining interest rate environment. Asset quality, however, remained broadly stable, and credit costs continued to remain benign.
- PFC (standalone) trades at 0.8x FY27E P/BV and ~4x FY27 P/E, and we believe that the risk-reward is attractive considering decent visibility on loan growth, further stressed asset resolutions, and healthy RoE of 18-20% over FY26-27E. **Reiterate our BUY rating** with an SoTP (Sep'27E)-based TP of INR485 (premised on 1x target multiple for the PFC standalone business and INR151/share for PFC's stake in REC after a hold-co discount of 20%).
- **Key risks:** 1) weaker loan growth driven by higher prepayments; 2) increase in exposure to power projects without PPAs; 3) compression in spreads and margins due to an aggressive competitive landscape; and 4) any slowdown in the offtake of renewable energy projects.

PFC: SoTP - Sep'27

	Stake	Target Multiple	Value (INR B)	INR per share	% To Total	Rationale
PFC Standalone	100	1.0	1,097	334	69	❖ 1.0x Sep'27 PBV
REC Stake (Pre-HoldCo)	53	1.1	624	189		❖ 1.1x Sep'27 PBV
Hold Co Discount (20%)			125			
REC Stake (Post-Holdco)			**499**	**151**	**31**	
Target Value			**1,596**	**485**	**100**	

Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	2Q	v/s
Particulars	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**			**FY26E**	**Est.**
Interest Income	1,18,270	1,19,090	1,24,172	1,37,215	1,37,389	1,34,728	1,36,345	1,40,591	4,98,747	5,49,052	1,35,465	-1
Interest Expenses	74,990	75,007	77,231	78,109	82,697	81,835	82,981	85,235	3,05,380	3,32,748	83,276	-2
Net Interest Income	**43,280**	**44,083**	**46,942**	**59,106**	**54,692**	**52,893**	**53,364**	**55,356**	**1,93,367**	**2,16,304**	**52,189**	**1**
YoY Gr %	23.5	18.2	12.9	39.5	26.4	20.0	13.7	-6.3	23.7	11.9	18.4	
Other Income	**3,160**	**14,655**	**5,971**	**11,309**	**2,016**	**11,829**	**6,763**	**12,812**	35,096	**33,420**	**15,095**	**-22**
Net Operational Income	**46,440**	**58,738**	**52,913**	**70,415**	**56,708**	**64,722**	**60,127**	**68,167**	**2,28,463**	**2,49,724**	**67,284**	**-4**
YoY Gr %	41.1	19.4	11.5	42.1	22.1	10.2	13.6	-3.2	27.6	9.3	14.5	
Exchange gain/(loss)	589	-3,100	457	-2,614	-6,546	-4,972	-1,300	-682	-4,668	-13,500	-2,000	149
Total Net Income	**47,029**	**55,639**	**53,370**	**67,801**	**50,162**	**59,750**	**58,827**	**67,486**	**2,23,795**	**2,36,224**	**65,284**	**-8**
YoY Gr %	24.6	15.9	18.0	34.9	6.7	7.4	10.2	-0.5	23.5	5.6	17.3	
Operating Expenses	1,016	2,355	1,832	2,341	1,848	1,932	2,071	2,390	7,500	8,241	**2,025**	**-5**
Operating Profit	**46,013**	**53,284**	**51,538**	**65,460**	**48,313**	**57,819**	**56,756**	**65,095**	**2,16,295**	**2,27,983**	**63,259**	**-9**
YoY Gr %	25.3	13.7	16.8	39.8	5.0	8.5	10.1	-0.6	23.9	5.4	18.7	
Provisions	620	-1,241	745	4,447	-6,818	2,420	-3,000	1,722	4,571	-5,677	-2,000	-221
PBT	**45,393**	**54,525**	**50,793**	**61,013**	**55,132**	**55,399**	**59,756**	**63,374**	**2,11,724**	**2,33,660**	**65,259**	**-15**
Tax	8,214	10,821	9,244	9,924	10,117	10,780	10,756	10,874	38,202	42,526	11,747	-8
Tax Rate %	18.1	19.8	18.2	16.3	18.3	19.5	18.0	17.2	18.0	18.2	18.0	
PAT	**37,179**	**43,704**	**41,549**	**51,090**	**45,015**	**44,619**	**49,000**	**52,500**	**1,73,522**	**1,91,134**	**53,512**	**-17**
YoY Gr %	23.6	13.6	23.0	23.5	21.1	2.1	17.9	2.8	20.6	10.2	22.4	
Key Parameters (Calc., %)												
Yield on loans	9.9	9.8	10.0	10.7	10.3	9.9						
Cost of funds	7.4	7.3	7.4	7.0	7.1	7.0						
Spread	2.5	2.5	2.6	3.7	3.1	2.9						
NIM	3.56	3.57	3.76	4.51	3.93	3.73						
C/I ratio	2.3	5.3	3.9	4.0	3.38	3.65						
Credit cost	0.01	(0.03)	0.01	0.08	(0.12)	0.04						
Balance Sheet Parameters												
Disbursements (INR b)	195	467	342	680	362	498						
Growth YoY (%)	(15)	42	45	40	86	7						
AUM (INR b)	4,750	4,934	5,038	5,431	5,498	5,612						
Growth YoY (%)	10	10	10	13	16	14						
Asset Quality Parameters			2									
GS 3 (INR B)	161	134	135	105	105	105						
GS 3 (%)	3.4	2.7	2.7	1.9	1.92	1.87						
NS 3 (INR B)	41.1	35.3	35.9	20.9	20.8	20.8						
NS 3 (%)	0.9	0.7	0.7	0.4	0.4	0.4						
PCR (%)	74.4	73.6	73.4	80.1	80.3	80.2						

E: MOFSL Estimates

CONFERENCE CALL

Key highlights from the management commentary

Guidance

- PFC maintained its FY26 loan growth guidance of 10-11%.

Financial highlights

- Consolidated loan book grew 10% YoY to INR11.46t as of Sep'25. Asset quality continues to improve with a declining trend in NPAs. Consolidated GNPA stands at 1.45% and NNPA at 0.3%
- On a standalone basis, the loan book grew 14% YoY and 2% QoQ to INR5.61t, supported by strong disbursements of INR860b, which were up 30% YoY in 1HFY26. Around 57% of disbursements were towards distribution projects and ~30% towards generation projects covering both conventional and renewable capacities.
- The Board declared an interim dividend of INR3.65/share (cumulative interim dividend of INR7.35/share for 1HFY26).
- Yield was 9.98% and cost of funds was 7.43%, keeping spreads and NIM within guided bands at 2.55% and 3.62% respectively.
- CRAR was comfortable at 21.6% with Tier-1 at 19.8%, well above the regulatory requirement.

Disbursements and AUM

- The company entered its first cross-border project financing deal in Bhutan, financing INR48b towards a 600MW hydropower project. The lending will be in INR. The financing was done with the special approval of the RBI.
- The project is a partnership between Bhutan's Druk Green Power Corporation and Tata Power with a 60:40 shareholding structure. This marks a strategic move in regional energy cooperation.

Asset Quality and Resolution

- Net NPA is at a 10-year low of 0.37%. GNPA declined by 84bps YoY to 1.87% after the resolution of KSK Mahanadi last year.
- Total NPA book stands at INR104b with provisioning coverage of ~80%.
- Out of 22 stressed projects, 11 totaling INR84.7b are under NCLT, of which 6 projects (INR26b) are under liquidation with 100% provisioning. The balance INR20b is being resolved outside NCLT.
- Resolution plan for the Sinnar thermal power project (with exposure of ~INR10b) has been submitted for NCLT approval; current provisioning on this exposure is ~80%.
- No prepayment requests have been received for the Kaleshwaram project (INR260b exposure). Repayments are occurring as scheduled. The loan benefits from state guarantee and budgetary support, so management does not foresee prepayment or credit risk.

Borrowings and Foreign Currency Exposure

- Total borrowings stood at INR4.74t as of Sep'25, with ~20% in foreign currency.
- Total foreign currency borrowing is USD10.4b, of which 68% is USD-denominated, 19% is JPY, and ~11% is in EUR. ~95% of the foreign currency portfolio is hedged. The major portion of the unhedged portfolio was related to EUR-denominated bonds.
- There was an exchange rate impact of ~INR11b in 1HFY26 on the unhedged portion and some derivative positions. Euro appreciated ~8% vs USD during 1H, leading to MTM losses. In case of any positive exchange rate movement, the company would have the opportunity to reverse these losses, as these foreign

loans have long-term maturity. In the last few days, the company has been seeing favorable EUR-USD movement.

- During 1HFY26, the company signed a JPY60b loan with JBIC for a bamboo-based bioethanol project and raised USD180m from Export Finance Australia for clean energy financing. These collaborations highlight the company's commitment to diversifying global funding sources and accelerating India's clean energy journey.

Regulatory Updates (RBI Circulars)

- Project financing norms issued in Jun'25 are effective from Oct'25. Existing loans continue under old norms unless the terms change.
- The provisioning requirement is 1% during construction and 0.4% in the operational phase. PFC already maintains ~1% on Stage 1 & 2 assets, so no major P/L impact. Any incremental provisioning required over and above ECL will be created through impairment reserve, without impacting the P/L.
- Draft circular on infra exposure risk weights (effective Apr'26) introduces detailed classification for lower risk weights. Risk weights are split into 50% and 75% slabs based on repayment track record and project conditions. Work is ongoing to assess portfolio-wise effect.

Margins

- Yields dipped marginally from 10.01% to 9.98% due to competitive intensity from banks and other institutions like HUDCO, IRFC, and NABARD. So there is definitely competition, but there is enough opportunity for everyone to grow.
- Market rates align with repo trends; if repo declines, CoF will reduce, and spreads should remain stable as pass-through to borrowers happens gradually.
- The company does not expect a higher share of renewables loans to materially impact margins.

Repayments

- Repayments of ~INR850-900b are expected annually, which is large. The company will maintain prudent lending and match disbursements with project revenue visibility.
- Total prepayment stood at INR190b in 1HFY26. Of this, ~INR100b of prepayments were under the generation segment, from two major projects.

Renewable

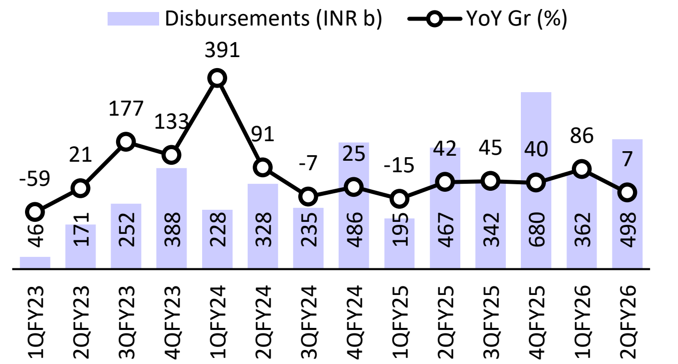
- Cancellation of projects by various agencies (reference to some of the media articles) was only in those projects where the project was not able to sign PPAs with the DISCOMs.
- PFC only finances projects with signed PPAs, eliminating exposure to PPA risk.
- Rising electricity demand is expected to drive further network and distribution capex under RDSS. LIS and LPS scheme — those were one-time schemes, and now repayments will start coming in.

Others

- The company maintains a policy of distributing 30% of PAT as dividends, while balancing CRAR requirements.
- PFC has no plans of doing a share buyback in the near future.
- Sanctions during 1HFY26 stood at INR1.52t across the different segments in generation, transmission, distribution, and infrastructure.

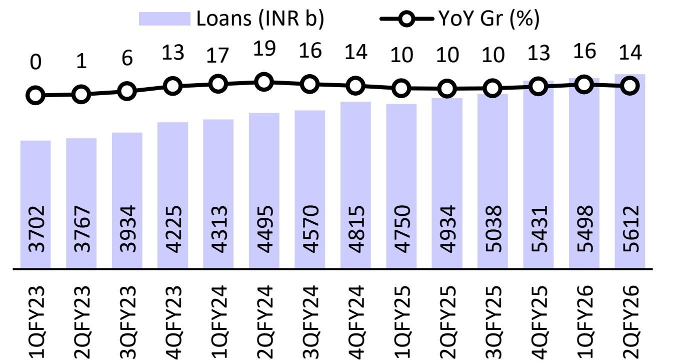
Key exhibits

Exhibit 1: Disbursements grew ~7% YoY



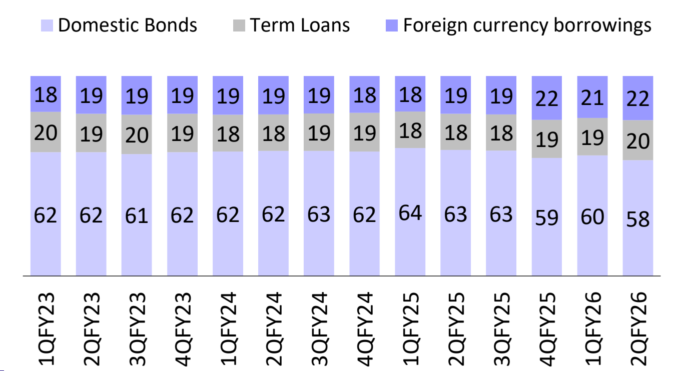
Source: MOFSL, Company

Exhibit 2: Loan book grew 14% YoY and 2% QoQ



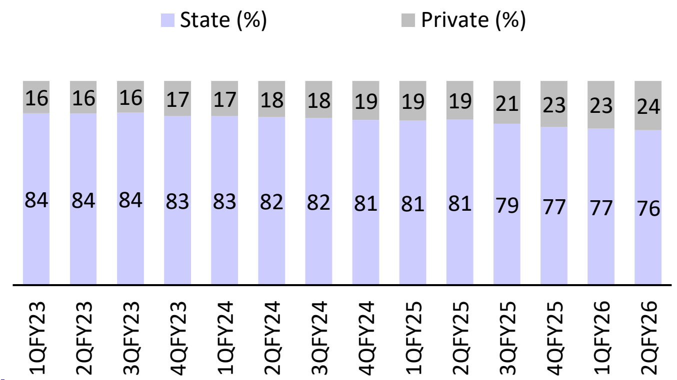
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



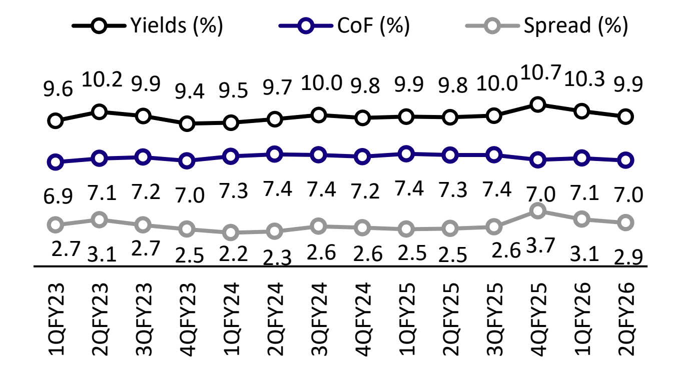
Source: MOFSL, Company

Exhibit 4: ~24% of loans disbursed to private players (%)



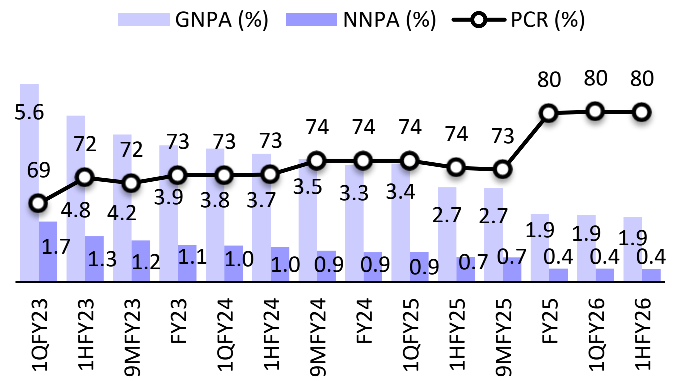
Source: MOFSL, Company

Exhibit 5: Calc. Yields declined ~40bp QoQ



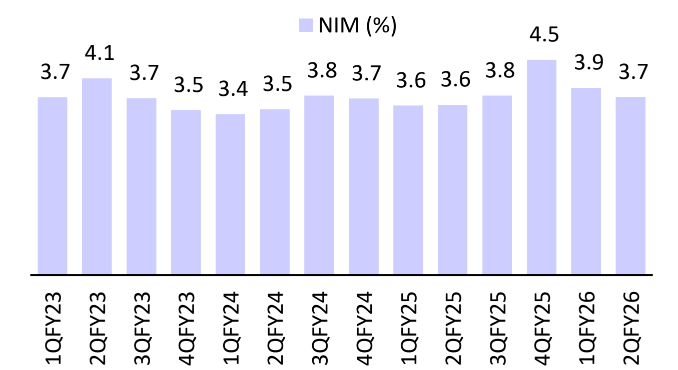
Source: MOFSL, Company,

Exhibit 6: Asset quality stable QoQ



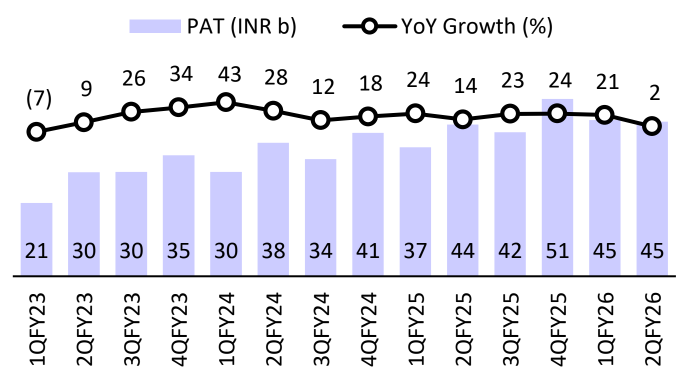
Source: MOFSL, Company

Exhibit 7: Calc. NIM dipped ~20bp QoQ (%)



Source: MOFSL, Company,

Exhibit 8: PAT grew ~2% YoY



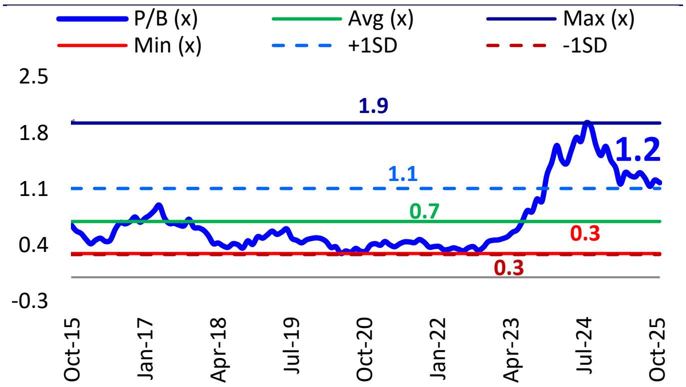
Source: MOFSL, Company

Exhibit 9: We keep our FY26/FY27 EPS estimates broadly unchanged

INR B	Old Est.			New Est.			% Change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	214.0	234.4	262.1	216.3	240.2	264.7	1.1	2.5	1.0
Other Income	28.6	37.6	41.9	19.9	33.1	37.1	-30.3	-12.0	-11.5
Net Income	**242.5**	**272.0**	**304.0**	**236.2**	**273.3**	**301.8**	**-2.6**	**0.5**	**-0.7**
Operating Expenses	8.3	9.2	10.1	8.2	9.1	10.0	-0.9	-0.9	-0.9
Operating Profits	**234.2**	**262.8**	**293.9**	**228.0**	**264.2**	**291.8**	**-2.7**	**0.5**	**-0.7**
Provisions	-5.3	16.5	12.9	-5.7	16.8	12.9	-	2	0
PBT	**239.5**	**246.3**	**281.0**	**233.7**	**247.4**	**278.9**	**-2.4**	**0.4**	**-0.8**
Tax	43.6	44.6	50.9	42.5	44.8	50.5	-2.4	0.4	-0.8
PAT	**195.9**	**201.7**	**230.2**	**191.1**	**202.6**	**228.4**	**-2.4**	**0.4**	**-0.8**
Loans	6,044	6,769	7,621	6,033	6,760	7,615			
RoAA (%)	**3.3**	**3.0**	**3.1**	**3.2**	**3.1**	**3.1**			

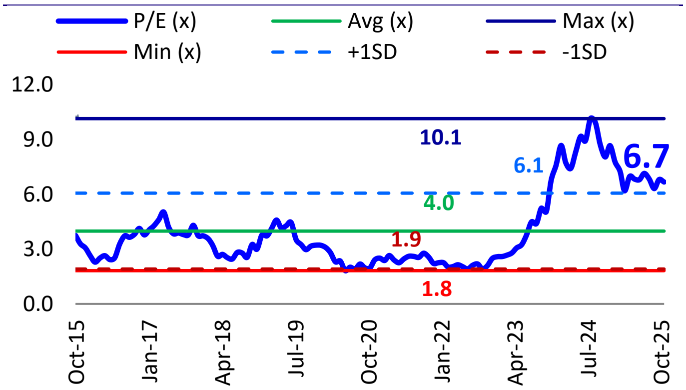
Source: MOFSL, Company

Exhibit 10: One-year forward P/B



Source: MOFSL, Company,

Exhibit 11: One-year forward P/E



Source: MOFSL, Company

Du Pont Analysis	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest income	9.0	9.6	9.3	9.0	9.2	9.2	9.1	8.9	8.7
Interest expenses	6.2	6.2	5.8	5.5	5.9	5.6	5.5	5.3	5.2
Net Interest Income	**2.9**	**3.4**	**3.6**	**3.4**	**3.3**	**3.6**	**3.6**	**3.6**	**3.6**
Other Operating Income	0.6	0.3	0.5	0.5	0.5	0.6	0.6	0.5	0.5
Other Income	-0.7	0.0	-0.2	-0.5	0.0	-0.1	-0.2	0.0	0.0
Total Income	**2.7**	**3.8**	**3.8**	**3.5**	**3.8**	**4.1**	**3.9**	**4.1**	**4.1**
Operating expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Operating profits	**2.6**	**3.6**	**3.7**	**3.3**	**3.7**	**4.0**	**3.8**	**4.0**	**3.9**
Provisions	0.3	0.9	0.6	-0.1	0.0	0.1	-0.1	0.3	0.2
PBT	**2.3**	**2.7**	**3.1**	**3.4**	**3.7**	**3.9**	**3.9**	**3.7**	**3.8**
Taxation	0.7	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.7
RoA	**1.6**	**2.2**	**2.5**	**2.8**	**3.0**	**3.2**	**3.2**	**3.1**	**3.1**
Leverage (x)	8.0	7.7	7.0	6.6	6.4	6.4	6.2	5.9	5.9
RoE	**12.8**	**17.3**	**17.9**	**18.2**	**19.5**	**20.4**	**19.6**	**18.2**	**18.1**

Financials and valuations

Income Statement									(INR b)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Interest on loans	320	361	367	376	436	499	549	589	648
Interest exp & other charges	219	232	227	233	280	305	333	348	384
Net Interest Income	**101**	**130**	**140**	**144**	**156**	**193**	**216**	**240**	**265**
Change (%)	6.9	28.3	8.3	2.4	8.8	23.7	11.9	11.1	10.2
Other operating income	21	11	19	21	23	35	33	36	38
Exchg Gain/(loss) on Forex loans	-26	2	-9	-20	2	-5	-14	-3	-2
Other Income	0	0	0	0	0	0	0	0	0
Net Income	**96**	**142**	**150**	**145**	**181**	**224**	**236**	**273**	**302**
Change (%)	2.6	48.4	5.7	-3.6	25.2	23.5	5.6	15.7	10.4
Employee Cost	2	2	2	2	2	3	3	3	3
Administrative Exp	2	3	3	4	4	5	5	6	6
Depreciation	0	0	0	0	0	0	0	0	0
Operating Income	**92**	**137**	**144**	**139**	**175**	**216**	**228**	**264**	**292**
Change (%)	2.7	49.2	5.4	-4.0	25.8	23.9	5.4	15.9	10.4
Total Provisions	**10**	**35**	**22**	**-3**	**-2**	**5**	**-6**	**17**	**13**
% to operating income	10.8	25.5	15.4	-2.1	-1.0	2.1	-2.5	6.4	4.4
PBT	**82**	**102**	**122**	**142**	**176**	**212**	**234**	**247**	**279**
Prior period Adjustments	0	0	0	0	0	0	0	0	0
PBT (post prior period adj)	**82**	**102**	**122**	**142**	**176.3**	**211.7**	**234**	**247**	**279**
Tax (Incl Deferred tax)	25	18	22	26	33	38	43	45	50
Tax Rate (%)	31.0	17.3	18.0	18.1	18.5	18.0	18.2	18.1	18.1
PAT	**57**	**84**	**100**	**116**	**144**	**174**	**191**	**203**	**228**
Change (%)	-18.7	49.3	18.7	15.8	23.8	20.8	10.1	6.0	12.7
Extraordinary item	0	0	0	0	0	0	0	0	0
Reported PAT	**57**	**84**	**100**	**116**	**144**	**174**	**191**	**203**	**228**
Adjusted PAT (Excluding REC Dividend)	**53**	**82**	**98**	**113**	**139**	**168**	**185**	**197**	**222**
Change (%)	-28.2	56.7	18.7	15.4	23.5	20.6	10.2	6.1	13.1
Proposed Dividend (Incl Tax)	25	26	32	35	45	52	58	61	69

Balance Sheet									(INR b)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Capital	26	26	26	26	33	33	33	33	33
Reserves & Surplus	425	498	567	656	759	876	1,010	1,152	1,312
Net Worth	**452**	**524**	**594**	**682**	**792**	**909**	**1,043**	**1,185**	**1,345**
Deferred Tax Liability	0	0	0	0	0	0	0	0	0
Networth (incl DTL)	**452**	**524**	**594**	**682**	**792**	**909**	**1,043**	**1,185**	**1,345**
Interest subsidy from GoI	0	0	0	0	0	0	0	0	0
Borrowings	**3,103**	**3,330**	**3,274**	**3,704**	**4,164**	**4,755**	**5,068**	**5,650**	**6,343**
Change (%)	5.1	7.3	-1.7	13.1	12.4	14.2	6.6	11.5	12.3
Total Liabilities	**3,618**	**3,921**	**3,944**	**4,448**	**5,056**	**5,782**	**6,241**	**6,979**	**7,847**
Investments	165	160	161	173	202	207	218	228	240
Change (%)	-0.7	-3.0	0.7	7.6	16.9	2.5	5.0	5.0	5.0
Loans	**3,341**	**3,601**	**3,609**	**4,108**	**4,699**	**5,328**	**5,900**	**6,622**	**7,474**
Change (%)	10.2	7.8	0.2	13.8	14.4	13.4	10.7	12.2	12.9
Forex monetary reserves	0	0	0	0	0	0	0	0	0
Net Fixed Assets	1	1	1	1	1	1	1	1	1
Net Current Assets	2	48	40	16	2	68	6	6	5
Total Assets	**3,618**	**3,921**	**3,944**	**4,448**	**5,056**	**5,782**	**6,241**	**6,979**	**7,847**

E: MOFSL Estimates

Financials and valuations

Loans and Disbursements	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Gross Loans (INR b)	3,449	3,708	3,731	4,225	4,815	5,431	6,033	6,760	7,615
YoY Growth (%)	10	7	1	13	14	13	11	12	13
Disbursements (INR b)	680	883	512	858	1,277	1,683	1,851	2,055	2,301
YoY Growth (%)	0	30	-42	67	49	32	10	11	12

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Avg. Yields	10.0	10.4	10.2	9.8	9.9	9.9	9.8	9.4	9.2
Avg Cost of funds	7.2	7.2	6.9	6.7	7.1	6.8	6.8	6.5	6.4
Interest Spread	2.8	3.2	3.3	3.1	2.79	3.10	3.01	2.9	2.8
NIM	2.3	3.8	3.6	3.2	3.6	3.8	3.6	3.8	3.7
Profitability Ratios (%)									
RoE	12.8	17.3	17.9	18.2	19.5	20.4	19.6	18.19	18.06
RoA	1.6	2.2	2.5	2.8	3.0	3.2	3.2	3.1	3.1
Efficiency Ratios (%)									
Int. Expended/Int.Earned	68.4	64.2	61.8	61.8	64.2	61.2	60.6	59.2	59.2
Other operating Inc./Net Inc.	22.0	7.6	12.3	14.3	12.5	15.6	14.0	13.1	12.7
Other Income/Net Income	0.1	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.1
Op. Exps./Net Income	4.2	3.6	3.8	4.2	3.7	3.4	3.5	3.3	3.3
Empl. Cost/Op. Exps.	48.5	37.9	37.1	36.3	36.3	35.8	35.2	34.4	33.7
Asset-Liability Profile (%)									
Loans/Borrowings Ratio (x)	108	108	110	111	113	112	116	117	118
Assets/Networth (x)	8.0	7.5	6.6	6.5	6.4	6.4	6.0	5.9	5.8
Debt/Equity (x)	6.9	6.4	5.5	5.4	5.3	5.2	4.9	4.8	4.7
Asset Quality (%)									
Gross Stage 3	8.1	5.7	5.6	3.9	3.3	1.9	1.5	1.2	0.9
Net Stage 3	3.8	2.1	1.8	1.1	0.9	0.4	0.3	0.2	0.1
PCR	47.1	63.4	68.6	72.7	74.4	80.1	81.0	85.0	85.0
Credit costs	0.31	1.01	0.62	-0.08	-0.04	0.09	-0.10	0.27	0.18

Valuations

Valuations	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	171	198	225	258	240	276	316	359	407
BV Growth (%)	4.3	16.0	13.3	14.9	-7.1	14.8	14.7	13.6	13.5
Price-BV (x)	**2.2**	**1.9**	**1.7**	**1.5**	**1.6**	**1.4**	**1.2**	**1.1**	**0.9**
Adjusted Book Value (INR)	116	144	170	203	196	232	272	315	364
ABV Growth (%)	-22.8	23.6	18.4	19.7	-3.6	18.1	17.5	15.8	15.4
Price-ABV (x)	**2.2**	**1.8**	**1.5**	**1.3**	**1.3**	**1.1**	**0.9**	**0.8**	**0.7**
EPS (INR)	21.4	32.0	38.0	44.0	43.5	52.6	57.9	61.4	69.2
EPS Growth (%)	-18.7	49.3	18.7	15.8	-1.0	20.8	10.1	6.0	12.7
Price-Earnings (x)	**17.7**	**11.9**	**10.0**	**8.6**	**8.7**	**7.2**	**6.6**	**6.2**	**5.5**
Core EPS (INR)	19.9	31.2	37.0	42.8	42.3	50.9	56.2	59.6	67.4
Adj Core EPS Growth (%)	-28.2	56.7	18.7	15.4	-1.2	20.6	10.2	6.1	13.1
Adj. Price-Core EPS (x)	**12.9**	**8.3**	**7.0**	**6.0**	**6.1**	**5.1**	**4.6**	**4.3**	**3.8**
DPS	9.5	10.0	12.0	13.3	13.5	15.8	17.4	18.4	20.8
Dividend Yield (%)	**2.5**	**2.6**	**3.2**	**3.5**	**3.6**	**4.2**	**4.6**	**4.8**	**5.5**

E: MOFSL Estimates

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