

Power Finance Corporation

Estimate change



TP change



Rating change



Bloomberg	POWF IN
Equity Shares (m)	3300
M.Cap.(INRb)/(USD\$)	1372 / 15.6
52-Week Range (INR)	567 / 357
1, 6, 12 Rel. Per (%)	4/-2/-15
12M Avg Val (INR M)	4075

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	193	214	234
PPP	216	234	263
PAT	174	196	202
EPS (INR)	52.6	59.4	61.1
EPS Gr. (%)	21	13	3
BV/Sh. (INR)	276	317	360
ABV/Sh. (INR)	232	273	316
RoAA (%)	3.2	3.3	3.0
RoAE (%)	20.4	20.0	18.1
Div Payout (%)	30.0	30.1	30.0

Valuations

P/E (x)	7.9	7.0	6.8
P/BV (x)	1.5	1.3	1.2
Core P/E (x)	5.6	5.0	4.8
Core P/BV (x)	1.2	1.0	0.9
Div. Yld (%)	3.8	4.3	4.4

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	56.0	56.0	56.0
DII	16.1	16.2	17.1
FII	18.7	18.8	17.9
Others	9.2	9.0	9.0

FII includes depository receipts

CMP: INR416

TP: INR490 (+18%)

Buy

Earnings in line due to provision write-backs; asset quality stable

NII beat offset by higher foreign exchange losses; loan book inches up ~1% QoQ

- Power Finance Corporation (PFC)'s 1QFY26 PAT grew ~21% YoY to INR45b (in line). NII grew ~26% YoY to ~INR54.7b in 1QFY26 (~13% beat). In our opinion, the higher interest income in the quarter also included some residual recoveries from the resolution of KSK Mahanadi. Other operating income declined ~36% YoY to ~INR2b (PY: INR3.2b), which included an investment income of INR1.6b (PY: INR2.3b).
- Opex rose ~82% YoY to ~INR1.85b (~7% higher than MOFSLe), and the cost-income ratio stood at ~3.4% (PY: ~2.3%). The increase in opex was primarily due to higher CSR expenses of INR758m (PY: INR15m).
- PPoP grew ~5% YoY to INR48.3b (~11% miss), which was primarily driven by exchange losses of INR6.5b (PQ: Loss of INR2.6b). PFC has been actively managing its exchange risk from foreign currency borrowing. ~95% of PFC's total foreign currency borrowing portfolio is hedged for exchange risk, while 100% of USD exposure is hedged. Though USD/INR movement remained range-bound, EUR/INR saw a 9% depreciation in 1QFY26. The EUR/INR movement was one of the key reasons for the elevated foreign exchange translation loss in the quarter.
- Reported yield was broadly stable at ~10%, while reported CoB declined ~5bp QoQ to ~7.4%, resulting in spreads rising by ~3bp QoQ to ~2.6%. Reported NIM for 1QFY26 improved ~5bp QoQ to ~3.68% (PQ: 3.64%).
- GS3/NS3 was broadly range-bound at ~1.9%/0.4%. PCR on Stage 3 was also broadly stable QoQ at ~80.3%. Provisions write-backs stood at INR6.8b. This translated into annualized credit costs of -12bp (PY: -1bp and PQ: 8bp). The decline in standard asset provisioning was largely driven by improvements in DISCOM credit ratings, with a significant reversal of ~INR6b on exposure to Tamil Nadu DISCOM, whose rating was upgraded from C- to C.
- PFC also shared that out of its 22 stressed projects, TRN Energy (with an outstanding amount of INR11.4b) and Shiga Energy (outstanding amount of ~INR5.2b) are in advanced stages of resolution, and both these projects are being resolved outside NCLT. The company shared that restructuring plans for both have been finalized, with the documentation and implementation process currently in progress.
- Management maintained its loan growth guidance at ~10-11% for FY26. We estimate a disbursement/advances/PAT CAGR of 10%/12%/8% over FY25-FY27, an RoA/RoE of 3%/18%, and a dividend yield of ~4.4% in FY27E.

RDSS scheme extended until Mar'28

- The government launched the RDSS scheme with an outlay of INR3.03t and a gross budgetary support of INR976b, aiming to reduce pan-India AT&C losses to 12-15% and eliminate the ACS-ARR gap to zero. The scheme, which was initially set to conclude by Mar'26, has now been extended by two years until 31st Mar'28 to ensure the completion of the scheme objectives.

- With respect to the RDSS scheme, the action plan for all 13 states with PFC has been approved. Further, PFC has so far sanctioned loans of INR366b and disbursed ~INR50b under the RDSS scheme.

Valuation and view

- PFC reported a mixed performance for the quarter as earnings were in line, largely supported by provision write-backs following rating upgrades of certain DISCOMs. Disbursements were healthy during the quarter, but sequential loan growth remained muted. Asset quality remained stable, and credit costs continued to remain benign. Notably, the company saw a ~5bp sequential improvement in NIM, which was a positive.
- PFC (standalone) trades at 0.9x FY27E P/BV and ~5x 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% in FY26-27E. **We reiterate our BUY rating** with an SoTP (Mar'27E)-based TP of INR490 (premised on 1.1x target multiple for the PFC standalone business and INR155/ 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) a slowdown in the offtake of renewable energy projects, driven by weak power demand.

PFC: SoTP – Mar'27

	Stake	Target Multiple	Value (INR B)	INR per share	% To Total	Rationale
PFC Standalone	100	1.1	1,110	335	68	1.1x Mar'27 PBV
REC Stake (Pre-HoldCo)	53	1.2	637	193		1.2x Mar'27 PBV
Hold Co Discount (20%)			127			
REC Stake (Post-HoldCo)			510	155	32	
Target Value			1,620	490	100	

Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	1QFY26E	v/s Est.
Particulars	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	1,18,270	1,19,090	1,24,172	1,37,215	1,37,389	1,35,465	1,36,956	1,41,439	4,98,747	5,51,249	1,32,463	4
Interest Expenses	74,990	75,007	77,231	78,109	82,697	83,276	84,692	86,633	3,05,380	3,37,298	83,989	-2
Net Interest Income	43,280	44,083	46,942	59,106	54,692	52,189	52,264	54,806	1,93,367	2,13,951	48,474	13
YoY Gr %	23.5	18.2	12.9	39.5	26.4	18.4	11.3	-7.3	23.7	10.6	12.0	
Other Income	3,160	14,655	5,971	11,309	2,016	15,241	6,586	13,754	35,096	37,597	7,812	-74
Net Operational Income	46,440	58,738	52,913	70,415	56,708	67,430	58,850	68,560	2,28,463	2,51,548	56,286	1
YoY Gr %	41.1	19.4	11.5	42.1	22.1	14.8	11.2	-2.6	27.6	10.1	21.2	
Exchange gain/(loss)	589	-3,100	457	-2,614	-6,546	-2,000	-500	46	-4,668	-9,000	-300	2,082
Total Net Income	47,029	55,639	53,370	67,801	50,162	65,430	58,350	68,607	2,23,795	2,42,548	55,986	-10
YoY Gr %	24.6	15.9	18.0	34.9	6.7	17.6	9.3	1.2	23.5	8.4	19.0	
Operating Expenses	1,016	2,355	1,832	2,341	1,848	2,025	2,162	2,280	7,500	8,316	1,728	7
Operating Profit	46,013	53,284	51,538	65,460	48,313	63,405	56,188	66,327	2,16,295	2,34,232	54,258	-11
YoY Gr %	25.3	13.7	16.8	39.8	5.0	19.0	9.0	1.3	23.9	8.3	17.9	
Provisions	620	-1,241	745	4,447	-6,818	-2,000	1,000	2,558	4,571	-5,261	791	-962
PBT	45,393	54,525	50,793	61,013	55,132	65,405	55,188	63,769	2,11,724	2,39,493	53,468	3
Tax	8,214	10,821	9,244	9,924	10,117	11,773	9,934	11,765	38,202	43,588	9,624	5
Tax Rate %	18.1	19.8	18.2	16.3	18.3	18.0	18.0	18.4	18.0	18.2	18.0	
PAT	37,179	43,704	41,549	51,090	45,015	53,632	45,254	52,005	1,73,522	1,95,905	43,843	3
YoY Gr %	23.6	13.6	23.0	23.5	21.1	22.7	8.9	1.8	20.6	13.1	17.9	
Key Parameters (Calc., %)												
Yield on loans	9.9	9.8	10.0	10.7	10.3							
Cost of funds	7.4	7.3	7.4	7.0	7.1							
Spread	2.5	2.5	2.6	3.7	3.1							
NIM	3.56	3.6	3.76	4.61	4.08							
C/I ratio	2.3	5.3	3.9	4.0	3.4							
Credit cost	0.01	(0.03)	0.01	0.08	(0.12)							
Balance Sheet Parameters												
Disbursements (INR b)	195	467	342	680	362							
Growth YoY (%)	(15)	42	45	40	86							
AUM (INR b)	4,750	4,934	5,038	5,431	5,498							
Growth YoY (%)	10	10	10	13	16							
Asset Quality Parameters												
GS 3 (INR B)	161	134	135	105	105							
GS 3 (%)	3.4	2.7	2.7	1.9	1.9							
NS 3 (INR B)	41.1	35.3	35.9	20.9	20.8							
NS 3 (%)	0.9	0.7	0.7	0.4	0.4							
PCR (%)	74.4	73.6	73.4	80.1	80.3							

E: MOFSL Estimates

Healthy disbursements; loan book rises ~1% QoQ

- Loan book stood at INR5.5t and grew 16% YoY/1% QoQ. Disbursements during the quarter rose ~86% YoY to ~INR362b. Repayments during the quarter stood at ~22% (PQ: 23% and PY: ~22%).
- The renewables segment in the loan mix was stable at 15% (PQ: 15%). Disbursements to the infrastructure sector formed ~1% of the total disbursements in 1QFY26.
- PFC maintained its loan growth guidance to ~10-11% in FY26. We model a loan book CAGR of ~12% over FY25-FY27E.

Asset quality stable; standard asset provisioning declines QoQ

- GS3 and NS3 were broadly stable QoQ at ~1.9% and 0.4%, respectively. PCR on Stage 3 was also broadly stable QoQ at ~80.3%. Standard asset (Stage 1 and 2) provisions declined ~15bp QoQ to 0.98%.
- PFC has ~22 projects (PQ: 21 projects) that are classified as NPA. Resolutions in ~11 NPA projects (PQ: 10) are being pursued under NCLT, and the remaining ~11 NPA projects are being pursued outside NCLT.

Progress on stressed asset resolutions

- PFC shared that both Shiga Energy and TRN Energy, with an exposure of ~INR5.2b and ~INR11.4b, respectively, are in advanced stages of resolution.
- Given that REC has already restructured TRN Energy and subsequently written off a part of the outstanding exposure with a corresponding reversal in ECL provisions, we expect PFC to adopt a similar approach in the next quarter. This will result in further provision write-backs for the company.



Highlights from the business update/press release

Standalone Financial Highlights

- PFC registered PAT of INR45.02b, up 21% YoY.
- Within a stable range, yields for 1QFY26 stood at 10.01%, CoF at 7.40%, resulting in spreads of 2.61% (within the guided range).
- FY25 NIM stood at 3.68%.
- PFC's Board has declared an interim dividend of INR3.7/share.
- CRAR stood at 22.37%, well above the minimum regulatory requirements

Asset Quality

- NNPA stood at 0.38% (at its lowest level), and GNPA stood at 1.92%. PFC continues to have zero NPA on the government loan book.
- Two projects with exposure of ~INR16.6b are in advanced stages of resolution, both being resolved outside NCLT.
- TRN Energy with exposure of INR11.39b - 600MW Thermal Plant. The company has a PCR of 50%.
- Shiga Energy with exposure of INR5.22b - 97MW commissioned hydro energy plant. The company has a PCR of 31%
- For both these projects, the restructuring plan has been finalized, and the documentation and implementation process are currently underway.
- Overall PCR of ~80% on Total Stage 3. The provision reversal in 1QFY26 is mainly on account of the revision in the rating of certain DISCOMs. Improvement in the rating of Tamil Nadu DISCOM from "C minus" to "C" led to the provision reversal of INR6b.

Loan Growth

- Loan Asset book stood at INR5.5t, up 16% YoY. Management expects the loan book to grow by 10-11% in FY26, which is in line with guidance shared earlier.
- Renewable book stood at INR815b, up 36% YoY, and PFC is the Largest renewable financing agency in the country.
- Disbursements in 1Q stood at INR362b, up 86% YoY. This is the highest ever disbursement in 1Q.

Borrowings

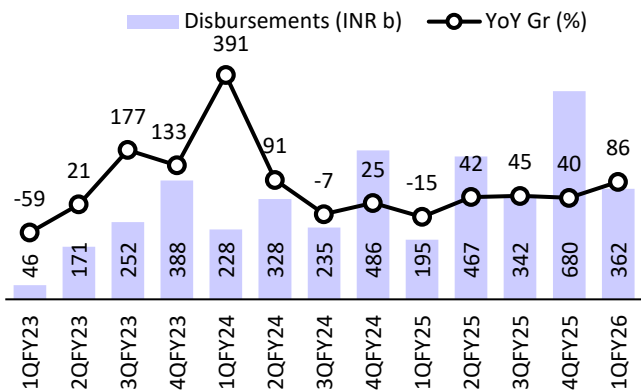
- PFC's outstanding borrowings amounted to INR4.6tb out of which ~80% were domestic borrowings and the remaining ~20% were through foreign sources. Approximately 65% of the liabilities are at fixed rates, while the remaining 35% are at floating rates.
- Within its foreign currency borrowings, ~68% of the exposure is in USD. Further, the foreign currency borrowings portfolio is majorly long-term in nature, with short-term borrowing accounting for only 6.5% of the total borrowings.
- Nearly 100% exchange-rate risk is hedged for the US Dollar-denominated portfolio, and nearly 95% of the total foreign currency portfolio has been hedged for exchange rate risk.
- Though USD/INR movement remained range-bound, EUR/INR saw a 9% depreciation as compared to Mar'25. The EUR/INR movement is one of the key reasons for the foreign exchange translation loss in 1QFY26.

Others

- As per the new guidelines, lenders are required to maintain standard asset provisioning of 1% during the construction phase and 0.4% during the operational phase. PFC already maintains a provision of 0.98% for Stage 1 and 2 assets; therefore, the potential impact of the change in guidelines is expected to be minimal.
- RDSS Scheme has an outlay of INR3.03t with Gross Budgetary Support (GBS) of INR976b and has the objective of reducing the pan-India AT&C losses to 12-15% and ACS-ARR gap to zero. The scheme has been extended by the GOI by another two years, now ending on 31st Mar'28.
- PFC's action plan has been approved for all 13 states. Further, PFC has so far sanctioned loans of INR366b and disbursed INR51b under RDSS.

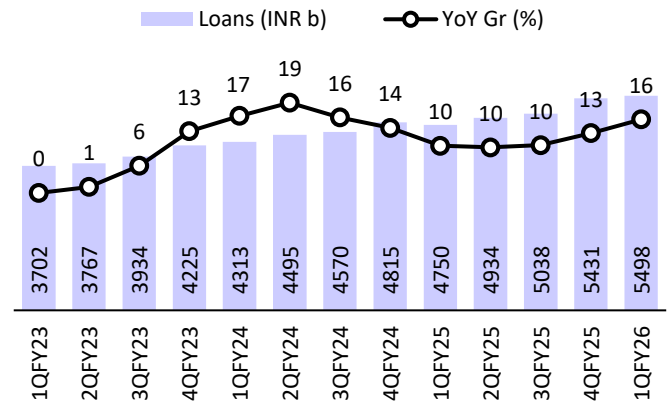
Key exhibits

Exhibit 1: Disbursements grew ~86% YoY



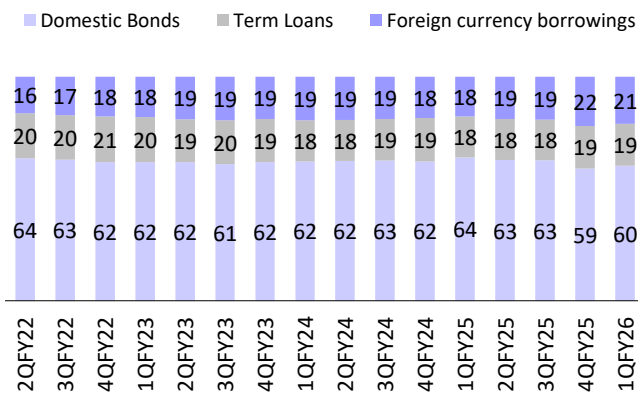
Source: MOFSL, Company

Exhibit 2: Loan book grew 16% YoY



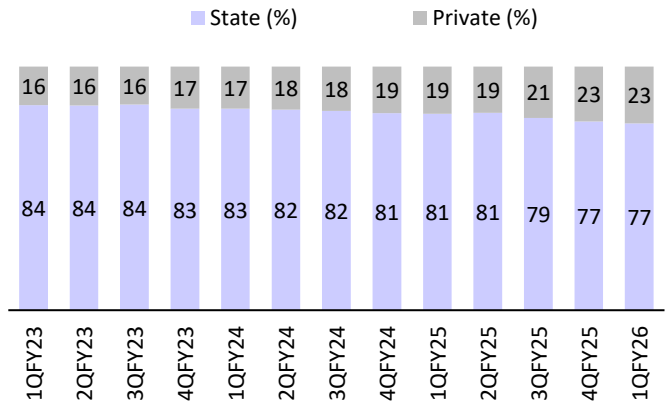
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



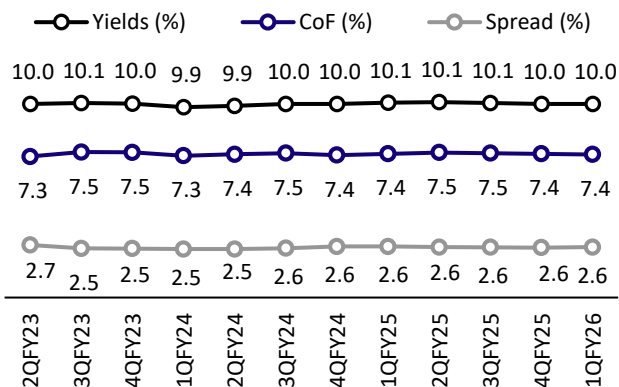
Source: MOFSL, Company

Exhibit 4: ~23% of loans given to private players (%)



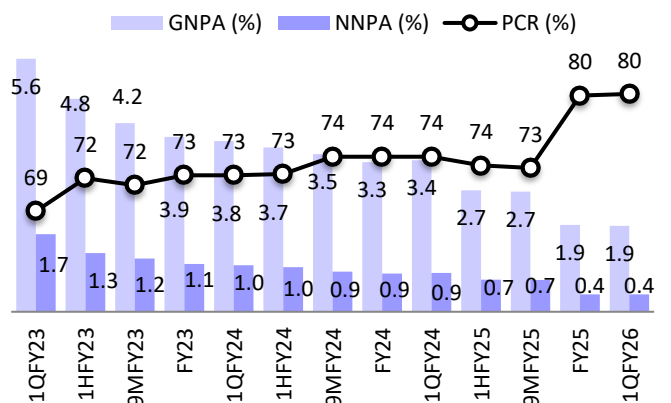
Source: MOFSL, Company

Exhibit 5: Reported yields stable QoQ



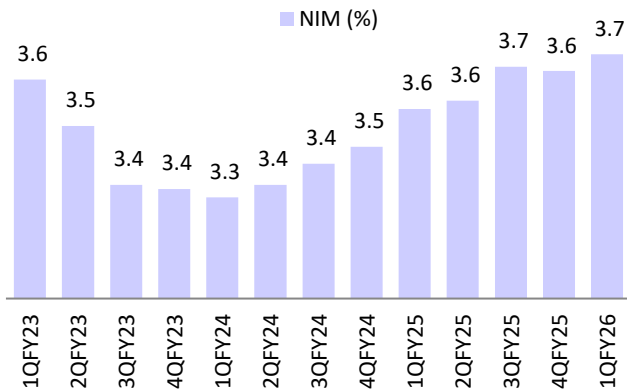
Source: MOFSL, Company,

Exhibit 6: Asset quality stable QoQ



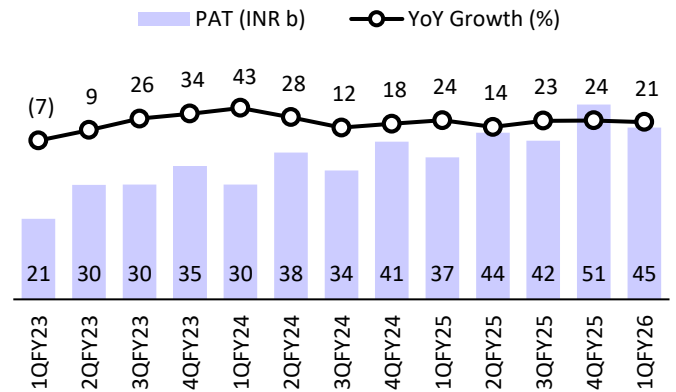
Source: MOFSL, Company

Exhibit 7: Reported NIM improved ~5bp QoQ (%)



Source: MOFSL, Company,

Exhibit 8: PAT grew ~21% YoY



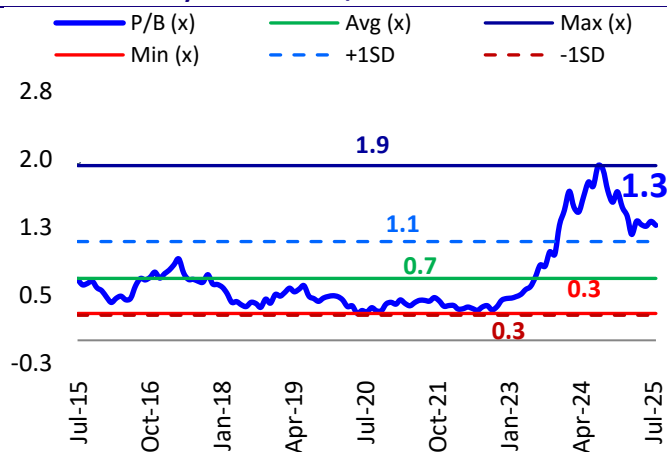
Source: MOFSL, Company

Exhibit 9: We raise our FY26/FY27 EPS estimates by ~4%/2%, primarily to factor in lower credit costs

INR B	Old Est.		New Est.		% Change	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	203.8	233.0	214.0	234.4	5.0	0.6
Other Income	36.0	39.1	28.6	37.6	-20.6	-3.8
Net Income	239.8	272.1	242.5	272.0	1.2	0.0
Operating Expenses	8.3	9.2	8.3	9.2	0.0	0.0
Operating Profits	231.4	262.9	234.2	262.8	1.2	0.0
Provisions	1.8	20.5	(5.3)	16.5	-	-20
PBT	229.7	242.3	239.5	246.3	4.3	1.6
Tax	41.8	43.9	43.6	44.6	4.3	1.6
PAT	187.9	198.5	195.9	201.7	4.3	1.6
Loans	6,033	6,760	6,044	6,769		
RoAA (%)	3.1	3.0	3.3	3.0		

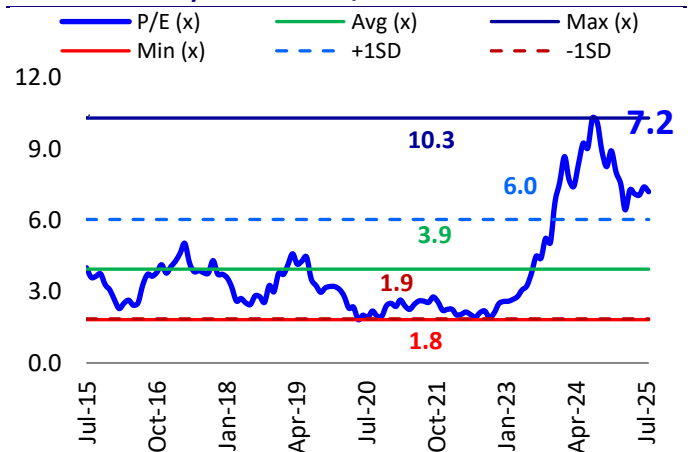
Source: MOFSL, Company

Exhibit 10: One-year forward P/B



Source: MOFSL, Company,

Exhibit 11: One-year forward P/E



Source: MOFSL, Company

Du Pont Analysis %	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest income	9.1	9.0	9.6	9.3	9.0	9.2	9.2	9.2	8.8
Interest expenses	6.1	6.2	6.2	5.8	5.5	5.9	5.6	5.6	5.3
Net Interest Income	3.0	2.9	3.4	3.6	3.4	3.3	3.6	3.6	3.5
Other Operating Income	0.1	0.6	0.3	0.5	0.5	0.5	0.6	0.6	0.6
Other Income	-0.2	-0.7	0.0	-0.2	-0.5	0.0	-0.1	-0.1	0.0
Total Income	3.0	2.7	3.8	3.8	3.5	3.8	4.1	4.0	4.1
Operating expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Operating profits	2.9	2.6	3.6	3.7	3.3	3.7	4.0	3.9	4.0
Provisions	-0.3	0.3	0.9	0.6	-0.1	0.0	0.1	-0.1	0.2
PBT	3.1	2.3	2.7	3.1	3.4	3.7	3.9	4.0	3.7
Taxation	0.9	0.7	0.5	0.6	0.6	0.7	0.7	0.7	0.7
RoA	2.2	1.6	2.2	2.5	2.8	3.0	3.2	3.3	3.0
Leverage (x)	7.8	8.0	7.7	7.0	6.6	6.4	6.4	6.2	5.9
RoE	17.3	12.8	17.3	17.9	18.2	19.5	20.4	20.0	18.1

E: MOFSL Estimates

Financials and valuations

Income Statement									(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest on loans	284	320	361	367	376	436	499	551	583
Interest exp & other charges	190	219	232	227	233	280	305	337	349
Net Interest Income	94	101	130	140	144	156	193	214	234
Change (%)	7.8	6.9	28.3	8.3	2.4	8.8	23.7	10.6	9.5
Other operating income	4	21	11	19	21	23	35	37	40
Exchg Gain/(loss) on Forex loans	-5	-26	2	-9	-20	2	-5	-9	-3
Other Income	0	0	0	0	0	0	0	0	0
Net Income	93	96	142	150	145	181	224	243	272
Change (%)	-9.5	2.6	48.4	5.7	-3.6	25.2	23.5	8.4	12.1
Employee Cost	2	2	2	2	2	2	3	3	3
Administrative Exp	2	2	3	3	4	4	5	5	6
Depreciation	0	0	0	0	0	0	0	0	0
Operating Income	89	92	137	144	139	175	216	234	263
Change (%)	-10.2	2.7	49.2	5.4	-4.0	25.8	23.9	8.3	12.2
Total Provisions	-9	10	35	22	-3	-2	5	-5	16
% to operating income	-9.7	10.8	25.5	15.4	-2.1	-1.0	2.1	-2.2	6.3
PBT	98	82	102	122	142	176	212	239	246
Prior period Adjustments	0	0	0	0	0	0	0	0	0
PBT (post prior period adj)	98	82	102	122	142	176.3	211.7	239	246
Tax (Incl Deferred tax)	29	25	18	22	26	33	38	44	45
Tax Rate (%)	29.2	31.0	17.3	18.0	18.1	18.5	18.0	18.2	18.1
PAT	70	57	84	100	116	144	174	196	202
Change (%)	4.2	-18.7	49.3	18.7	15.8	23.8	20.8	12.9	3.0
Extra-ordinary item	0	0	0	0	0	0	0	0	0
Reported PAT	70	57	84	100	116	144	174	196	202
Adjusted PAT (Excluding REC Dividend)	73	53	82	98	113	139	168	190	196
Change (%)	12.4	-28.2	56.7	18.7	15.4	23.5	20.6	13.1	2.9
Proposed Dividend (Incl Tax)	0	25	26	32	35	45	52	59	61

Balance Sheet									(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Capital	26	26	26	26	26	33	33	33	33
Reserves & Surplus	406	425	498	567	656	759	876	1,013	1,155
Net Worth	433	452	524	594	682	792	909	1,046	1,188
Deferred Tax Liability	0	0	0	0	0	0	0	0	0
Networth (incl DTL)	433	452	524	594	682	792	909	1,046	1,188
Interest subsidy from Govt	0	0	0	0	0	0	0	0	0
Borrowings	2,952	3,103	3,330	3,274	3,704	4,164	4,755	5,079	5,653
Change (%)	24.7	5.1	7.3	-1.7	13.1	12.4	14.2	6.8	11.3
Total Liabilities	3,447	3,618	3,921	3,944	4,448	5,056	5,782	6,255	6,985
Investments	166	165	160	161	173	202	207	218	228
Change (%)	558.2	-0.7	-3.0	0.7	7.6	16.9	2.5	5.0	5.0
Loans	3,032	3,341	3,601	3,609	4,108	4,699	5,328	5,910	6,631
Change (%)	14.0	10.2	7.8	0.2	13.8	14.4	13.4	10.9	12.2
Forex monetary reserves	0	0	0	0	0	0	0	0	0
Net Fixed Assets	0	1	1	1	1	1	1	1	1
Net Current Assets	142	2	48	40	16	2	68	10	3
Total Assets	3,447	3,618	3,921	3,944	4,448	5,056	5,782	6,255	6,985

E: MOFSL Estimates

Financials and valuations

Loans and Disbursements	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Gross Loans (INR b)	3,147	3,449	3,708	3,731	4,225	4,815	5,431	6,044	6,769
YoY Growth (%)	13	10	7	1	13	14	13	11	12
Disbursements (INR b)	677	680	883	512	858	1,277	1,683	1,851	2,055
YoY Growth (%)	5	0	30	-42	67	49	32	10	11

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)									
Avg. Yields	10.0	10.0	10.4	10.2	9.8	9.9	9.9	9.8	9.3
Avg Cost of funds	7.1	7.2	7.2	6.9	6.7	7.1	6.8	6.9	6.5
Interest Spread	2.9	2.8	3.2	3.3	3.1	2.79	3.10	2.95	2.80
NIM	3.1	2.3	3.8	3.6	3.2	3.6	3.8	3.6	3.7

Profitability Ratios (%)

RoE	17.3	12.8	17.3	17.9	18.2	19.5	20.4	20.0	18.06
RoA	2.2	1.6	2.2	2.5	2.8	3.0	3.2	3.3	3.0

Efficiency Ratios (%)

Int. Expended/Int.Earned	66.8	68.4	64.2	61.8	61.8	64.2	61.2	61.2	59.8
Other operating Inc./Net Inc.	4.3	22.0	7.6	12.3	14.3	12.5	15.6	15.4	14.8
Other Income/Net Income	0.2	0.1	0.2	0.3	0.1	0.1	0.1	0.1	0.1
Op. Exps./Net Income	4.3	4.2	3.6	3.8	4.2	3.7	3.4	3.4	3.4
Empl. Cost/Op. Exps.	43.5	48.5	37.9	37.1	36.3	36.3	35.8	35.2	34.4

Asset-Liability Profile (%)

Loans/Borrowings Ratio (x)	103	108	108	110	111	113	112	116	117
Assets/Networth (x)	8.0	8.0	7.5	6.6	6.5	6.4	6.4	6.0	5.9
Debt/Equity (x)	6.8	6.9	6.4	5.5	5.4	5.3	5.2	4.9	4.8

Asset Quality (%)

Gross Stage 3	9.4	8.1	5.7	5.6	3.9	3.3	1.9	1.5	1.2
Net Stage 3	4.6	3.8	2.1	1.8	1.1	0.9	0.4	0.3	0.2
PCR	51.5	47.1	63.4	68.6	72.7	74.4	80.1	82.0	85.0
Credit costs	-0.31	0.31	1.01	0.62	-0.08	-0.04	0.09	-0.09	0.26

Valuations

Book Value (INR)	164	171	198	225	258	240	276	317	360
BV Growth (%)	17.1	4.3	16.0	13.3	14.9	-7.1	14.8	15.1	13.5
Price-BV (x)	2.5	2.4	2.1	1.9	1.6	1.7	1.5	1.3	1.2
Adjusted Book Value (INR)	150	116	144	170	203	196	232	273	316
ABV Growth (%)	24.8	-22.8	23.6	18.4	19.7	-3.6	18.1	17.9	15.7
Price-ABV (x)	1.9	2.5	2.0	1.7	1.4	1.5	1.2	1.0	0.9
EPS (INR)	26.3	21.4	32.0	38.0	44.0	43.5	52.6	59.4	61.1
EPS Growth (%)	4.2	-18.7	49.3	18.7	15.8	-1.0	20.8	12.9	3.0
Price-Earnings (x)	15.8	19.4	13.0	11.0	9.5	9.6	7.9	7.0	6.8
Core EPS (INR)	27.7	19.9	31.2	37.0	42.8	42.3	50.9	57.6	59.3
Adj Core EPS Growth (%)	12.4	-28.2	56.7	18.7	15.4	-1.2	20.6	13.1	2.9
Adj. Price-Core EPS (x)	10.3	14.3	9.1	7.7	6.7	6.7	5.6	5.0	4.8
DPS	0.0	9.5	10.0	12.0	13.3	13.5	15.8	17.9	18.3
Dividend Yield (%)	0.0	2.3	2.4	2.9	3.2	3.2	3.8	4.3	4.4

E: MOFSL Estimates

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