



Can Fin Homes

Estimate changes	
TP change	
Rating change	
Bloomberg	CANF IN
Equity Shares (m)	133
M.Cap.(INRb)/(USDb)	125.1 / 1.4
52-Week Range (INR)	972 / 559
1, 6, 12 Rel. Per (%)	2/12/26
12M Avg Val (INR M)	268

Financials Snapshot (INR b)			
Y/E March	FY26E	FY27E	FY28E
NII	16.1	17.4	20.0
PPP	13.5	14.4	16.6
PAT	10.3	10.7	12.4
EPS (INR)	77.3	80.7	93.5
EPS Growth(%)	20	4	16
BVPS (INR)	445	512	590
Ratios (%)			
NIM	4.06	3.91	3.95
C/I ratio	18.6	19.7	19.5
RoAA	2.4	2.2	2.2
RoE	18.7	16.9	17.0
Payout	16.8	17.3	16.0
Valuation			
P/E (x)	12.1	11.6	10.0
P/BV (x)	2.1	1.8	1.6
Div. Yield (%)	1.4	1.5	1.6

Shareholding pattern (%)			
As On	Dec-25	Sep-25	Dec-24
Promoter	30.0	30.0	30.0
DII	24.7	23.9	28.1
FII	13.2	12.5	11.4
Others	32.1	33.6	30.5

FII Includes depository receipts

CMP: INR939
TP: INR1,015 (+8%)
Neutral

Loan growth muted; NIM pressure ahead

Asset quality continues to improve; IT transformation is closely monitored

- Can Fin Homes' (CANF) PAT for 3QFY26 grew ~25% YoY to INR2.6b (in line). NII grew 22% YoY to ~INR4.2b (in line). Fee and other income stood at ~INR97m (PY: INR58m).
- Opex rose ~35% YoY to INR799m (in line). Cost-income ratio stood at ~18.5% (PQ: ~18.6%, PY: ~16.9%). CANF made additional provisions of INR4.7m for gratuity following the new labor laws.
- PPoP grew ~21% YoY to INR3.5b (in line). Provisions stood at INR97m (est. INR55m), resulting in annualized credit costs of ~10bp (PQ: ~3bp and PY: ~24bp). Effective tax rate in 3Q stood at ~22.4% (PQ: 24.2% and PY: 21.2%). 3Q RoA/RoE stood at ~2.55%/~18.8%.
- 3Q disbursement growth YoY was partly aided by low-base effect (such as the e-Khata issue in 3QFY25), but sequential disbursement growth remained healthy at ~7% QoQ.
- Asset quality is expected to remain stable, with visible improvement in Telangana as Project Hydra and DSA-related issues ease. Management noted no material stress across segments or geographies at this stage.
- CANF remains a resilient franchise with notable strengths, including NIM expansion in a falling interest rate environment and superior asset quality. However, we await execution on its loan growth guidance of 15% for FY27 and clarity on any potential disruptions arising from the planned technology transformation in CY26 before adopting a more constructive stance on the stock. We project an advances/PAT CAGR of ~14%/ 10% for CANF over FY26-28, with RoA/RoE of ~2.2%/~17% in FY28E. **Reiterate our Neutral rating with a TP of INR1,015 (premised on 1.8x Dec'27E P/BV).**

Disbursements up ~45% YoY; Elevated repayments weigh on AUM

- 3Q disbursements grew ~45% YoY and 7% QoQ to INR27.3b.
- Advances rose ~9.5% YoY and ~2.6% QoQ to ~INR407b. Annualized run-off in advances remained elevated at ~17% (PQ: 17% and PY: ~14%), suggesting that BT-OUTs inched up.
- Average ticket size (ATS) of incremental housing loans stood at INR2.6m (PQ: INR2.5m). DSA channel in the sourcing mix was stable at ~79%.
- CANF guided for loan growth of ~15% in FY27 on the back of disbursements of ~INR135b. We expect CANF to deliver loan CAGR of ~14% over FY26-28E.