



CanFinHomes Ltd

STOCK UPDATE

Result Update - Q3FY2026

SECTOR

NBFC

COMPANY DETAILS

Market cap:	Rs. 12,428 cr
52-week high/low:	Rs. 970 / 559
NSE volume: (No of shares)	2.45 lakh
BSE code:	511196
NSE code:	CANFINHOME
Free float: (No of shares)	8.4 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	30.0
FII	13.2
DII	24.7
Others	32.1

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-0.4	16.5	14.2	34.8
Relative to Sensex	1.6	17.3	12.9	26.2

Source: Mirae Asset Sharekhan Research, Bloomberg

Can Fin Homes Ltd

In line Q3, strong growth expected post IT transformation

Reco/View: **BUY**

CMP: **Rs. 933**

Price Target: **Rs. 1,100**

Quick Snapshot

- Disbursement grew strongly by 45.1% y-o-y and 7.2%, q-o-q. However, AUM grew by a mere 9.5% due to higher prepayments/BTs.
- NIM (as a % of AUM) rose by 43/6 bps (y-o-y/q-o-q) to 4.14% due to lower cost of funds, as the company have not fully transmitted the benefit of rate cuts.
- PAT, in line with estimates, rose by 24.8% y-o-y and 5.3% q-o-q due to NIM expansion. RoA rose by 30/9 bps y-o-y/q-o-q to 2.55%.
- We maintain a Buy rating on the stock with a revised PT of Rs. 1,100, valuing it at 1.8x of FY2028E BV.

Result overview

- Net interest income (NII), in line with estimates, grew by 22.1% y-o-y and 4.01% q-o-q to Rs. 421 crore. NIM (as a % of AUM) expanded by 43/6 bps (y-o-y/q-o-q) to 4.14% due to lower cost of funds. This increase was attributed to a timing difference, as rate benefits received in October were passed on to customers from December 1.
- Opex expanded by 15/2 bps (y-o-y/q-o-q) to 0.79% (as a percentage of AUM) due to a growth in employee expenses, as the company is going through IT transformation.
- PPoP, above estimates by 2.2%, grew by 20.6% y-o-y and 4.9%, q-o-q driven by NII growth and other income, however partially offset by higher opex. Other income grew 72% y-o-y and 59.9% q-o-q to Rs. 10 crore due to growth in fee income.
- Credit cost came in at 0.10% (as a % of AUM) down from 0.24% in Q3FY25 and up from 0.03% in Q2FY26.
- PAT, in line with estimates, rose by 24.8% y-o-y and 5.3% q-o-q, to Rs. 265 crore, almost reflection of PPOP growth.
- AUM saw growth of 9.5% y-o-y and 2.6% q-o-q to Rs. 40,693 crore. While disbursements grew 45.1% y-o-y and 7.2% q-o-q to Rs. 2,727 crore. AUM growth lagged industry growth due to higher prepayments/ balance transfer due to lower interest rates and annual reset of customers waiting for rate benefits.
- Asset quality was stable, with GNPA stood at 0.92% while net NPA came in at 0.49%.

Our Call

Strategic shifts toward higher-yielding non-home loans and self-employed segments are set to stabilize yields, while the ongoing IT transformation (to be completed by Q1FY27), which will catalyse AUM growth and cost efficiencies. Management expects disbursements to be at Rs. 10,500 crore for FY26 and AUM growth of 10-11% for FY26 and 15% for FY27. Asset quality to improve, hence Q4 credit costs are likely to be lower, and settle at 15 bps in FY2027. With steady margins, a disciplined funding mix and steady asset quality, the company is projected to achieve a 2.3% RoA and 16.9% RoE by FY27. Consequently, we maintain a Buy rating with a revised price target of Rs. 1,100, valuing the stock at 1.8x FY28E P/BV.

Key Risks

- Economic slowdown
- Higher prepayments/BT may impact guided growth and margin expansion
- Asset quality deteriorations

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	1,259	1,354	1,588	1,705	2,019
Net profit	751	857	1,007	1,054	1,255
EPS (Rs)	56.4	64.4	75.6	79.1	94.3
P/E (x)	16.5	14.5	12.3	11.8	9.9
P/BV (x)	2.8	2.5	2.1	1.8	1.5
RoE (%)	18.7	18.2	18.3	16.4	16.8
RoA (%)	2.2	2.2	2.4	2.2	2.3

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 19, 2026

Concall highlights

AUM & disbursements

- Management guided for disbursements of Rs. 3,200-3,300 crore for Q4FY26, meeting the annual target of Rs. 10,500 crores. With this, AUM is expected to reach Rs. 42,000 crores in FY26, reflecting an 11.4% growth, a bit lower than earlier expectation of 12-13% due to higher prepayments/balance transfers (BTs). Looking toward FY2027, management targets Rs. 13,500 crore in disbursements to drive 15% AUM growth.
- Zone-wise AUM growth for the current period shows North and West at 15%, Tamil Nadu above 15%, APN East at 11%, Karnataka at 8%, and Telangana remaining almost flat or slightly negative.
- Management eyes AUM growth of ~2 percentage points above the industry level, which is currently around 13%

NII & NIM

- Q3 margins saw a temporary uptick, with reported NIM rising to 4.14% and spreads to 2.93%, primarily driven by a timing lag in passing through rate benefits.
- Management anticipates stabilization, targeting a NIM of 3.75%-3.80% and spreads of 2.75-2.8% as rate transmissions conclude in January.
- To minimize future volatility, the company is aggressively transitioning 80-85% of its portfolio to quarterly resets by Q4 also repricing (lower side) of NHB and bank borrowings are expected to support NIMs.
- Long-term yield expansion is expected from an increased mix of non-housing loans, projected to reach 20% of AUM by FY2028 from current level of 14%. Besides, rising contribution of self-employed loans are expected to aid for the margin.
- Management noted that RBI's 125 basis points repo rate cut, with 50 basis points transmitted to customers through various rate benefits.

Asset quality and credit cost

- Company expects continued improvement in SMA 1 and SMA 2 metrics through Q4, supported by a projected reduction in NPAs. Consequently, management anticipates no additional provisioning requirements and foresees a potential reversal of existing provisions.
- Looking ahead, credit costs are guided to remain stable at 15 bps. This outlook reflects a robust recovery trend and strengthening asset quality, keeping credit costs lean as the new fiscal sets in.

Opex and IT transformation

- The management expects a 19.5% cost-to-income ratio in FY2027, the company is finalizing a vital IT overhaul to replace its legacy 2011 platform.
- The IT upgrade will automate manual workflows and enable digital onboarding, though a one-time disbursement impact of Rs. 250-300 crores is expected during the go-live month.
- The transformation includes the implementation of HRMS and is projected to enhance productivity by at least 20% through automation and process simplification

Branch expansion

- Company plans to expand to 300 branches by FY2028, opening 25 branches annually, primarily in North, West, Tamil Nadu, East, and Andhra Pradesh.

Particulars	Q3FY26	Q3FY25	y-o-y	Q2FY26	Rs cr q-o-q
Interest Income	1,063	980	8.4%	1,043	1.9%
Interest Expenses	642	636	1.0%	639	0.6%
NII	421	345	22.1%	405	4.1%
Other Income	10	6	71.9%	6	59.4%
Total Income	431	351	22.9%	411	4.9%
Opex	80	59	34.7%	76	4.8%
PPOP	351	291	20.6%	335	4.9%
P&C	10	22	-56.0%	3	217.0%
PBT	341	269	26.8%	332	3.0%
Tax	77	57	34.4%	80	-4.4%
PAT	264.8	212	24.8%	251.4	5.3%
AUM	40,693	37,155	9.5%	39,657	2.6%
Disbursements	2,727	1,879	45.1%	2,545	7.2%

Source: Company; Mirae Asset Sharekhan Research

Actual Vs Estimates

Particulars	Q3FY26E	Q3FY26A	Variance (%)	Rs cr
NII	415	421	1.5%	
PPOP	343	351	2.3%	
PAT	263	265	0.6%	

Source: Company; Mirae Asset Sharekhan Research

Key Metrics

Particulars	Q3FY26	Q3FY25	y-o-y (bps)	Q2FY26	Rs cr q-o-q (bps)
NII as % of AUM	4.14%	3.71%	42.7	4.08%	5.7
Fee income % of AUM	0.10%	0.06%	3.6	0.06%	3.5
OpEx as % of AUM	0.79%	0.64%	14.7	0.77%	1.6
Prov as % of AUM	0.10%	0.24%	-14.3	0.03%	6.5
Tax Rate	0.75%	0.61%	13.9	0.81%	-5.6

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Canara Bank	29.99
2	Chattishgarh Investmnet Ltd	6.27
3	3 P India Equity	4.83
4	Axis AMC	3.21
5	Vanguard Group	2.62
6	SBI Life	2.49
7	ICICI Pru AMC	2.13
8	FIL Ltd	1.82
9	Sarda Energy & Mineral	1.80
10	Nippon Life AMC	1.66

Source: Bloomberg

Key management personnel

Name	Designation
MD & CEO	Suresh Srinivasan Iyer
CFO & ED	Abhishek Mishra
Chairman	K. Satyanarayana Raju

Source: Company Website

Mirae Asset Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

DISCLAIMER

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200/ 022-61151111.