

Piramal Finance

BSE SENSEX

80,426

S&P CNX

24,655



Stock Info

Bloomberg	PIEL IN
Equity Shares (m)	227
M.Cap.(INRb)/(USD\$)	254.8 / 2.9
52-Week Range (INR)	1356 / 848
1, 6, 12 Rel. Per (%)	-1/10/9
12M Avg Val (INR M)	855
Free float (%)	53.8

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
PPOP	15.8	20.3	37.0
PAT	4.8	14.4	23.7
PAT (ex exceptional)	4.8	4.0	21.7
EPS	22	64	105
EPS Gr. (%)	-	196	65
Consol BV/Sh. (INR)	1,202	1,255	1,345
RoA (%)	0.5	1.4	1.9
RoE (%)	1.8	5.2	8.1

Valuation

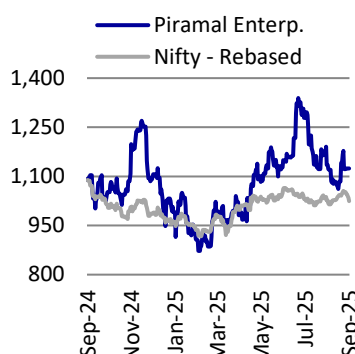
P/E (x)	52.3	17.7	10.7
P/BV (x)	0.9	0.9	0.8
Dividend yield (%)	1.0	1.4	2.2

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	46.2	46.4	46.0
DII	15.2	14.3	13.4
FII	15.9	16.5	16.7
Others	22.8	22.8	23.9

FII Includes depository receipts

Stock's performance (one-year)


CMP: INR1,124 TP: INR1,250 (+11%)
Neutral

Driving transformation through 'AI-native' strategy

We attended Piramal Finance's (PIEL) Piramal.AI day, where the company showcased its extensive use of AI across all business functions and demonstrated how it is driving improvements in efficiency and productivity. Below are the key takeaways:

- The Piramal.AI day provided a comprehensive overview of PIEL's strategic transformation into what it terms an 'AI-native' organization, where AI is deeply embedded in every facet of the business. The event showcased how a series of foundational choices, such as developing all technology in-house and adopting a cloud-native architecture, have enabled the company to achieve significant growth, enhance operational productivity, and improve risk management.
- Management detailed the company's journey from a wholesale-led entity to a retail-first NBFC, highlighting its 4x growth in four years after the DHFL merger, a feat that positions it as one of the fastest-growing NBFCs in Indian history. The sessions included live demonstrations of a suite of proprietary AI tools that are not theoretical pilots but are fully integrated into core business processes, from customer onboarding and underwriting to collections and customer experience.
- AI-driven efficiencies have helped PIEL lower its long-term opex-to-AUM guidance by 25bp to 3.25-3.5%. The company has provided a positive outlook, guiding for significant growth in PAT and AUM through to FY30. It guided for a scale-up in AUM to ~INR1.5t+ by FY28 and INR2t+ by FY30 (AUM CAGR of ~20-25% over FY25-30). On profits, it guided for PAT of ~INR13b-15b in FY26, ~INR45b by FY28 and ~INR65b by FY30.

Strategic shift toward retail dominance

- PIEL has transitioned from wholesale to retail, scaling rapidly with diversified products, wider geography, strong cross-selling, and higher productivity. The company highlighted that its AUM has expanded from a little over INR200b in Sep'21 to nearly ~INR800b within four years, a 4x increase that very few financial institutions in India have achieved at such scale and speed.
- Crucially, this rapid growth has not come at the expense of credit quality. Even with a fourfold increase in the loan book, delinquency has remained stable. Moreover, a static pool analysis shows that more recent cohorts are performing better than earlier ones, underscoring that growth has been achieved while strengthening credit quality rather than by taking on additional risk.
- PIEL is positioning itself as an AI-native financial institution, embedding AI across every process rather than limiting it to pilots or experiments. The company views AI and technology as the next phase of its transformation, supported by significant investments in in-house talent, a scalable cloud-first architecture, and deep integration of AI into core operations.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Pillars of sustained growth

- **Product expansion:** The company has steadily diversified its portfolio, evolving from offering only housing loans up to FY20 into a broad suite of 19 products today. While housing loans have grown at a CAGR of ~20%, the non-housing portfolio has expanded much faster at a 45% CAGR. This reflects a deliberate multi-product strategy aimed at underpenetrated segments within the banking sector.
- **Geographic expansion:** The distribution footprint now spans 517 branches across 26 states and 428 cities, including 76 microfinance branches. A substantial branch rollout over the last three years is expected to add nearly INR80b to AUM as these branches mature and scale up during the current year.
- **Cross-selling and partnerships:** Cross-selling has become a meaningful contributor, accounting for ~25% of unsecured disbursements and ~10% of total disbursements, with a target of reaching 50% in unsecured lending (vs. Bajaj at ~60%). Fintech partnerships continue to be leveraged primarily for customer acquisition, with disbursements of about INR150b through these channels to date.
- **Productivity and cost efficiencies:** Operating expense ratios have improved sharply, declining by ~230bp over the last nine quarters, driven largely by AI-enabled productivity gains. Branch productivity has risen significantly, with AUM and disbursements per branch up 1.7x, revenue per branch up 1.8x, and disbursements per employee up 1.4x.

Foundation of AI: The 'Build, Not Buy' philosophy

- PIEL has deliberately built its technology and AI stack fully in-house, treating AI as core to financial services much like underwriting, rather than as an outsourced or experimental function. This base has allowed the company to scale AI adoption in production systems faster than peers, positioning itself as an AI-native financial institution.
- The company's philosophy is clear: AI should be seamlessly integrated across customer journeys, underwriting, collections, fraud detection, and internal workflows. Rather than running pilots or proofs of concept that stay disconnected from operations, the focus is on deploying AI solutions directly into production at scale.
- The company has already moved to agentic AI in live production, leveraging advanced protocols like MCP and A2A. This positions PIEL at the forefront of AI adoption, well ahead of peers who are still operating at predictive or early generative stages.

Why PIEL succeeded in its AI pilots and deployment

- An MIT study highlights that 95% of AI pilots fail due to weak operational alignment, excessive focus on technology over outcomes, or reliance on generic tools. PIEL has sidestepped these issues by adopting a business-first approach, tightly integrating AI into core systems, and developing custom domain-specific SLMs that reflect its internal terminology and context.
- With in-house development ensuring ownership and strategic alignment, Piramal has emerged as one of the few enterprises to achieve real, large-scale success in AI adoption.

Advancing results through AI integration

- AI adoption has delivered clear, measurable gains for Piramal, with underwriting outcomes strengthening as horizontal risk fell 40% YoY for three consecutive years and fraud risk (straight flows 90+ dpd) declined by over 50% annually over the same period.
- Productivity has also seen a step change, with sales efficiency rising 25%, credit manager output up 20%, operations manager productivity nearly 60% higher, and call center productivity improving 17%, alongside faster loan disbursements and throughput that have supported stronger growth.
- Customer experience has improved meaningfully, with the quarterly complaint ratio falling from 2.6 per thousand to just 0.4 per thousand in about three years. Developers have been empowered, with nearly half of all codes now AI-generated, enabling faster development and smoother integration.

Tangible business impact and future outlook

- With proven success in AI adoption, the company is factoring in an additional 25bp in opex savings alongside a stronger AUM growth outlook.
- Earlier guidance for the long-term opex-to-AUM ratio was 3.5-4.0%. However, with continuous productivity and efficiency gains from AI, PIEL has now lowered its opex-to-AUM guidance to ~3.25-3.5%.
- AUM growth momentum is expected to remain steady, with a target of reaching ~INR1t in FY26, INR1.5t+ in FY28, and INR2t+ in FY30. Further, PAT is expected to scale up to INR13-15b in FY25, INR45b in FY28, and INR65b in FY30.

Valuation and view

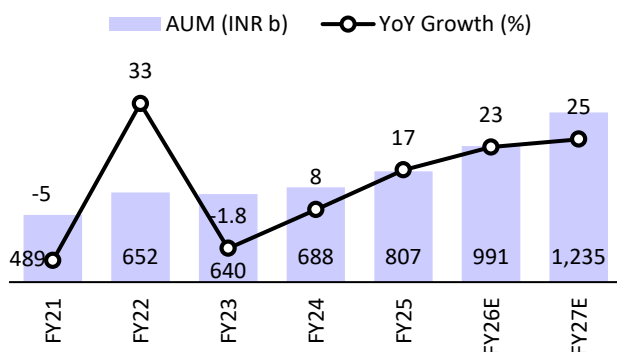
- PIEL's strategic shift toward building a granular and diversified retail franchise, alongside a calibrated wholesale 2.0 book, continues to gain traction. The company has demonstrated steady progress on asset quality, with volatility now largely behind and credit costs expected to remain stable. With new product launches such as co-branded credit cards and gold loans in the pipeline, the company is expanding its fee income base and diversifying its earnings profile.
- Our FY26 earnings estimate factors in exceptional gains from the Piramal Imaging business, gains from AIFs and no tax incidence in the foreseeable future. Because of the uncertainty and unpredictability around the timing of the monetization of its stake in Shriram Life and General Insurance, we have not factored it into our estimates. It does, however, provide streams of one-off gains, which can help to offset credit costs required to dispose of residual (if any) stressed legacy AUM.
- While the company anticipates greater earnings stability and an improved outlook going forward, its return metrics remain modest, with RoA and RoE estimated at 1.9% and 8%, respectively, for FY27E. We value the lending business at 0.8x FY27E P/BV. **Reiterate our Neutral rating on the stock with a revised TP of INR1,250 (premised on Mar'27E SOTP).**

PEL: SoTP - Mar'27

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	236	2.8	1,053	84	❖ 0.8x Mar'27E PBV
Shriram Group	34	0.4	150	12	❖ Based on its stake in Shriram Life/General Insurance Businesses
Life Insurance	5	0.1	21	2	
Alternatives	6	0.1	25	2	
Target Value	281	3.4	1,250	100	

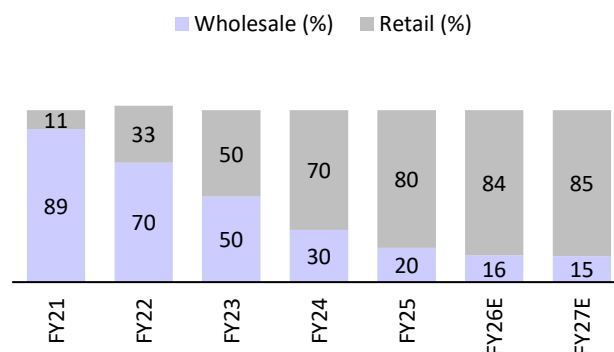
Story in charts

Exhibit 1: AUM CAGR of ~24% over FY25-FY27E



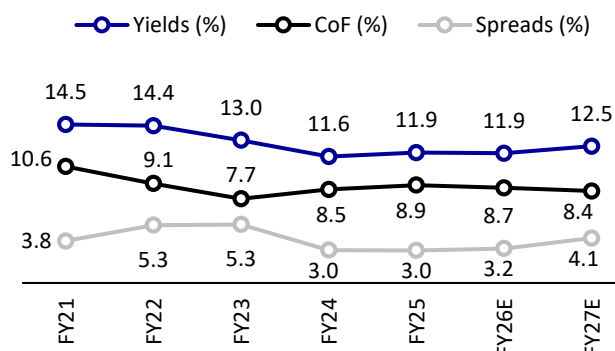
Source: MOFSL, Company

Exhibit 2: Retail mix continues to increase



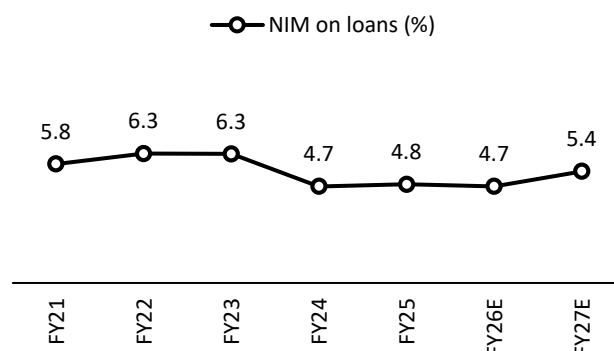
Source: MOFSL, Company

Exhibit 3: Expect improvement in yields...



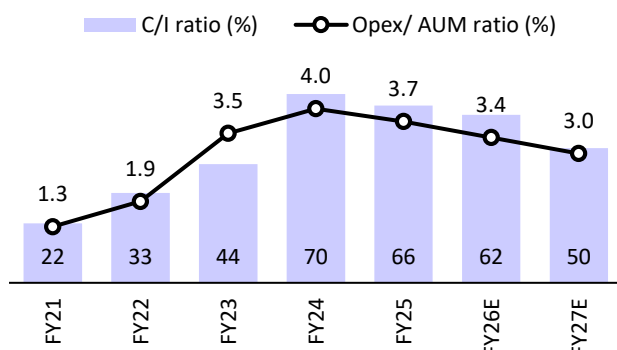
Source: MOFSL, Company

Exhibit 4: ...to lead to NIM expansion by FY27E



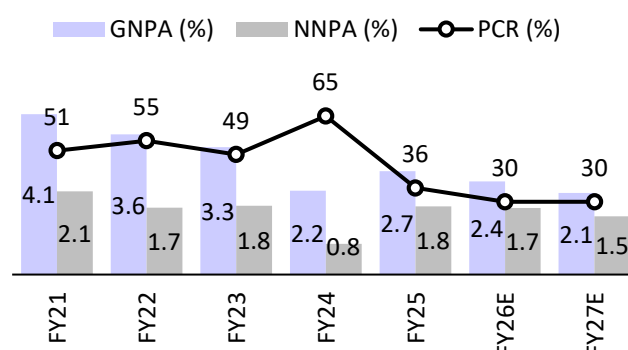
Source: MOFSL, Company

Exhibit 5: Operating costs to come down in FY26-FY27



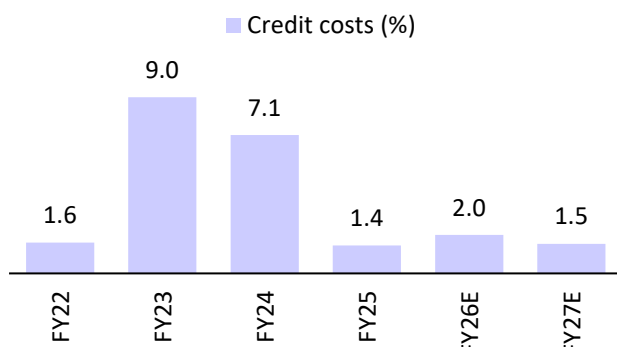
Source: MOFSL, Company

Exhibit 6: Expect further improvement in asset quality



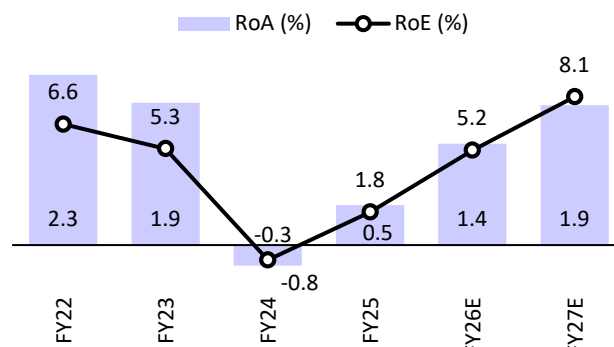
Source: MOFSL, Company

Exhibit 7: Credit costs to gradually come down



Source: MOFSL, Company

Exhibit 8: ROA/ROE of 1.9%/8% in FY27E

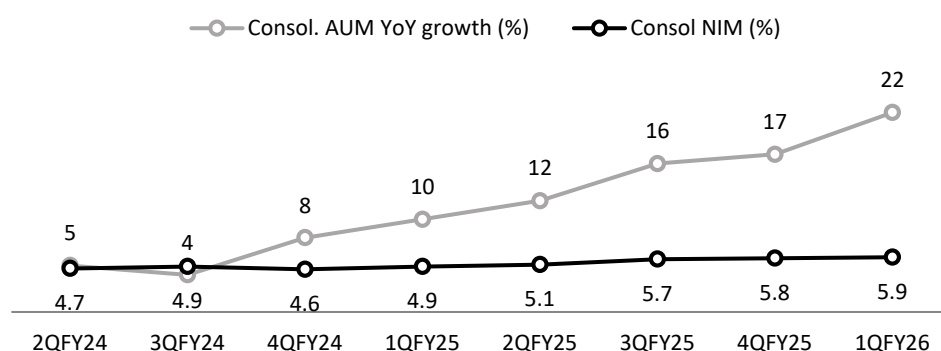


Source: MOFSL, Company;

Pivoted into retail-focused enterprise

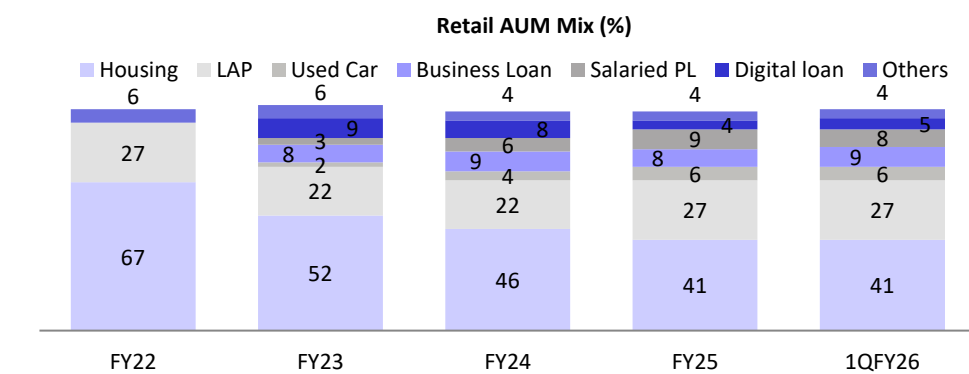
- PIEL is scaling up rapidly across products and distribution while embedding AI into the core of its operations. The company has expanded from a single product (housing) in FY20 to 19 products and grown branch coverage to 517 locations. It is driving cross-selling and productivity gains that are materially lowering its opex.
- The company has transitioned into a retail-led NBFC, delivering ~4x growth over the past four years. Its AUM mix has fully pivoted, with the new growth book now accounting for 91% of total AUM, and retail AUM standing at INR700b as of Jun'25.

Exhibit 9: Consol. AUM growth and NIM are increasing (%)



Source: MOFSL, Company

Exhibit 10: Retail AUM mix



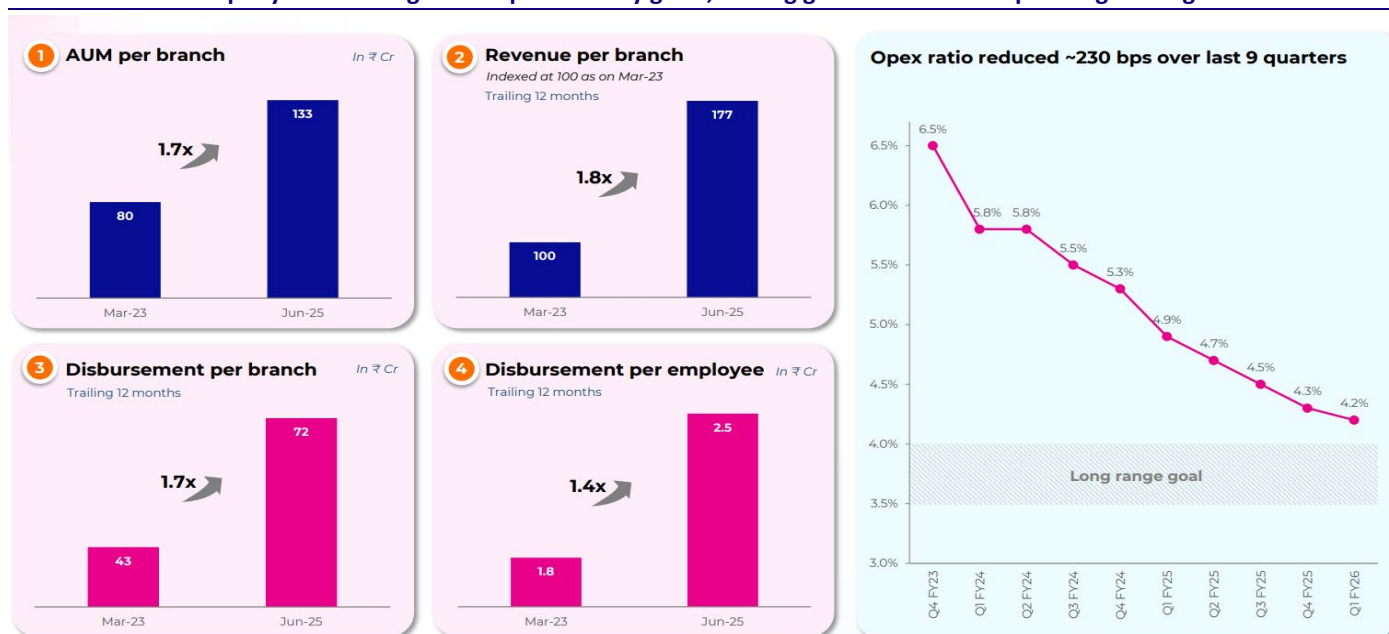
Source: MOFSL, Company

The company highlighted four factors for this robust growth:

- Product expansion:** The company has continuously focused on product expansion, evolving from offering only housing loans in FY20 to a diversified suite of 19 products today. While housing loans have grown at a ~20% CAGR, the balance product mix has grown at an AUM CAGR of over ~45%.
- This expansion reflects a deliberate multi-product strategy, targeting underpenetrated segments within the banking space.
- Geography expansion:** The company operates 517 branches across 26 states and 428 cities, including 76 MFI branches, reflecting a strong and widespread distribution network.
- A significant branch rollout over the past three years is expected to add ~INR80b to AUM as these branches mature during the current year.

- **Cross-selling:** Cross-selling now contributes ~25% of unsecured disbursements and ~10% of total disbursements, with a target of 50% in unsecured disbursements (against peers like Bajaj at ~60%).
- Fintech partnerships continue to play a strategic role in customer acquisition rather than profitability, with ~INR150b disbursed through fintech partners to date.
- **Productivity and cost benefits:** The company has reduced its opex ratio by ~230bp over the past nine quarters, largely driven by AI-enabled productivity improvements, resulting in higher AUM, revenue, and disbursements per branch.
- The company's branch productivity has improved significantly, with AUM and disbursements per branch rising 1.7x each, revenue per branch increasing 1.8x, and disbursements per employee growing 1.4x.

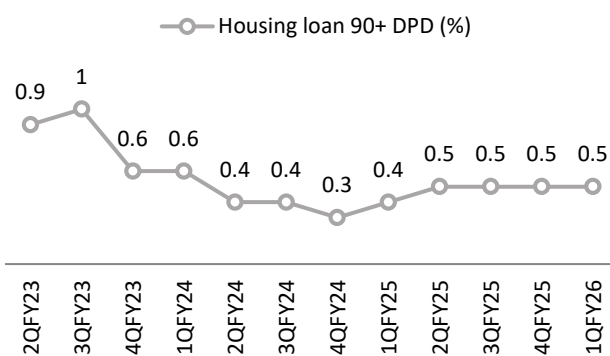
Exhibit 11: The company has seen significant productivity gains, driving growth as well as operating leverage



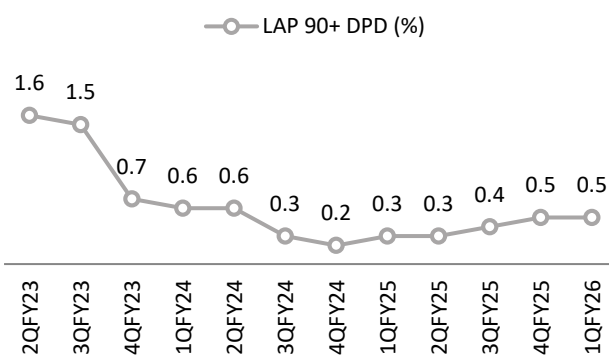
Source: Company, MOFSL

Asset quality stable despite volatile risk environment

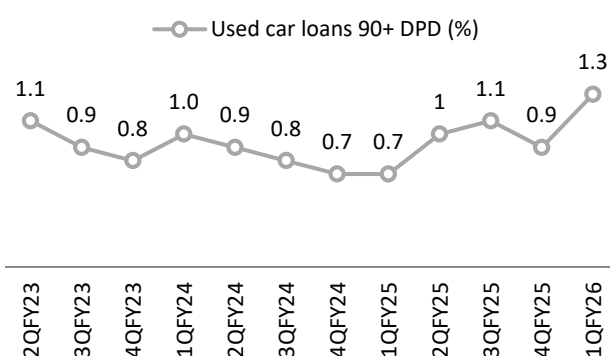
- Credit risk performance has been strong, with 90+dpd declining from 1.4% to 0.8% over the past two years. The static pool has also improved, reflecting that each quarter the company is onboarding higher-quality customers. While business loans were particularly weak around 3QFY25, they are now showing gradual improvement. Nov'24 marked the peak in business loan exposure, which, although elevated, has started to ease.
- New origination quality has remained stable even as disbursement volumes have accelerated. Earlier, there was considerable volatility, but the portfolio is now stabilizing. The company has guided for INR13b-15b this year as earnings continue to stabilize.

Exhibit 12: Housing loan 90+ dpd (%)


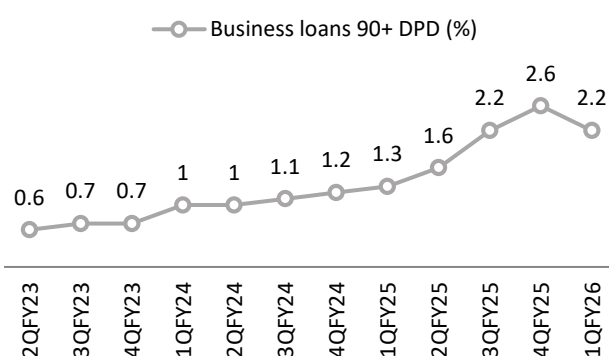
Source: MOFSL, Company

Exhibit 13: LAP 90+ dpd (%)


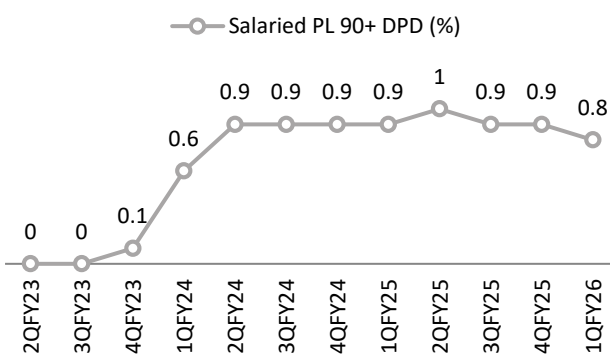
Source: MOFSL, Company;

Exhibit 14: Used car 90+ dpd (%)


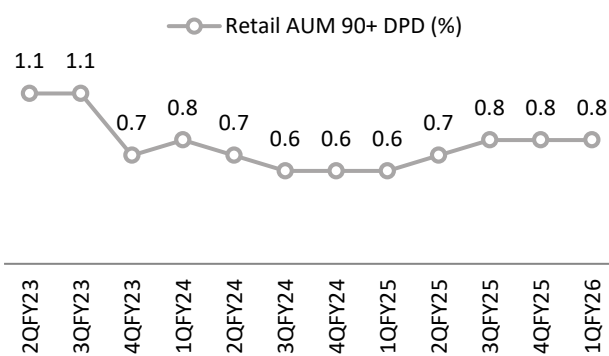
Source: MOFSL, Company

Exhibit 15: Business loan 90+ dpd (%)


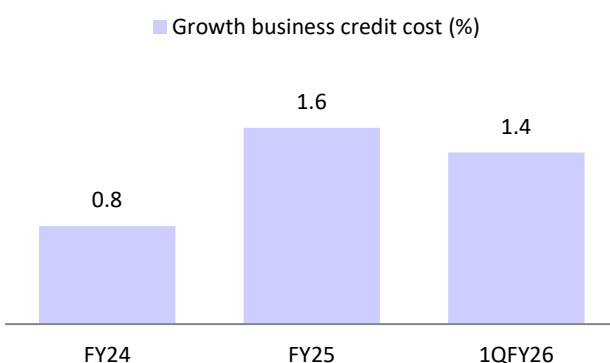
Source: MOFSL, Company;

Exhibit 16: Salaried PL 90+ dpd (%)


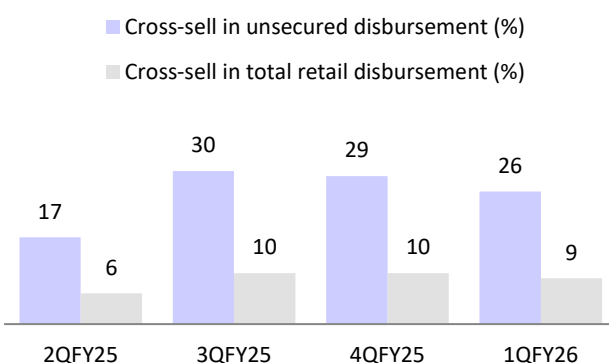
Source: MOFSL, Company

Exhibit 17: Retail AUM 90+ dpd (%)


Source: MOFSL, Company

Exhibit 18: Growth business credit cost at 1.4% in 1QFY26


Source: MOFSL, Company

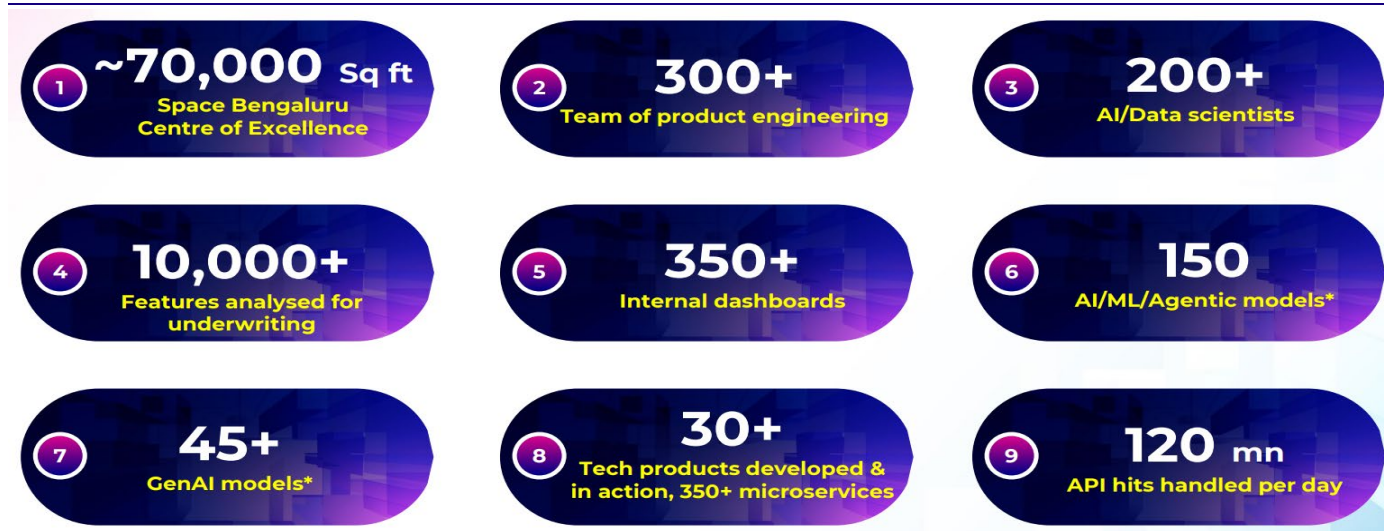
Exhibit 19: Cross sell %


Source: MOFSL, Company;

Tech, data science and AI: Piramal's approach

- The company has built all systems in-house, including underwriting models, engineering, and data analytics deliberately avoiding third-party solutions to preserve agility and cultural momentum.
- In Sept'25, 9.6b tokens were processed monthly, which is still less than 0.01% of Google AI's capacity, highlighting significant scalability potential.
- AI is integrated across the entire customer lifecycle with 45+ use cases, and all outputs are fed back into the system for continuous learning and improvement.
- The company has built significant scale in its AI, technology, and data science capabilities, anchored by a 70,000 sq. ft. Centre of Excellence in Bengaluru. Its team comprises over 300 product engineers and more than 200 AI and data scientists, analyzing over 10,000 features for underwriting. The company operates 350 internal dashboards, 150 AI/ML/agent models, and 45 live GenAI models, alongside 30 tech products in operation. Its infrastructure includes 350 micro-services that handle 120m API hits daily.
- The AI landscape has been evolving rapidly since Nov'22, and PIEL has consistently remained at the forefront of this innovation.

Exhibit 20: PIEL's AI, tech and data science capabilities have achieved massive scale






Source: Company, MOFSL

95% of AI pilots are failing; PIEL is in the 5% range

- The recent MIT paper highlighted that 95% of AI pilots are failing; however, the company believes it is in the other 5% basket.
- According to industry observations, 95% of Generative AI pilots at companies fail, primarily due to misalignment with operations. Most projects falter because workflows are brittle, contextual learning is limited, and AI solutions are not aligned with day-to-day business processes. Many initiatives focus on technology rather than outcomes, whereas success typically requires process-specific customization and tools designed around business objectives rather than software benchmarks. Additionally, reliance on generic tools like ChatGPT is common, but custom solutions often struggle due to integration challenges and poor fit with existing workflow.

- Small language models (SLMs) are emerging as the future of agentic AI. They are sufficiently powerful, inherently better suited, and far more economical for many applications within agentic systems, making them a key driver of next-generation AI solutions.
- PIEL stays in the successful 5% by taking a business-first approach, ensuring that all AI use cases originate from real-world business problems and address actual pain points. AI is fully integrated into core operations, powering the systems used daily rather than existing as an isolated technology. The company goes beyond generic tools by incorporating all internal data, context, predictive models, and toolkits into its prompting engine, enhancing the effectiveness of LLM and SLM calls. Additionally, PIEL develops foundational custom SLMs that are powerful, economical, and practical for its lending use cases, enabling optimal responses without relying on external AI providers. The company focuses on purpose-built, business-aligned AI, not generic LLMs, for lending.

Exhibit 21: Piramal's AI, tech and data science capabilities have achieved massive scale

 Massachusetts Institute of Technology		
95% of generative AI pilots at companies are failing	Small Language Models are the Future of Agentic AI	How do we stay in the 5%?
<ul style="list-style-type: none"> ■ Misaligned with Operations Most fail due to brittle workflows, lack of contextual learning, and misalignment with day-to-day operations ■ Focus on Tech, Not Outcomes Success is attributed to process-specific customization and tools based on business outcomes rather than software benchmarks ■ Reliance on Generic Tools Generic tools like ChatGPT are widely used, but custom solutions stall due to integration complexity and lack of fit with existing workflows 	<ul style="list-style-type: none"> ■ Small language models (SLMs) SLMs are sufficiently powerful, inherently more suitable, and necessarily more economical for many invocations in agentic systems, and are therefore the future of agentic AI 	<ul style="list-style-type: none"> ■ Business-First All AI use cases start from real world business problems. Start from the pain points. ■ Integrated into core Ops AI is not an esoteric technology in an ivory tower. It fits right into our core systems. AI powers the systems that we use every day! ■ Beyond Generic Tools Integrate all our data, all our Piramal context, all our predictive models, all our existing toolkits into the context and memory of our prompting engine. Turbo charge LLM / SLM calls. ■ Small language models (SLMs) Build foundational custom models that are powerful, economical and practical for Piramal lending use cases. To know best response to this customer call, we don't need to go to OpenAI!

Source: Company, MOFSL

Top 5 outcomes of Pirmal.AI

PIEL highlighted five key outcomes from its extensive use of AI: better underwriting, enhanced productivity, accelerated growth, improved customer experience, and the ability to build more.

- **Underwrite better:** Horizontal risk (30+ at 6MOB) has declined by over 40% YoY for three consecutive years, while fraud risk (straight flow 90+) has fallen by more than 50% YoY over the same period. The company is achieving twice the disbursements at one-third the risk, with improvements in underwriting cited as the primary driver of the reduced risk metrics.
- **Enhance productivity:** Productivity has increased YoY across all lending functions, with sales productivity up 25% YoY, credit manager productivity up 20% YoY, operations productivity up 58% YoY, and call center productivity up 17% YoY.
- **Drive growth:** Disbursements have shown consistent growth over the years, increasing more than threefold over the past three years.

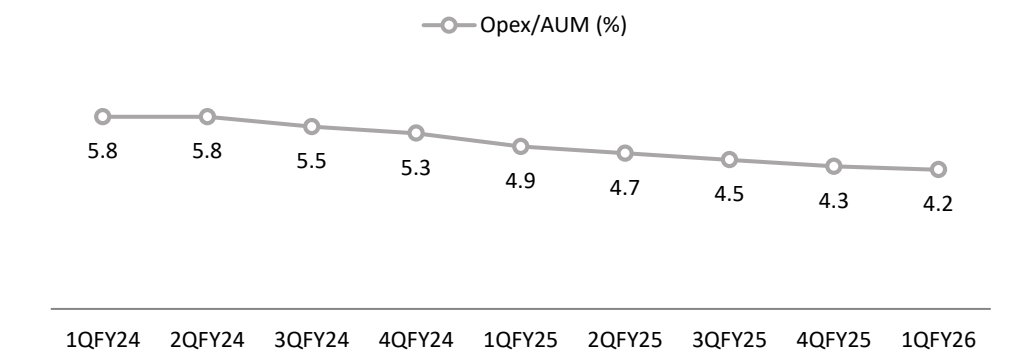
- **Improve CX:** Quarterly complaints (per 1000 customers) down by 85%. Previously there were 2.6 complaints per 1000 customers, which has come down to 0.4 per 1000 customers.
- **Build more:** 48% of overall codes now written by AI for PIEL.

Exhibit 22: Top 5 outcomes of Piramal.ai



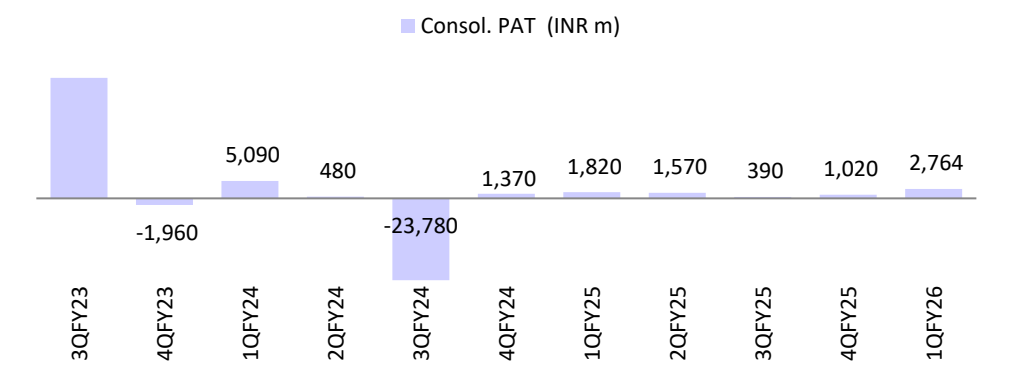
Source: Company, MOFSL

Exhibit 23: Consistent improvement in opex-to-AUM ratio over the past eight quarters



Source: MOFSL, Company

Exhibit 24: Volatility in earnings behind; steady profitability over last six quarters

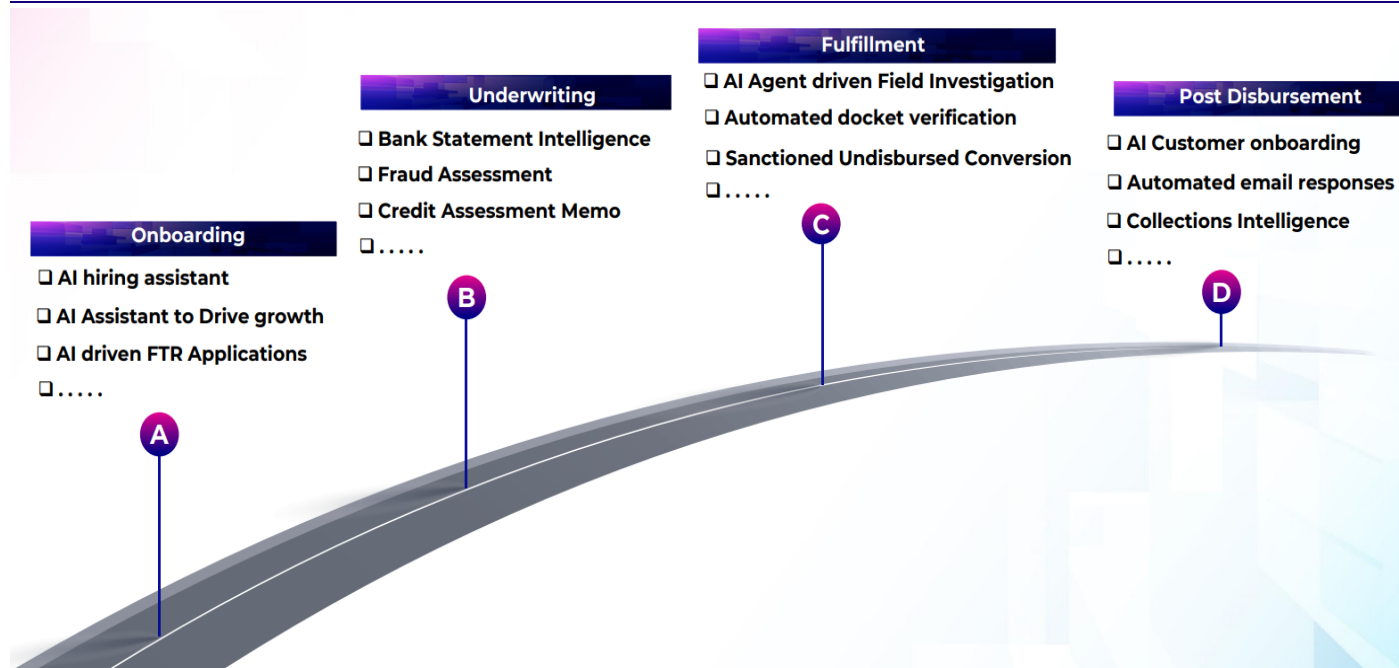


Source: MOFSL, Company

AI in Action: A suite of proprietary tools at PIEL

- **Arya, the AI assistant:** Arya is a personal AI assistant for every employee, functioning as a work assistant, coach, and friend. It can check lead status, provide real-time performance data against incentive targets, and answer policy questions in 12 Indian languages. It also plays a key role in hiring, where it sources resumes and conducts initial screening calls with candidates.
- **Aalok, the bank statement analyzer:** Aalok transforms the time-consuming task of analyzing bank statements, reducing a process that took hours to mere minutes. It summarizes transactions, calculates average balances, and flags unusual activities like gaming or cryptocurrency transactions, salary credits on holidays, and other potential fraud triggers.
- **Prism and Leo, the fraud detection engine:** This dual system is designed to identify fraudulent and tampered documents. Prism analyses document metadata, font types, and source changes details imperceptible to the human eye to detect alterations. Leo then acts as a triangulation engine, cross-referencing information from the application form and submitted documents against PIEL's vast data repository to flag inconsistencies, such as a single mobile number being linked to different PAN cards across multiple applications.
- **CAM co-pilot, the underwriting assistant:** This tool automates the creation of the credit assessment memo (CAM) by synthesizing information from all external reports (bureau, legal, technical, field investigation) into a single, structured summary. It highlights key insights and red flags, allowing underwriters to make faster, more confident, and uniform decisions.
- **Doc.AI, the document intelligence platform:** Integrated directly into the login stage, Doc.AI verifies documents like KYC and salary slips for consistency and compliance with company policy. For instance, it checks if the date of birth is the same across PAN and Aadhaar cards or if the stated income meets minimum policy thresholds, stopping non-compliant applications from proceeding further and saving significant processing time.
- **AI in customer experience and collections:** AI-powered voice bots with human-like, zero-latency voices conduct welcome calls for new customers and send friendly EMI reminders. Furthermore, AI automatically resolves 48% of all customer emails in under a minute, drastically improving response times.

Exhibit 25: Piramal.ai 45+ live use cases across the customer lifecycle



Aims for strong growth and profitability going forward

- With proven success in AI adoption, the company is factoring in an additional 25bp in opex savings alongside a stronger AUM growth outlook.
- Earlier guidance for opex/AUM was 3.5-4%, but continuous productivity and efficiency gains from AI have led to a downward revision to 3.25% by FY28.
- AUM growth momentum is expected to sustain, with expectations to reach INR1t in FY26, INR1.5t in FY28, and INR2t in FY30.
- PAT is expected to reach INR13-15b in FY25, INR45b in FY28, and INR65b in FY30.

Exhibit 26: AUM CAGR of ~24% over FY25-FY27E

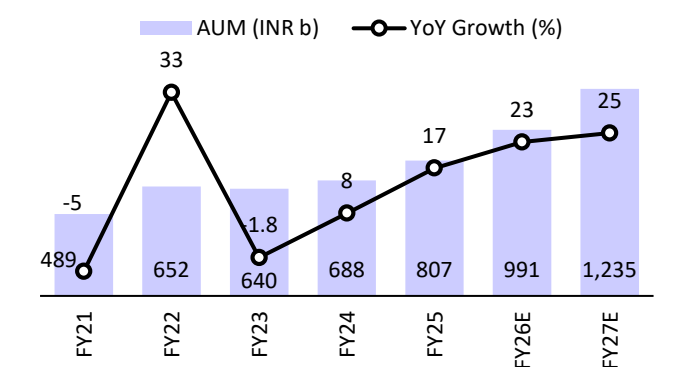
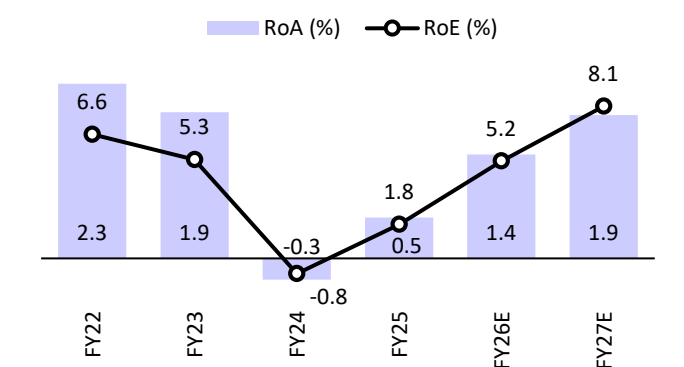
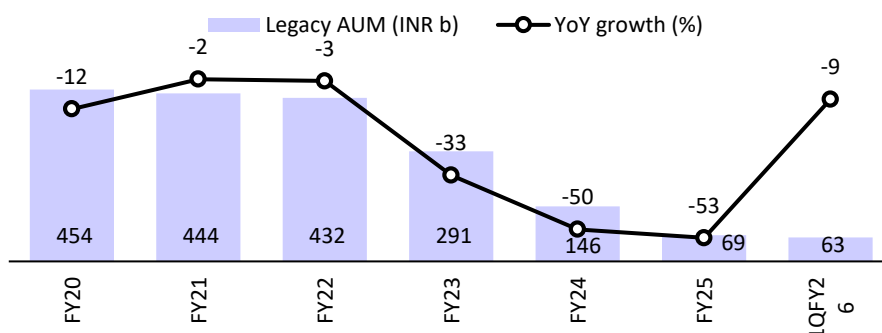


Exhibit 27: ROA/ROE of 1.9%/8% in FY27E



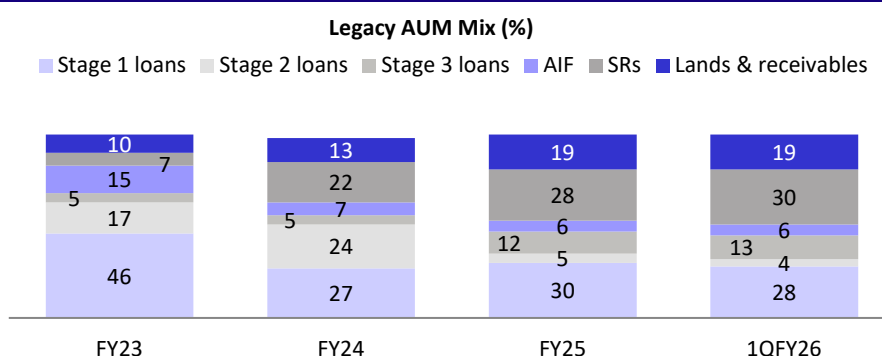
Legacy Wholesale and Wholesale 2.0: Story in Charts

Exhibit 28: Accelerated rundown of Legacy AUM



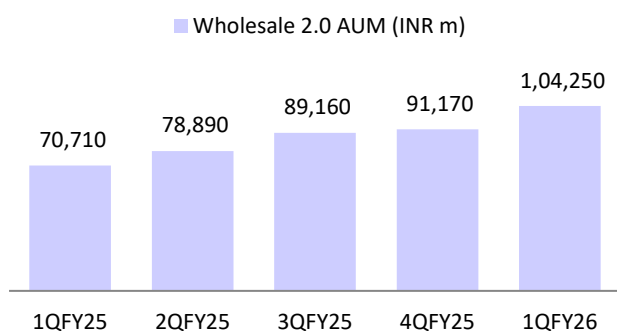
Source: MOFSL, Company

Exhibit 29: Legacy AUM Mix (%)



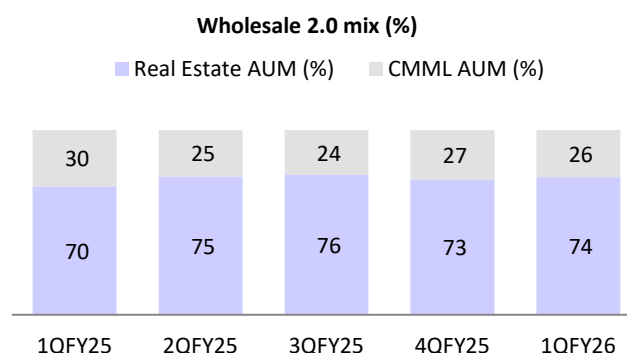
Source: MOFSL, Company

Exhibit 30: Wholesale 2.0 AUM stood at INR104b as of 1QFY26



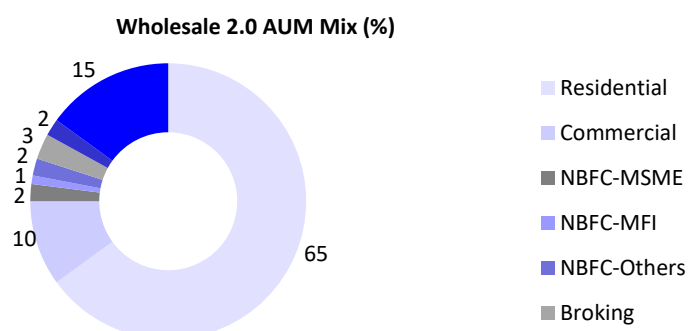
Source: MOFSL, Company

Exhibit 31: Wholesale 2.0 AUM Mix (%)



Source: MOFSL, Company

Exhibit 32: Wholesale 2.0 AUM Mix (%)



Note: Data as of 1QFY26; Source: MOFSL, Company

Valuation and view

- PIEL's strategic shift toward building a granular and diversified retail franchise, alongside a calibrated wholesale 2.0 book, continues to gain traction. The company has demonstrated steady progress on asset quality, with volatility now largely behind and credit costs expected to remain stable. With new product launches such as co-branded credit cards and gold loans in the pipeline, the company is expanding its fee income base and diversifying its earnings profile.
- Our FY26 earnings estimate factors in exceptional gains from the Piramal Imaging business, gains from AIFs and no tax incidence in the foreseeable future. Because of the uncertainty and unpredictability around the timing of the monetization of its stake in Shriram Life and General Insurance, we have not factored it into our estimates. It does, however, provide streams of one-off gains, which can help to offset credit costs required to dispose of residual (if any) stressed legacy AUM.
- While the company anticipates greater earnings stability and an improved outlook going forward, its return metrics remain modest, with RoA and RoE estimated at 1.9% and 8%, respectively, for FY27E. We value the lending business at 0.8x FY27E P/BV. **Reiterate our Neutral rating on the stock with a revised TP of INR1,250 (premised on Mar'27E SOTP).**

Exhibit 33: PEL: SOTP - Mar 2027

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	236	2.8	1,053	84	❖ 0.8x Mar'27E PBV
Shriram Group	34	0.4	150	12	❖ Based on its stake in Shriram Life/General Insurance Businesses
Life Insurance	5	0.1	21	2	
Alternatives	6	0.1	25	2	
Target Value	281	3.4	1,250	100	

Exhibit 34: One year forward P/BV

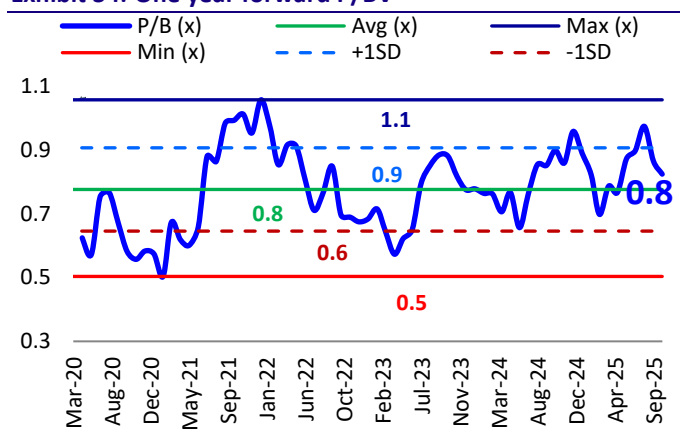
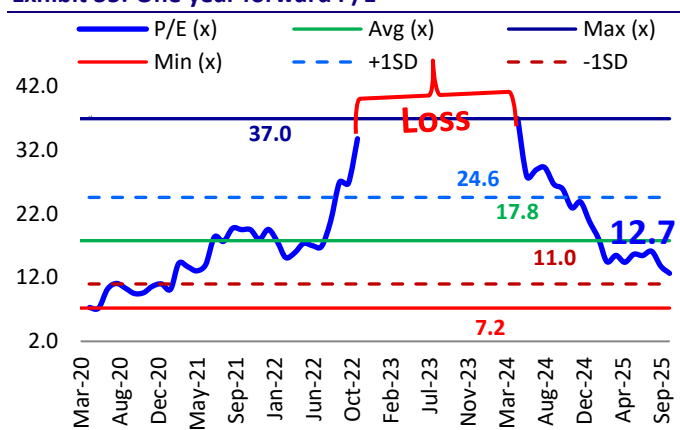


Exhibit 35: One year forward P/E



Financials and valuations

Income statement							INR m
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	69,260	75,228	77,986	74,230	89,090	1,06,497	1,39,081
Interest Expended	41,580	42,251	40,412	44,004	53,174	64,248	78,611
Net Interest Income	27,680	32,977	37,574	30,226	35,916	42,248	60,470
Change (%)		19.1	13.9	-19.6	18.8	17.6	43.1
Other Income	1,150	3,881	12,881	9,480	10,040	11,320	13,510
Net Income	28,830	36,858	50,456	39,706	45,956	53,568	73,980
Change (%)		27.8	36.9	-21.3	15.7	16.6	38.1
Operating Expenses	6,360	12,284	22,148	27,740	30,143	33,315	36,940
PPoP	22,470	24,574	28,307	11,966	15,814	20,253	37,040
Change (%)		9.4	15.2	-57.7	32.2	28.1	82.9
Provisions/write offs	10	8,299	54,101	45,638	10,740	17,730	16,950
PBT	22,460	16,275	-25,793	-33,672	5,074	2,523	20,090
Tax	5,790	4,062	-39,781	-15,949	1,594	0	0
Tax Rate (%)	25.8	19.0	0.0	0.0	0.0	0.0	0.0
PAT (before associate income)	16,670	12,213	13,987	-17,724	3,479	2,523	20,090
Associate Income	0	5,939	3,886	1,540	1,370	1,507	1,658
PAT (before exceptional)	16,670	18,152	17,873	-16,184	4,849	4,030	21,748
Exceptional items	0	-1,529	80,663	13,840	0	10,320	2,000
PAT (after exceptional)	16,670	16,622	98,536	-2,344	4,849	14,350	23,748
Profit from discontinued Operations	0	3,365	0	0	0	0	0
Reported net profit/loss	16,670	19,988	98,536	-2,344	4,849	14,350	23,748

Balance sheet							INR m
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Capital	451	477	477	449	451	451	451
Reserves & Surplus	1,80,279	3,54,414	3,10,114	2,65,121	2,70,509	2,82,379	3,02,683
Net Worth	1,80,730	3,68,369	3,10,591	2,65,571	2,70,959	2,82,830	3,03,134
Borrowings	3,75,564	5,54,510	4,95,828	5,34,020	6,54,840	8,22,133	10,49,554
Change (%)	0	48	-11	8	23	26	28
Other liabilities	5,086	39,549	23,891	24,274	20,681	16,545	13,236
Total Liabilities	5,61,380	9,98,729	8,37,522	8,26,050	9,49,434	11,21,508	13,65,924
Loans and advances	4,61,680	4,93,180	4,63,946	5,49,434	6,57,918	8,40,885	10,82,647
Change (%)	0	7	-6	18	20	28	29
Investments		2,48,565	2,23,318	1,25,130	1,25,387	1,06,579	95,921
Net Fixed Assets	1,200	86,715	7,385	6,232	4,931	3,451	2,416
Cash and Cash equivalents	38,500	71,872	46,491	44,468	62,759	55,000	55,000
Deferred tax assets		13,679	18,472	28,756	27,404	27,404	27,404
Other assets	60,000	71,366	77,910	72,030	71,036	88,189	1,02,536
Total Assets	5,61,380	9,98,729	8,37,522	8,26,050	9,49,434	11,21,508	13,65,924

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)							
Yield on loans	14.5	14.4	13.0	11.6	11.9	11.9	12.5
Cost of funds	10.6	9.1	7.7	8.5	8.9	8.7	8.4
Spread	3.8	5.3	5.3	3.0	3.0	3.2	4.1
Net Interest Margin	5.8	6.3	6.3	4.7	4.8	4.7	5.4
Profitability Ratios (%)							
RoE	9.9	6.6	5.3	-0.8	1.8	5.2	8.1
RoA	3.1	2.3	1.9	-0.3	0.5	1.4	1.9
C/I ratio	22.1	33.3	43.9	69.9	65.6	62.2	49.9
Asset Quality (%)							
Gross NPA	20,180	22,270	20,550	14,300	19,510	21,605	23,566
Gross NPA (% of AUM)	4.1	3.6	3.3	2.2	2.7	2.4	2.1
Net NPA	9,870	9,980	10,380	4,960	12,540	15,123	16,496
Net NPA (% of AUM)	2.1	1.7	1.8	0.8	1.8	1.7	1.5
PCR (%)	51.1	55.2	49.5	65.3	35.7	30.0	30.0

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
AUM (INR m)							
YoY growth (%)	-5	33	-2	8	17	23	25
AUM Mix (%)							
Wholesale	89.2	69.6	49.8	30.4	19.9	15.7	15.1
Retail	10.8	33.1	50.2	69.6	80.1	84.3	84.9
Total	100.0	102.6	100.0	100.0	100.0	100.0	100.0
Wholesale Loans (INR m)	3,93,650	3,84,620	2,74,960	2,09,190	1,60,370	1,55,559	1,86,671
YoY growth (%)	-13.3	-2.3	-28.5	-23.9	-23.3	-3.0	20.0
Retail Loans (INR m)	53,030	2,15,520	3,21,440	4,79,270	6,46,520	8,34,963	10,48,099
YoY growth (%)	-4.2	306.4	49.1	49.1	34.9	29.1	25.5
Total Loan Book	4,46,680	6,00,140	5,96,400	6,88,460	8,06,890	9,90,522	12,34,769
YoY growth (%)	-12.4	34.4	-0.6	15.4	17.2	22.8	24.7

VALUATION	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Book Value (INR)	801	1,544	1,301	1,182	1,202	1,255	1,345
Price-BV (x)		0.7	0.9	1.0	0.9	0.9	0.8
EPS (INR)	73.9	69.7	74.9	-10.4	21.5	63.7	105.4
EPS Growth YoY		-6	8	-114	-306	196	65
Price-Earnings (x)		16.1	15.0	-107.7	52.2	17.7	10.7
Dividend per share (INR)			31.0	10.0	11.0	15.3	25.3
Dividend yield (%)			2.8	0.9	1.0	1.4	2.2

E: MOFSL Estimates

Du-pont	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest income	13.7	9.6	8.5	8.9	10.0	10.3	11.2
Interest expense	8.2	5.4	4.4	5.3	6.0	6.2	6.3
NII	5.5	4.2	4.1	3.6	4.0	4.1	4.9
Fee and other income	0.2	0.5	1.4	1.1	1.1	1.1	1.1
Total income	5.7	4.7	5.5	4.8	5.2	5.2	5.9
Operating expense	1.3	1.6	2.4	3.3	3.4	3.2	3.0
PPOP	4.4	3.2	3.1	1.4	1.8	2.0	3.0
Provisions (annualized)	0.0	1.1	5.9	5.5	1.2	1.7	1.4
PBT	4.4	2.1	-2.8	-4.0	0.6	0.2	1.6
ROA (before associate and exceptional)	3.3	1.6	1.5	-2.1	0.4	0.2	1.6
Consol RoA (including associate and exceptional)		2.6	10.9	-2.0	0.5	1.4	1.9
Assets-to-equity	3.0	2.8	2.7	2.9	3.3	3.7	4.2
Consol ROE (PAT)	9.9	7.3	29.4	-5.8	1.8	5.2	8.1

E: MOFSL Estimates

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Explanation of Investment Rating	
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SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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