

# Piramal Enterprises

Bloomberg	PIEL IN
Equity Shares (m)	227
M.Cap.(INRb)/(USD\$)	293.5 / 3.4
52-Week Range (INR)	1352 / 848
1, 6, 12 Rel. Per (%)	16/26/26
12M Avg Val (INR M)	1038

## Financials & Valuations (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
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)	60.2	20.3	12.3
P/BV (x)	1.1	1.0	1.0
Dividend yield (%)	0.8	1.2	2.0

## 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

**CMP: INR1295**

**TP: INR1,315 (+2%)**

**Neutral**

## Balanced performance with strong growth and controlled risk

### Retail opex ratio continues to improve; credit cost declined in growth business

- Piramal Enterprises (PIEL) reported 1QFY26 net profit of ~INR2.76b (PQ: ~INR1b). There were no recoveries from AIF this quarter (compared to ~INR1b in 1QFY25), except for some recoveries from written-off accounts.
- NII in 1QFY26 rose ~25% YoY to ~INR9b. PPOP grew ~63% YoY and stood at ~INR3.9b (PY: INR2.4b). Opex to AUM for the company's retail business declined to ~4.2% (PQ: 4.3%). Mix of growth and legacy AUM improved to 93%:7% in Jun'25 (from 34:66% as of Mar'22).
- Total AUM grew 22% YoY and 6% QoQ to INR858b. Wholesale 2.0 AUM grew ~47% YoY to INR104b, while Wholesale 1.0 AUM declined ~51% YoY/9% QoQ to INR63b. The company reiterated that it would look to run down its legacy wholesale book to INR30-35b by FY26.
- Management highlighted stress in two key retail segments: the MSME unsecured portfolio and the used car finance business. Within MSME, which constitutes ~6% of total AUM, the stress was largely confined to loans sourced from the open market, while the cross-sell sourced portfolio continued to perform well. In the used car segment, the stress was in refinance loans (particularly those taken by self-employed customers).
- PIEL further shared that the small-ticket LAP segment remains under pressure, with the company observing similar challenges as seen across the industry. LAP loans of <INR1m in ticket size are under stress, with the <INR500K ticket size segment being particularly vulnerable.
- We estimate a total AUM CAGR of ~24% and a ~27% CAGR in Retail AUM over FY25-FY27. While we anticipate 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 FY27. **We reiterate our Neutral rating with a revised TP of INR1,315 (based on Mar'27E SOTP).**

### Highlights from the management commentary

- There should be no negative surprise in the financials when the merger of PIEL and Piramal Finance (PFL) is completed. While there will be some merger expenses (<INR1b) in 2QFY26, they have already been factored into the FY26 PAT guidance of INR13-15b.
- PIEL expects RoA improvement to be driven by: 1) benefits in the opex ratios, and 2) improvement in the fee income. Additionally, further improvement in margins is likely to come from increasing the share of unsecured loans at the appropriate time and realizing benefits from a decline in the cost of borrowings.

### Healthy retail loan growth of ~37% YoY; retail mix stable QoQ

- Retail AUM grew ~37% YoY to INR690b with its share in the loan book remaining stable QoQ at ~80%. Management shared that it is now more confident of growing digital loans (sourced through partnerships), as there has been a sharp improvement in 90+dpd in its digital loans.
- Retail disbursements grew ~28% YoY to INR87b. Disbursements in unsecured business loans (UBL) and digital loans increased sequentially. Additionally, the company is highly selective in the BNPL business (~10-15% of the originations) and has increased the proportion of salaried customers in digital loans (which still remains dominated by self-employed customers).

**Abhijit Tibrewal - Research Analyst** (Abhijit.Tibrewal@MotilalOswal.com)

**Research Analyst: Nitin Aggarwal** (Nitin.Aggarwal@MotilalOswal.com) | **Raghav Khemani** (Raghav.Khemani@MotilalOswal.com)

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

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### Retail asset quality stable; decline in credit costs in growth business

- GS3 was stable QoQ at ~2.83%, while NS3 rose ~10bp QoQ to 2%. Stage 3 PCR declined ~6pp QoQ to ~29.4%. PIEL carries out ECL rebalancing in the first quarter of every fiscal year. In 1QFY26, this led to a positive impact of INR1.05b, compared to a negative impact of INR450m in 4QFY25.
- 90+ dpd remains steady at 0.8% for overall retail AUM. Growth business (Retail and Wholesale 2.0) gross credit costs declined ~50bp QoQ to 1.5% (PQ: ~2%). Total ECL/EAD declined ~40bp QoQ to ~2.4% of the AUM.
- Capital adequacy (CRAR) declined to ~19.3% (vs ~23.6% at Mar'25) due to the re-classification of PFL to an NBFC (from HFC earlier). The completion of the PIEL and PFL merger will reverse ~245bp of this CRAR reduction.

### Valuation and view

- PIEL reported a healthy operational performance during the quarter, led by strong growth in its retail loans and continued scale down of the legacy wholesale book, which now accounts for just ~7% of total AUM. Asset quality remained broadly stable across key product segments (except MSME and used cars). Credit costs in the growth portfolio declined sequentially, while improving branch and employee productivity resulted in better opex ratios. With rising retail traction and a better funding mix, NIM expanded further, reinforcing the shift toward a more stable and profitable lending model.
- Our earnings estimate for FY26 and FY27 factor in gains from the AIF exposures, deferred consideration of USD120m from the sale of Piramal Imaging, and zero tax outgo in the foreseeable future. Due to the uncertainty and unpredictability surrounding the monetization timing of the stake in Shriram Life and General Insurance, we have not factored it into our estimates yet. However, the eventual monetization is expected to provide one-off gains, which could help offset credit costs associated with the disposal of the residual stressed legacy AUM (of ~INR63b).
- While we anticipate 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 FY27. We value the lending business at 0.8x Mar'27E P/BV and **reiterate our Neutral rating on the stock with a revised TP of INR1,315 (premised on Mar'27E SOTP).**

### Exhibit 1: SOTP valuation – Mar'27E

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	252	3.0	1,120	85	❖ 0.8x Mar'27E PBV
Shriram Group	34	0.4	150	11	❖ Based on its stake in Shriram Life/General Insurance Businesses
Life Insurance	5	0.1	21	2	
Alternatives	5	0.1	23	2	
<b>Target Value</b>	<b>296</b>	<b>3.5</b>	<b>1,315</b>	<b>100</b>	







Source: MOFSL, Company

## Piramal: Quarterly Performance

(INR m)

Y/E March	FY25				FY26		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q			
Interest Income	19,285	20,804	21,888	22,636	23,934	89,090	1,06,497	
Interest Expenses	12,047	13,050	13,640	14,167	14,917	53,174	64,248	
Net Interest Income	7,238	7,754	8,248	8,469	9,017	35,916	42,248	
YoY Growth (%)	6.3	6.5	1.5	18.9	24.6			
Other operating income	1,943	2,075	6,358	5,900	2,492	6,417	7,443	
Other Income	226	870	536	1,791	509	3,623	3,877	
Total Income	9,407	10,700	15,142	16,159	12,018	45,956	53,568	
YoY Growth (%)	-49.9	-7.4	6.0	20.6	27.8			
Operating Expenses	7,034	7,534	8,002	7,843	8,145	30,143	33,315	
Operating Profit	2,373	3,166	7,140	8,317	3,873	15,814	20,253	
YoY Growth (%)	-75.5	-35.5	-2.4	-887.2	63.2			
Provisions & Loan Losses	1,007	2,376	6,278	8,058	1,646	10,740	17,730	
Profit before Tax	1,366	790	862	258	2,227	5,074	2,523	
Tax Provisions	664	272	521	136	247	1,594	0	
PAT (before associate income)	702	518	340	122	1,980	3,479	2,523	
Associate Income	76	343	45	903	784	1,370	1,507	
PAT (before exceptional)	778	860	386	1,024	2,764	4,849	4,030	
Exceptional items	1,037	769	0	0	0	0	10,320	
Profit from Discontinued operations						-	-	
PAT (after exceptional)	1,815	1,630	386	1,024	2,764	4,849	14,350	

## Exhibit 2: Key products with average ticket size and disbursement yields in 1QFY26

Product Segments	Products	Average disbursement ticket size (₹ lakh)	Disbursement yield	Share in disbursements	AUM yield	Share in AUM*
 Housing	Affordable housing					
	Mass affluent housing	22.0	11.7%	27.7%	11.7%	40.6%
	Budget housing					
 Secured MSME (LAP)	Secured business loan					
	Loan against property (LAP)	24.9	13.0%	30.0%	13.0%	27.6%
	LAP plus					
 Used car loans	Pre-owned car loans	6.5	15.4%	7.7%	15.0%	6.3%
 Business loan	Microfinance loans	0.5	17.5%	1.4%	17.7%	1.1%
	Business loans	6.1	19.4%	7.1%	19.7%	7.6%
	Merchant BNPL					
 Salaried PL	Salaried personal loans	4.2	17.4%	12.7%	17.3%	8.1%
 Digital loan	Digital purchase finance	0.8	15.4%	13.4%	16.9%	4.5%
	Digital personal loans					
<b>Total / weighted average</b>		<b>15.2</b>	<b>14.2%</b>		<b>13.6%</b>	

Source: Company, MOFSL



## Highlights from the management commentary

### Guidance

- Medium term guidance stands at 3.5%-4.0% on Opex to AUM.
- In FY25, the company changed to processing fee on an amortization model. Improvement in fee income should continue.
- RBI has notified new charges on floating-rate loans effective from Jan'26. Pre-payment fees in its MSME lending/LAP business will get impacted but there is no change in guidance on the fee income.
- Growth business is at 1.4-1.5% PBT and PAT RoA, but it needs to scale up close to 3% RoA over the medium term.
- The company has guided for FY26 PAT of INR13-15b PAT in FY26.
- RoA improvement will be driven by: 1) benefits in the opex ratios and 2) improvement in the fee income. Apart from that, it would need to work on margins by increasing the proportion of unsecured loans at an appropriate time and some benefit in the cost of borrowings.

### Wholesale 2.0

- Disbursements stood at ~INR23b and grew 46% YoY.
- Effective interest rate stands at 14.5%.
- Pre-payments were 43% of the disbursements in 1QFY26.
- Since the inception of the new Wholesale Lending business, it has not seen any delinquencies in this business.
- The company aims to build a highly diversified and granular Wholesale 2.0 book, which is also diversified across industries.
- Some segments of IT are witnessing a slowdown - IT service companies are seeing muted headcount growth, but there has been a significant demand from global capability centers (GCC).

### Branches

- The number of branches remained unchanged at 517. The company has not added new branches over the last few quarters since the focus was on improving branch productivity and increasing the number of products offered per branch.
- The company has put a temporary pause on branch expansions to absorb the opex and improve the branch/employee productivity. It may resume branch openings after two or three quarters.

### Micro-LAP and Gold Finance

- ATS is INR900K in Micro-LAP and will scale-up to INR10b by end-FY26.
- The company has started pilots in Gold Finance and aims to set up dedicated gold loan branches.

### Growth Business

- Growth business, comprising Retail and Wholesale 2.0, now stands at ~93% of the total AUM.
- Growth business consol. PBT was fully translated into consolidated PAT.
- Credit costs for the growth business declined to ~1.4% (PQ: 1.8%).
- Growth business PBT to AUM (excl. POCl gains) came at 1.4% (FY25: 1.1%).

### Merger of PIEL and PFL

- 1QFY26 will be the last quarter before the merger of PIEL with PFL.
- Total CRAR stood at 19.3% (vs 23.6% at the end of FY25). The change of the HFC subsidiary to an NBFC and the growth of the business led to this reduction. The completion of the merger will reverse ~245bp of this compression in CRAR.
- The company expects the merger to be completed in the last week of August and/or first week of September. In the next quarter, there could be a single company declaring its results, which will have the benefit of carrying forward losses in its computation of taxation.
- There should be no negative surprise in the financials when the merger is completed, though there will be some material merger expenses (<INR1b) in 2Q. However, this merger expense has already been factored into the FY26 PAT guidance of INR13-15b.

### Pockets of Opportunities

- Consideration due to PIEL from the sale of Piramal Imaging will be based on the financial performance in CY25. The company expects to receive the payment subsequently in the last quarter of FY26.

### Retail Disbursements and AUM growth

- PIEL has had a strong 1QFY26 and was able to sustain AUM growth of 37% YoY in Retail.
- Disbursements stood at ~INR87.2b; mortgages account for 55% of the total AUM of the company.
- Three reasons for strong growth in AUM: 1) Strong clarity on its product segments, where the focus is on the Bharat segment, 2) Diversified product suite, and 3) High-tech and High-touch approach. A maturing branch network is contributing to improved productivity.

### Digital Loans

- PIEL has become more comfortable with digital lending since it has seen a very steep improvement in 90+ dpd in its digital loans. A lot more FLDG is now available, which gives more comfort to work more deeply in digital loans.
- The company is highly selective in the BNPL business (~10-15% of the originations) and has increased the proportion of salaried customers in digital loans.

### Asset Quality

- Credit risk performance – Delinquencies and credit costs have broadly improved.
- Secured lending products had a stable quarter. Salaried businesses in unsecured loans saw a strong Q1.
- Two pockets that showed deterioration: MSME unsecured (6% of the overall AUM; portfolio that was sourced open-market showed deterioration, but the cross-sell business performed well) and Used Car Finance.
- Cross-sell origination in UBL continues to perform well. However, open-market sourced UBL is witnessing a decline.

- The deterioration of used car finance was unusual and needs to be watched closely in the months ahead. In used cars, the key issue is the refinance segment, where loans were availed by self-employed customers.
- LAP is 90% self-employed. The small-ticket LAP is struggling and PIEL's experience is the same. Even LAP loans with <INR1m ticket size are under pressure at an industry level, but the stress is more pronounced in <INR500K ticket-size LAP. Small-ticket and big-tenor are showing signs of increased stress.
- Salaried customers continue to do well, and the issue for the self-employed segment is not as acute as it was in 3QFY25 (Oct/Nov'25).
- In 1QFY26, ECL rebalancing had a positive impact of INR1.05b (while in 4QFY25, there was an unfavorable impact of INR450m). PIEL does ECL rebalancing in the first quarter of the fiscal year. Internal performance has been better than the external industry. The company absorbed most unfavorable impacts in 4Q, followed by favorable effects in 1Q.
- PIEL makes ~100% provisions in unsecured on 120dpd and writes off the loans at 170dpd.
- There are only four assets left in the AIF book, and there were no recoveries from AIF in the quarter. The company has made recoveries from old wholesale written-off accounts.

### Financial Performance

- Consolidated PAT stood at INR2.76b, up 53% YoY.
- Retail AUM grew 37% YoY and forms 80% of the total AUM.
- With the reduction of drag from the legacy AUM, consol NIM expanded 10bp QoQ to 5.9%.
- Growth business AUM grew to INR794.3b.
- With the completion of the PIEL-PFL merger, it expects CRAR to increase by 245bp.

### Equity Raise

- The company does not foresee the need for an equity raise this year. It is reasonably comfortable till CRAR of ~18%.
- An appropriate level of debt-to-equity will be 4x (which is currently at 2.5x).
- The sale of investments in Shriram Life and General (whenever it happens) will also release significant capital.

### Others

- Customer franchise grew 21% YoY to 4.8m; significant proportion of customer originations will be eligible for cross-sell opportunities.
- The company has begun working on pilots in Gold Finance.
- It has hired employees for micro-LAP and MFI businesses, which led to slightly higher employee expenses.
- Incremental CoB stood at 9.0-9.1%
- Loans against MF stood at ~INR10b, proving to be better than loans against shares. The company prefers this business from a strategic viewpoint.



### Valuation and view

- PIEL reported a healthy operational performance during the quarter, led by strong growth in its retail loans and continued scale down of the legacy wholesale book, which now accounts for just ~7% of total AUM. Asset quality remained broadly stable across key product segments (except for MSME and used cars). Credit costs in the growth portfolio declined sequentially, while improving branch and employee productivity resulted in better opex ratios. With rising retail traction and a better funding mix, NIM expanded further, reinforcing the shift toward a more stable and profitable lending model.
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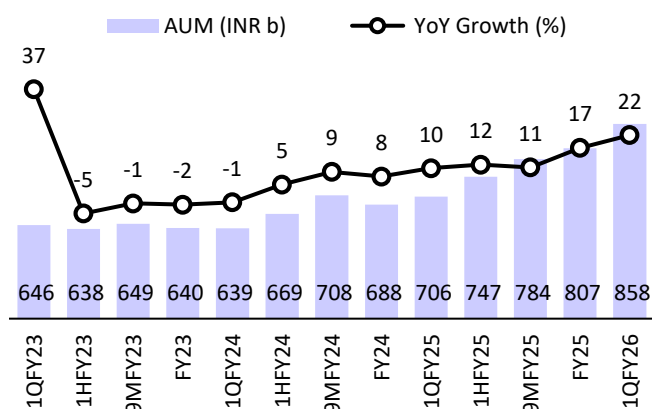
### Exhibit 3: SOTP valuation – Mar'27E

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Alternatives	5	0.1	23	2	
<b>Target Value</b>	<b>296</b>	<b>3.5</b>	<b>1,315</b>	<b>100</b>	

Source: MOFSL, Company

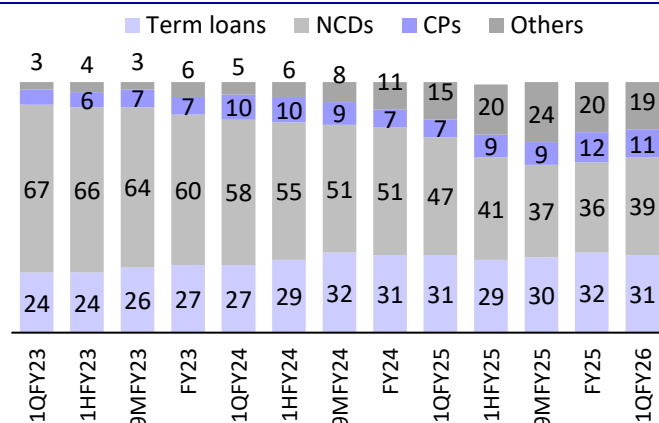
## Key exhibits

**Exhibit 4: Consol AUM grew 22% YoY (%)**



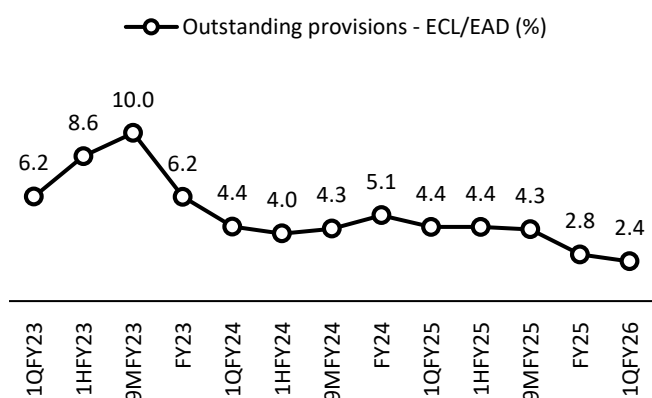
Source: MOFSL, Company

**Exhibit 5: Borrowing mix (%)**



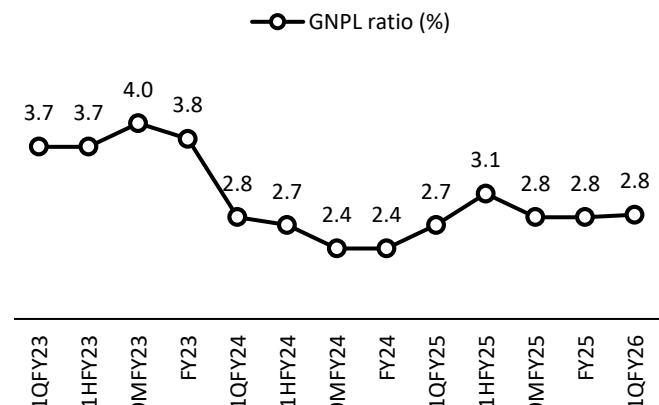
Source: MOFSL, Company

**Exhibit 6: ECL/EAD declined ~40bp QoQ (%)**



Source: MOFSL, Company

**Exhibit 7: GNPA was stable QoQ (%)**



Source: MOFSL, Company

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
<b>NII</b>	<b>5.5</b>	<b>4.2</b>	<b>4.1</b>	<b>3.6</b>	<b>4.0</b>	<b>4.1</b>	<b>4.9</b>
Fee and other income	0.2	0.5	1.4	1.1	1.1	1.1	1.1
<b>Total income</b>	<b>5.7</b>	<b>4.7</b>	<b>5.5</b>	<b>4.8</b>	<b>5.2</b>	<b>5.2</b>	<b>5.9</b>
Operating expense	1.3	1.6	2.4	3.3	3.4	3.2	3.0
<b>PPOP</b>	<b>4.4</b>	<b>3.2</b>	<b>3.1</b>	<b>1.4</b>	<b>1.8</b>	<b>2.0</b>	<b>3.0</b>
Provisions (annualized)	0.0	1.1	5.9	5.5	1.2	1.7	1.4
<b>PBT</b>	<b>4.4</b>	<b>2.1</b>	<b>-2.8</b>	<b>-4.0</b>	<b>0.6</b>	<b>0.2</b>	<b>1.6</b>
<b>ROA (before associate and exceptional)</b>	<b>3.3</b>	<b>1.6</b>	<b>1.5</b>	<b>-2.1</b>	<b>0.4</b>	<b>0.2</b>	<b>1.6</b>
<b>Consol RoA (including associate and exceptional)</b>		<b>2.6</b>	<b>10.9</b>	<b>-2.0</b>	<b>0.5</b>	<b>1.4</b>	<b>1.9</b>
Assets-to-equity	3.0	2.8	2.7	2.9	3.3	3.7	4.2
<b>Consol ROE (PAT)</b>	<b>9.9</b>	<b>7.3</b>	<b>29.4</b>	<b>-5.8</b>	<b>1.8</b>	<b>5.2</b>	<b>8.1</b>

E: MOFSL Estimates



## 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
<b>Net Interest Income</b>	<b>27,680</b>	<b>32,977</b>	<b>37,574</b>	<b>30,226</b>	<b>35,916</b>	<b>42,248</b>	<b>60,470</b>
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
<b>Net Income</b>	<b>28,830</b>	<b>36,858</b>	<b>50,456</b>	<b>39,706</b>	<b>45,956</b>	<b>53,568</b>	<b>73,980</b>
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
<b>PPoP</b>	<b>22,470</b>	<b>24,574</b>	<b>28,307</b>	<b>11,966</b>	<b>15,814</b>	<b>20,253</b>	<b>37,040</b>
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
<b>PBT</b>	<b>22,460</b>	<b>16,275</b>	<b>-25,793</b>	<b>-33,672</b>	<b>5,074</b>	<b>2,523</b>	<b>20,090</b>
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
<b>PAT (before associate income)</b>	<b>16,670</b>	<b>12,213</b>	<b>13,987</b>	<b>-17,724</b>	<b>3,479</b>	<b>2,523</b>	<b>20,090</b>
Associate Income	0	5,939	3,886	1,540	1,370	1,507	1,658
<b>PAT (before exceptional)</b>	<b>16,670</b>	<b>18,152</b>	<b>17,873</b>	<b>-16,184</b>	<b>4,849</b>	<b>4,030</b>	<b>21,748</b>
Exceptional items	0	-1,529	80,663	13,840	0	10,320	2,000
<b>PAT (after exceptional)</b>	<b>16,670</b>	<b>16,622</b>	<b>98,536</b>	<b>-2,344</b>	<b>4,849</b>	<b>14,350</b>	<b>23,748</b>
Profit from discontinued Operations	0	3,365	0	0	0	0	0
<b>Reported net profit/loss</b>	<b>16,670</b>	<b>19,988</b>	<b>98,536</b>	<b>-2,344</b>	<b>4,849</b>	<b>14,350</b>	<b>23,748</b>

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
<b>Net Worth</b>	<b>1,80,730</b>	<b>3,68,369</b>	<b>3,10,591</b>	<b>2,65,571</b>	<b>2,70,959</b>	<b>2,82,830</b>	<b>3,03,134</b>
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
<b>Total Liabilities</b>	<b>5,61,380</b>	<b>9,98,729</b>	<b>8,37,522</b>	<b>8,26,050</b>	<b>9,49,434</b>	<b>11,21,508</b>	<b>13,65,924</b>
<b>Loans and advances</b>	<b>4,61,680</b>	<b>4,93,180</b>	<b>4,63,946</b>	<b>5,49,434</b>	<b>6,57,918</b>	<b>8,40,885</b>	<b>10,82,647</b>
Change (%)	0	7	-6	18	20	28	29
<b>Investments</b>		<b>2,48,565</b>	<b>2,23,318</b>	<b>1,25,130</b>	<b>1,25,387</b>	<b>1,06,579</b>	<b>95,921</b>
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
<b>Total Assets</b>	<b>5,61,380</b>	<b>9,98,729</b>	<b>8,37,522</b>	<b>8,26,050</b>	<b>9,49,434</b>	<b>11,21,508</b>	<b>13,65,924</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Spreads Analysis (%)</b>							
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
<b>Profitability Ratios (%)</b>							
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
<b>Asset Quality (%)</b>							
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	FY26E
<b>AUM (INR m)</b>							
YoY growth (%)	-5	33	-2	8	17	23	25
<b>AUM Mix (%)</b>							
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
<b>Total</b>	<b>100.0</b>	<b>102.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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
<b>Total Loan Book</b>	<b>4,46,680</b>	<b>6,00,140</b>	<b>5,96,400</b>	<b>6,88,460</b>	<b>8,06,890</b>	<b>9,90,522</b>	<b>12,34,769</b>
YoY growth (%)	-12.4	34.4	-0.6	15.4	17.2	22.8	24.7

VALUATION	FY21	FY22	FY23	FY24	FY25	FY26E	FY26E
Book Value (INR)	801	1,544	1,301	1,182	1,202	1,255	1,345
<b>Price-BV (x)</b>		<b>0.8</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>
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
<b>Price-Earnings (x)</b>		<b>18.6</b>	<b>17.3</b>	<b>-124.1</b>	<b>60.2</b>	<b>20.3</b>	<b>12.3</b>
Dividend per share (INR)			31.0	10.0	11.0	15.3	25.3
<b>Dividend yield (%)</b>			<b>2.4</b>	<b>0.8</b>	<b>0.8</b>	<b>1.2</b>	<b>2.0</b>

E: MOFSL Estimates

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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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