9 October 2026

Company Update | Sector: Financials - NBFC

Piramal Finance

BSE SENSEX	S&P CNX
72,472	22,520

CMP: INR1,971 **TP: INR2,480 (+26%)** **Buy**

Growth in the kitty; profitability is next

Retail transformation behind us; a richer product mix and operating leverage to drive a sharper RoA-led earnings upcycle

- **Growth engine firing; multiple avenues support ~25% AUM CAGR:** Piramal Finance has moved decisively beyond its balance-sheet transition phase. Growth AUM now accounts for ~98% of the portfolio, while retail contributes ~85% of AUM, leaving the legacy book at less than 2%. With retail disbursements rising ~44% YoY to INR125b in 1QFY27 and consolidated AUM rising ~25% YoY, visibility on the company's ~25% FY27 AUM growth target remains strong. Importantly, growth is becoming more diversified. The established housing and LAP franchise is being complemented by gold loans, MFI, micro-LAP, unsecured lending and deeper cross-sell to its ~6m customer base. Cross-sell already contributes ~28-29% of business volumes, creating an opportunity to grow the franchise with lower customer-acquisition costs and potentially better credit outcomes.
- **The next earnings lever will be richer portfolio mix and lower cost of funds:** We see increasing scope for margin expansion as incremental originations are skewed toward higher-yielding, shorter-tenure businesses. Gold loans, MFI, micro-LAP and unsecured lending carry higher disbursement yields than the existing portfolio, and as these books season, the richer origination mix should progressively lift portfolio yields. At the same time, Piramal's improving credit ratings and greater access to diversified and multilateral funding should support a gradual reduction in cost of borrowings. Thus, we believe the next leg of NIM expansion is increasingly structural rather than purely rate-cycle driven. We estimate NIM at ~5.4%/5.9% in FY27E/FY28E.
- **Operating leverage is emerging as the biggest profitability catalyst:** The strongest change in the earnings profile is the widening gap between business growth and cost growth. In 1QFY27, AUM grew ~25% YoY, while opex increased only ~10%, driving the cost-to-income ratio down sharply to ~52.5% from 65.6% a year earlier. The Opex/AUM ratio has dipped consistently over the past eight quarters to 3.5% from 4.9%, despite the resumption of branch expansion. Technology and AI should further reinforce this operating leverage by allowing Piramal to scale underwriting, collections and operations without a commensurate increase in costs. Management expects opex/AUM to dip another ~40-50bp over the next 4-5 quarters and is targeting ~2.5% RoAUM by 4QFY27.
- **From growth to earnings – Piramal Finance is transitioning from the hard-work phase to the payoff phase:** With the legacy book largely behind it, we believe the company has reached an important inflection point. We expect the convergence of ~25% AUM CAGR, improving NIMs, operating leverage and controlled credit costs to drive a sharp earnings recovery. We estimate PAT CAGR of ~55% over FY26-28E, with RoA/RoE improving to 2.8%/11.4% by FY28E.

Stock Info

Bloomberg	PIRAMALF IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	466.4 / 4.8
52-Week Range (INR)	2328 / 1235
1, 6, 12 Rel. Per (%)	-11/20/-
12M Avg Val (INR M)	896
Free float (%)	56.0

Financials Snapshot (INR b)

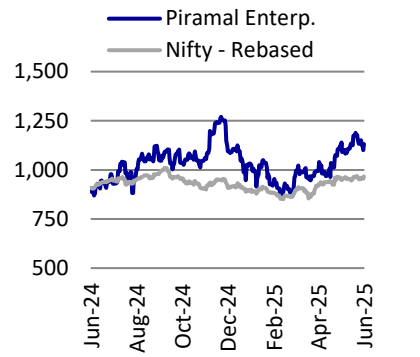
Y/E March	FY26	FY27E	FY28E
PPOP	22.9	39.9	60.7
PAT	16.7	23.8	40.0
PAT (ex exceptional)	0.0	23.8	40.0
EPS	74	100	164
EPS Gr. (%)	243	35	64
Consol BV/Sh. (INR)	1,247	1,378	1,537
RoA (%)	1.6	2.0	2.8
RoE (%)	6.0	7.8	11.4
Valuation			
P/E (x)	26.7	19.8	12.0
P/BV (x)	1.6	1.4	1.3
Dividend yield (%)	0.6	1.2	1.7

Shareholding pattern (%)

As On	Jun-26	Mar-26
Promoter	46.2	46.2
DII	18.6	18.8
FII	15.7	14.9
Others	19.5	20.1

FII Includes depository receipts

Stock's performance (one-year)



Research Analyst: Abhijit Tibrewal (Abhijit.Tibrewal@MotilalOswal.com) | **Pranav Nawale** (Pranav.Nawale@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.

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

- The ~INR38.5b primary equity infusion further strengthens the capital base, providing greater flexibility to pursue disciplined growth while maintaining a prudent risk profile. The stock currently trades at ~1.3x FY28E P/BV. **We reiterate our BUY rating with a TP of INR2,480, based on our Mar'28E SoTP valuation.**

From balance sheet repair to earnings compounding

- **The business transformation has created the platform; we believe the next phase will focus on monetizing it:** Piramal Finance's multi-year transformation is now largely complete. The legacy portfolio has been reduced to less than 2% of AUM, while the growth portfolio has reached ~98%. At the same time, the retail franchise has scaled meaningfully and now accounts for ~85% of AUM.
- We estimate **~25% AUM CAGR over FY26-28**, taking the AUM to ~INR1.6t by FY28. We believe the growth runway is aided by three complementary engines:
- **Core franchise:** Housing, LAP and used-vehicle lending continue to provide scale and customer access.
- **Newer, higher-yielding businesses:** Gold loans, MFI, micro-LAP and unsecured lending are contributing to growth while enhancing portfolio yields.
- **Customer monetization:** The ~6m customer franchise provides significant cross-sell potential, with cross-sell already contributing ~28-29% of business volumes.

Higher-yielding businesses will change the portfolio economics

- The shift in portfolio mix will be an important enabler because the newer businesses carry materially higher yields than the housing finance franchise.
- As of 1QFY27, housing loans accounted for ~36% of retail AUM and LAP accounted for ~31%, but the contribution from used-car loans, salaried personal loans, unsecured business loans, digital loans and micro-loans is steadily rising.
- The economics of the newer businesses are attractive. Disbursement yields stood at ~15.5% for used-car loans, ~16.6% for salaried personal loans and ~18.8% for unsecured business loans vs. ~11.7% for housing loans and ~12.8% for LAP.
- Gold loans could become another meaningful growth vector. Piramal Finance expanded its gold-loan branch network to 67 by Jun'26 from 22 in Mar'26 and is targeting ~200 branches by FY27-end. The business is focused on personal-use borrowers in Tier-2/3 markets, with no exposure to jewelers, bullion dealers, pawnbrokers, or wholesale customers.

NIM expansion is fundamental, not just a rate-cycle story

Piramal Finance's NIM was ~6.5% in 1Q, up ~47bp YoY, while the cost of borrowings stood at ~8.8%. We believe the next leg of margin expansion can come from two self-help levers – a richer asset mix and lower borrowing costs. The higher-yielding businesses are already generating disbursement yields well above the existing portfolio yield. As these books scale and season, we expect the higher yields to progressively flow through to portfolio yields. Meanwhile, upgrade to the AA+ rating and greater access to multilateral funding should help lower refinancing costs. **We estimate NIM to improve to ~5.4% in FY27E and ~5.9% in FY28E (vs. 4.7% in FY26).**

Operating leverage could provide the biggest surprise

- We believe that the extent of operating leverage now embedded in the Piramal Finance platform is still underappreciated. Piramal Finance has already demonstrated that it can grow significantly faster than its cost base. With AUM

growing ~25% YoY in 1QFY27 vs. ~10% growth in opex, the opex/AUM ratio dipped to 3.5%. The company expects another ~40-50bp improvement in the opex ratio over the next 4–6 quarters.

- On the credit-cost front, growth-business credit costs remain manageable at ~1.6%, while unsecured and MFI portfolios continue to show resilient risk outcomes. Tighter underwriting and stable overall asset quality should help Piramal sustain credit costs in the current range through FY27-28E.

Valuation and view

- Piramal Finance is entering a phase where the benefits of its multi-year transformation can increasingly translate into earnings. With the legacy book largely behind it, a scalable retail franchise, a richer business mix, lower funding costs, improving operating leverage and disciplined credit outcomes provide a stronger foundation for sustained profitability improvement.
- The ~INR38.5b capital infusion further strengthens its balance sheet flexibility to fund growth while maintaining a prudent capital buffer. With Piramal Finance targeting ~2.5% RoAUM by 4QFY27 and >3% over the longer term, the improving operating architecture provides a credible pathway to sustained earnings expansion.
- We model a total AUM CAGR of ~25% and PAT CAGR of ~55% over FY26- FY28E, with RoA/RoE reaching 2.8%/11% by FY28E. **We reiterate our BUY rating with a TP of INR 2,480 (based on our Mar'28E SoTP).**

Piramal: SoTP – Mar'28

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	520	5.4	2,300	93	❖ 1.5x Mar'28E PBV
Shriram Group	24	0.3	106	4	❖ Based on its stake in General Insurance Businesses
Life Insurance	8	0.1	34	1	
Alternatives	9	0.1	40	2	
Target Value	**561**	**5.8**	**2,480**	**100**	

Valuation matrix for Piramal Finance and other diversified NBFC peers

Val summary	Rating	CMP (INR)	Mkt. Cap (INRb)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Piramal Finance	**Buy**	**1,970**	**442**	**100**	**164**	**1,378**	**1,537**	**2.0**	**2.8**	**7.8**	**11.4**	**19.8**	**12.0**	**1.4**	**1.3**
BAF	Buy	958	5,932	42.3	51.1	223	266	4.2	4.1	20.5	20.9	22.7	18.8	4.3	3.6
Poonawalla	Buy	448	384	18.0	29.4	164	192	2.1	2.4	12.8	16.5	24.9	15.3	2.7	2.3
ABCL	Buy	379	1,010	18.5	23.6	156	176	-	-	13.1	14.2	20.5	16.1	2.4	2.2
LTFH	Buy	260	644	15.9	19.1	125	140	2.5	2.5	13.5	14.4	16.3	13.6	2.1	1.9
MAS Financial	Buy	266	48	25.4	29.2	183	209	3.2	3.1	14.8	14.9	10.5	9.1	1.5	1.3
IIFL Finance	Buy	598	245	71.6	88.6	395	478	3.3	3.4	19.8	20.3	8.3	6.7	1.5	1.3
HDB Financial	Neutral	588	487	39.6	46.8	288	335	2.5	2.6	14.7	15.0	14.9	12.6	2.0	1.8
Jio Financial	Buy	215	1,344	3.4	5.0	232	254	1.5	2.0	3.7	6.2	64.0	43.0	0.9	0.8
Northern Arc	Buy	281	45	34.3	44.8	276	321	2.9	3.2	13.3	15.0	8.2	6.3	1.0	0.9
Tata Capital	Neutral	319	1,329	16.0	21.0	125	147	2.1	2.2	13.7	15.5	19.9	15.1	2.5	2.2

Story in charts

Exhibit 1: AUM CAGR of ~25% over FY26-FY28E

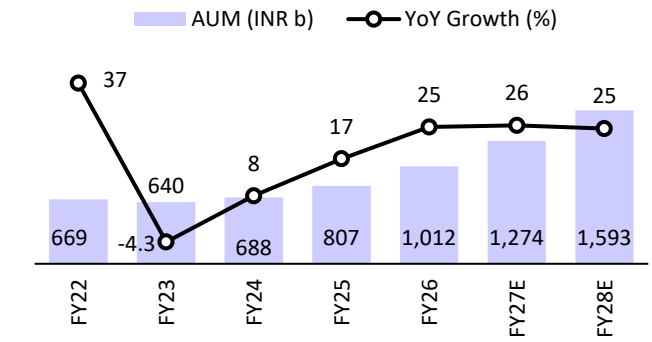


Exhibit 2: Retail mix continues to improve

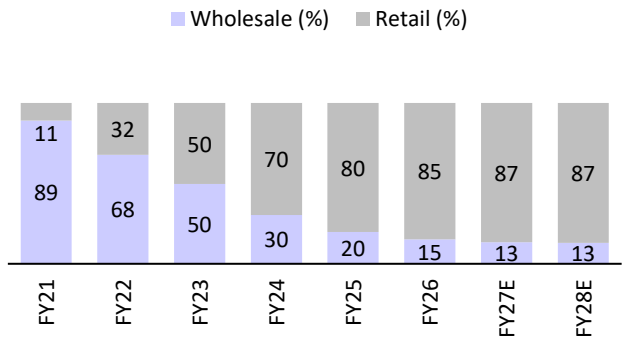


Exhibit 3: Expect a gradual decline in CoF

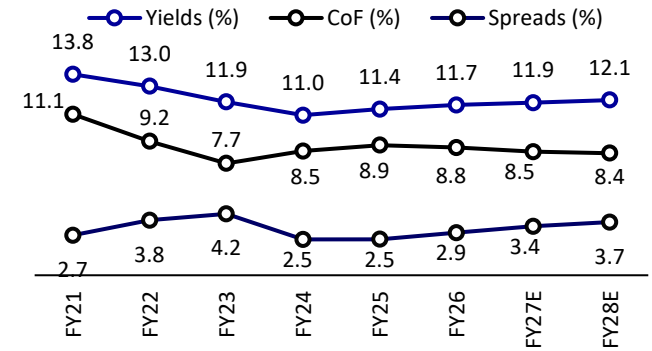


Exhibit 4: NIM to improve steadily to ~5.9% by FY28E

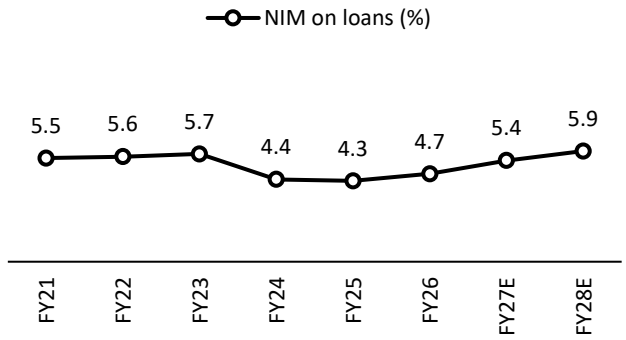


Exhibit 5: C/I ratio will continue to improve

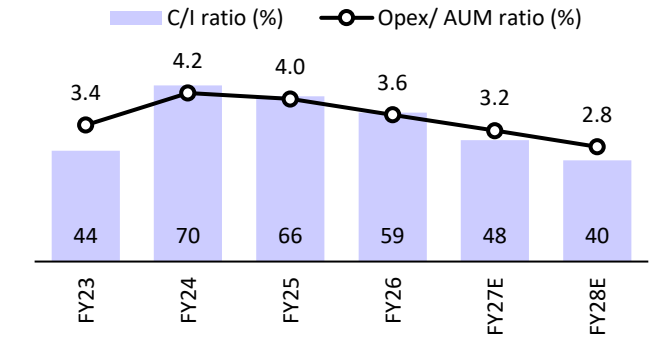


Exhibit 6: Expect further improvement in asset quality

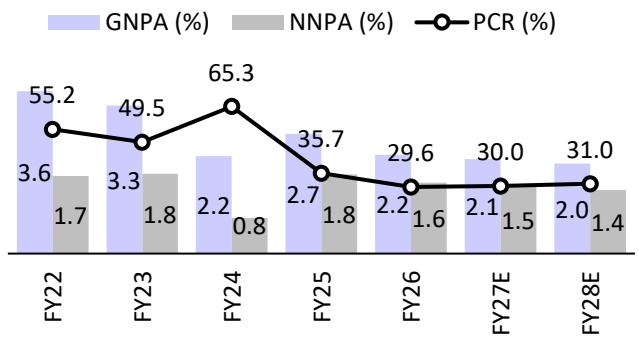
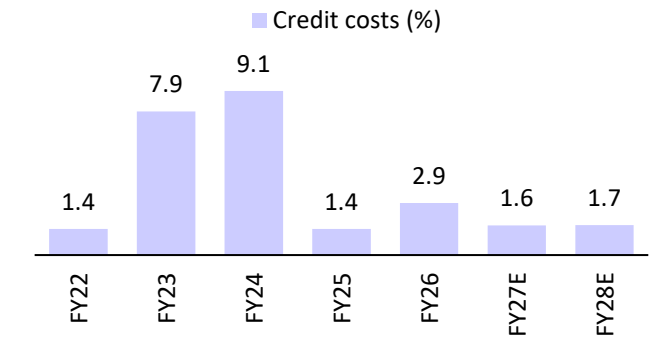
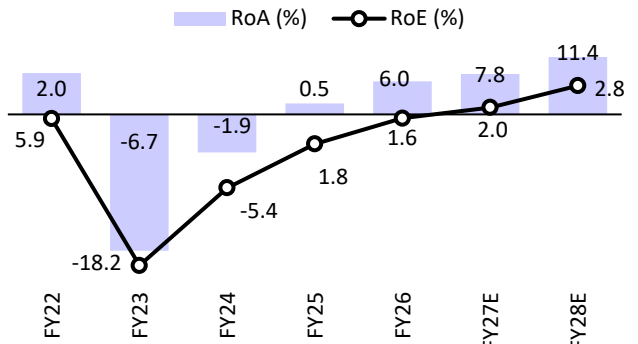


Exhibit 7: Credit costs to gradually come down



Source: MOFSL, Company

Exhibit 8: RoA/RoE of 2.8%/11.4% in FY28E

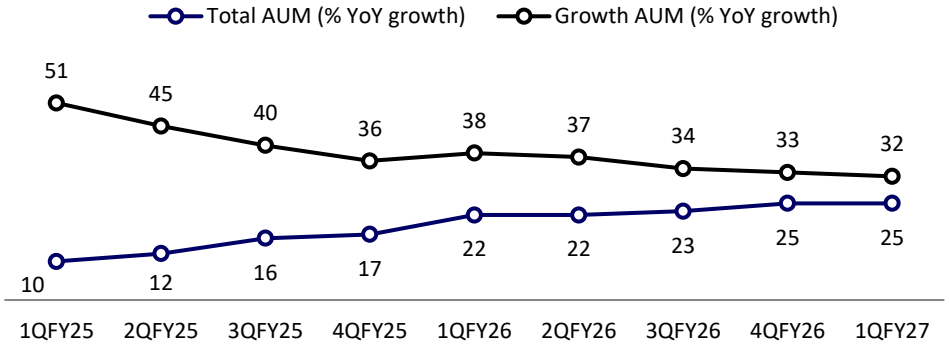


Source: MOFSL, Company;

Retail transformation largely complete; focus now shifts to monetizing the franchise

- Piramal is now emerging as a scaled, retail-led lender, with consolidated AUM growing ~25% YoY to INR1.07t in 1QFY27, while growth AUM (which includes retail and wholesale businesses but excludes the discontinued legacy business) grew faster at ~32% YoY. Retail disbursements also rose ~44% YoY to INR125b, providing strong visibility into the company's ~25% FY27 AUM growth target.
- This robust growth is accompanied by a meaningful improvement in the quality and composition of the balance sheet. The growth-to-legacy AUM ratio has reached 98:2, with the legacy book now accounting for less than ~2% of AUM, while Wholesale 2.0 has grown ~27% YoY to INR132b. With retail contributing ~85% of AUM, the balance sheet is increasingly anchored by scalable growth businesses rather than legacy wholesale assets.

Exhibit 9: Growth portfolio (~98% of AUM) momentum continues



Source: MOFSL, Company

Exhibit 10: Accelerated rundown of legacy AUM

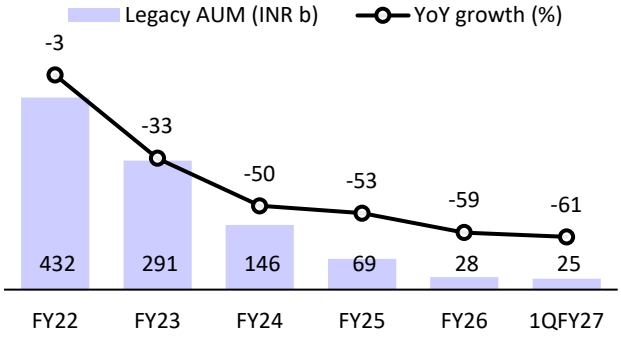
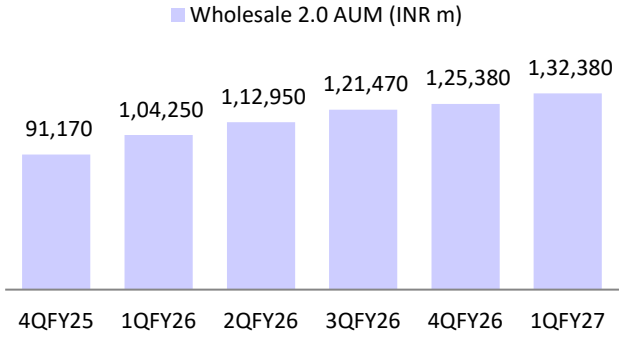


Exhibit 11: Wholesale 2.0 AUM growing at a steady pace



- The retail franchise is becoming more diversified across products and customer segments. Gold loans, MFI, micro-LAP, unsecured lending, and cross-sell are gaining traction alongside the established retail businesses, reducing dependence on any single product. This is supported by a ~6m customer base and a deliberate focus on "Middle India" (cities ranked 100-1,000), where management sees attractive growth opportunities, lower competitive intensity, and greater resilience.
- The expanding customer franchise provides an additional avenue for more efficient growth through cross-sell, which already contributes ~28-29% of business volumes. Deeper monetization of existing customers entails lower

acquisition costs than sourcing new customers and can also lead to better credit outcomes, creating scope for growth to become increasingly efficient as the franchise scales. We expect Piramal to sustain this growth trajectory, with AUM estimated to grow ~25% over FY26-28E.

Exhibit 12: AUM CAGR of ~25% over FY26-FY28E

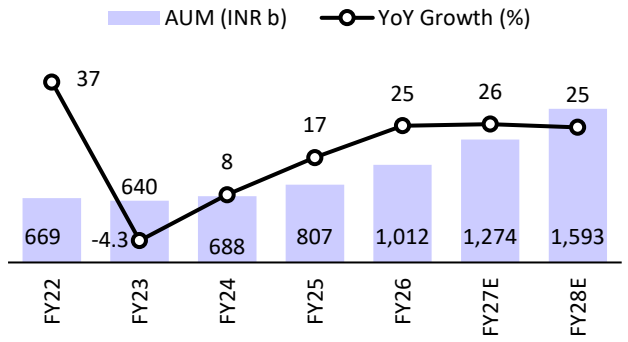
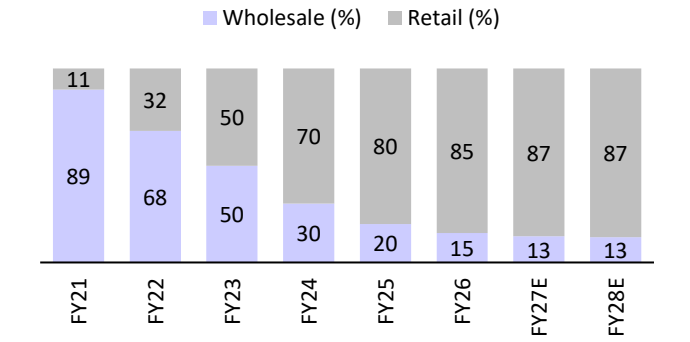


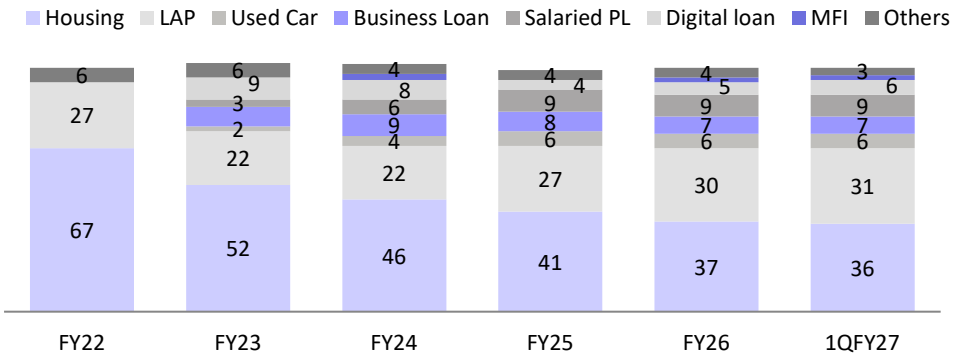
Exhibit 13: Retail mix continues to improve



Gold loans and micro-lending add new growth vectors

- Piramal is selectively scaling underpenetrated, higher-yielding businesses such as gold loans, MFI and micro-LAP, which are expected to increasingly complement its established retail franchise. Importantly, the newer retail businesses have now attained meaningful scale and are operating at breakeven, while maintaining steady risk outcomes. This provides a stronger foundation for further calibrated expansion across these segments.
- The company has recently started scaling its gold-loan business, which offers an additional avenue for growth within its retail franchise. Piramal Finance expanded its branch network to 67 branches by Jun'26 from 22 in Mar'26 and is targeting ~200 branches by the end of FY27. The business is focused on personal-use borrowers in Tier-2/3 markets, with no exposure to jewelers, bullion dealers, pawnbrokers, or wholesale customers. This targeted approach allows Piramal to tap into an underpenetrated customer segment while maintaining a relatively focused risk profile.

Exhibit 14: Core franchise remains dominant but newer products are steadily gaining share



Source: MOFSL, Company

- The product proposition further supports the attractiveness of the gold-loan business, combining flexible interest-payment structures with part-payment and part-release facilities. The business generated INR60m in disbursements in its first full month, with an average ticket size of ~INR85k, a ~17.9% disbursement

yield and a 12-month tenure, indicating attractive unit economics at an early stage of scaling up.

- Micro lending is similarly being expanded in a calibrated manner, with management placing greater emphasis on productivity and portfolio quality as the branch network grows. While management remains open to inorganic opportunities across these segments, the capital raise is primarily intended to fund organic growth, allowing the company to scale these newer businesses while retaining a disciplined approach to capital deployment.

Exhibit 15: Piramal Finance's product segments

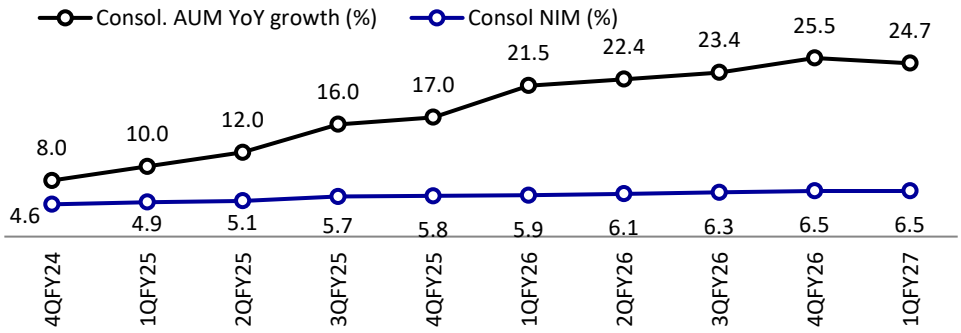
Particulars	AUM (INR b)	ATS (INR m)	Avg. LTV (%)	Avg. CIBIL	Disbursement Yield (%)
Housing Loans	330.8	2.40	60	750	11.7
LAP	281.2	3.00	49	742	12.8
Used Car loans	57.6	0.68	70	752	15.5
Salaried PL	83.8	0.50		761	16.6
Unsecured business loans	62.5	0.44		753	18.8
Digital loans	52.4	0.08		762	14.7
Micro-loan	15.5	0.06			20.8

Source: MOFSL, Company; Note: Data as of Jun'26

Better mix and lower CoF to aid NIM expansion

- NIM remained stable QoQ at ~6.5% in 1QFY27, but it improved ~47bp YoY, while the cost of borrowings stood at ~8.8%. Going forward, margin expansion is likely to be driven less by the interest-rate cycle and more by improvements in portfolio mix and liability optimization.
- A richer asset mix is expected to support portfolio yields over time, with an increasing contribution from gold loans, MFI, micro-LAP and unsecured lending. Disbursement yields are already higher than portfolio yields, as incremental originations are skewed toward shorter-tenure and higher-yielding products. As these books season, the higher yields on new originations should progressively flow through to the overall portfolio, providing a steady uplift to margins.

Exhibit 16: NIM on an improving trajectory along with AUM (%)



Source: MOFSL, Company

- At the same time, the funding profile is positioned to improve, with the recent upgrade to AA+ rating likely to enhance access to capital and lower refinancing costs. Greater reliance on multilateral funding should further diversify the liability base and provide access to relatively attractive long-term funding. Together, these factors should support a gradual structural reduction in the cost of borrowings.

- The combination of a richer asset mix and lower funding costs offers a more durable opportunity for margin expansion than one based solely on further policy-rate transmission. This is also reflected in management's decision to retain its Prime Lending Rate despite the rate-cut cycle, suggesting that profitability improvement is increasingly being driven by internal portfolio and funding levers. We expect Piramal Finance to deliver NIMs of ~5.4%/5.9% over FY27/FY28.

Exhibit 17: Expect a gradual decline in CoF

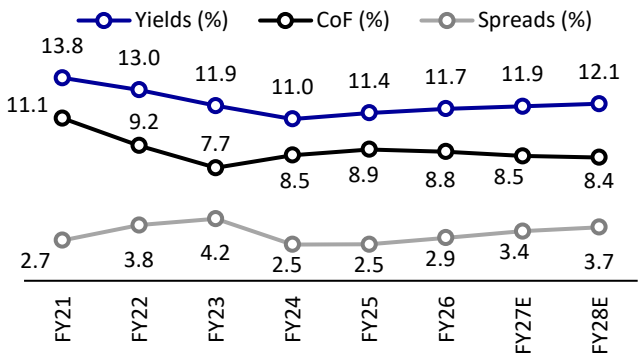
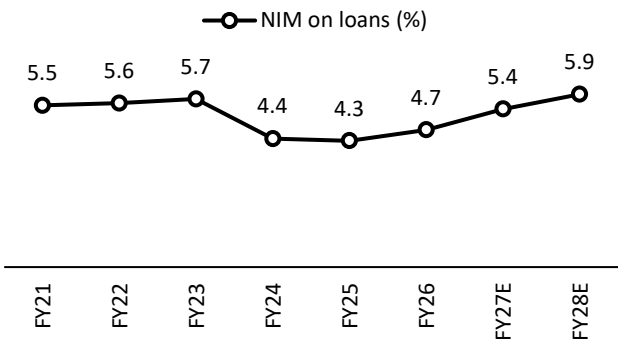


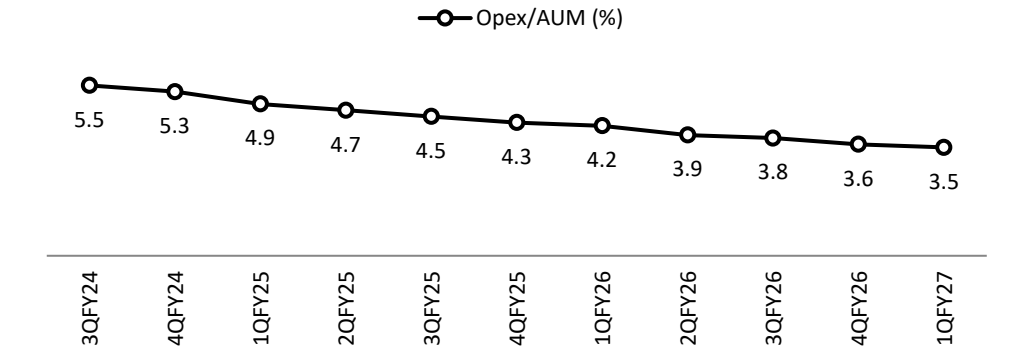
Exhibit 18: NIM to improve steadily to ~5.9% by FY28E



Operating leverage – where growth starts showing up in earnings

- The most visible improvement in 1QFY27 was the widening gap between business and cost growth, with AUM growing 25% YoY while operating expenses increased only ~10%. This drove the cost-to-income ratio down sharply to ~52.5% from 65.6% in 1QFY26, highlighting the benefits of scale, digitization, higher employee productivity, and tighter cost-control measures.

Exhibit 19: Consistent improvement in the opex-to-AUM ratio over the past eight quarters



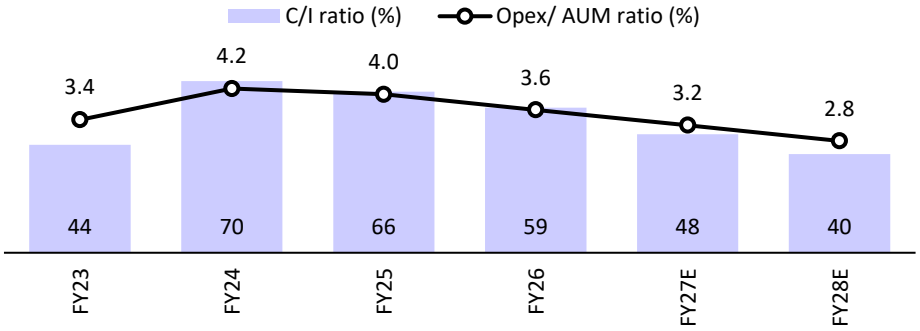
Source: MOFSL, Company

- The improvement in cost efficiency appears structural, with opex-to-AUM continuing to decline even as branch expansion has resumed. After a six-quarter pause, Piramal added >100 branches in 4QFY26, primarily across MFI, gold loans and full-service formats. Further expansion, particularly in gold loans, should broaden distribution while allowing branch productivity to improve as the newer businesses scale.
- Technology and AI are increasingly reinforcing this operating leverage by enabling the business to scale without a commensurate increase in costs. AI-led underwriting has improved risk selection, with horizontal risk declining ~40%

YoY for three consecutive years, while fraud risk and straight flows into 90+ DPD have declined by >50% annually over the same period.

- The benefits of this transformation are already visible in profitability, with growth-business RoAUM improving to 1.8% in 1QFY27 from 1.5% in 1QFY26. Management expects opex-to-AUM to improve by a further ~40-50bp over the next 4-5 quarters and remains confident of achieving ~2.5% RoAUM by 4QFY27. With AI increasingly embedded across underwriting, collections, operations and technology development, the combination of business scaling and sustained productivity gains should provide further operating leverage and support the earnings trajectory. We expect Piramal Finance's cost-to-income ratio to decline to ~40% by FY28.

Exhibit 20: Operating costs will continue to improve

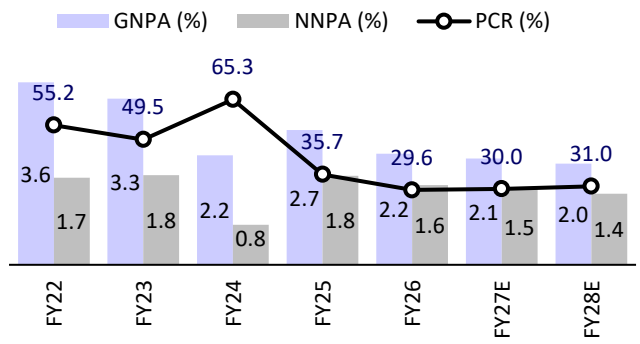


Source: MOFSL, Company

Asset quality remains controlled, supporting calibrated growth

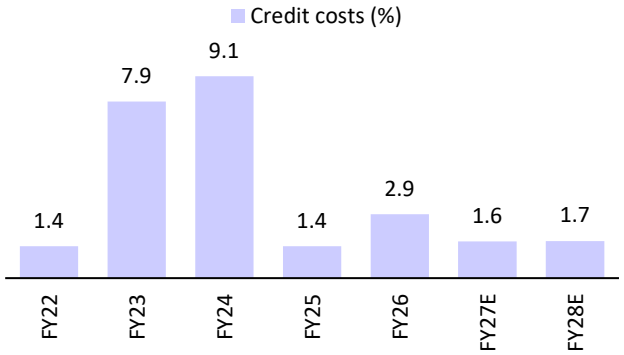
- Asset quality remains broadly controlled, with GS3 at ~2.4% and NS3 at ~1.6%, while retail 90+ DPD at 0.7% indicates limited deterioration despite the rapid pace of portfolio growth. Stage-3 PCR has also improved to ~31.5%, providing further comfort on the overall credit profile.
- The resilience of unsecured lending is particularly encouraging as it becomes increasingly important to the portfolio. MFI performance is also moving toward more normalized risk levels, giving management greater confidence to scale higher-yielding businesses while retaining underwriting discipline.
- Mortgages remain the key monitorable, with early-stage payment bounces and delinquencies emerging among salaried IT borrowers, particularly in South India, alongside a marginal increase in LAP delinquencies. However, the stress remains concentrated in early buckets, with underwriting already tightened in the affected segment and LAP performance showing signs of improvement in July.
- Affordable housing demand continues to remain subdued, while aggressive competitive pricing is creating pressure in select pockets. Importantly, there are no signs of broad-based deterioration, with growth-business credit costs at ~1.6% remaining manageable. The recent increase in PCR was also largely driven by ECL-model changes and RBI-related guidance rather than a material weakening in underlying credit performance.
- Partnership-led lending provides an additional risk-mitigation layer, with >80% of partnership volumes covered by FLDG and flexibility to recalibrate co-lending volumes if credit conditions deteriorate. Overall, the controlled asset-quality environment, alongside targeted tightening in emerging stress pockets, provides room for continued scaling of higher-yielding businesses. Credit costs are expected to be ~1.6%/~1.7% for FY27/FY28.

Exhibit 21: Expect further improvement in asset quality



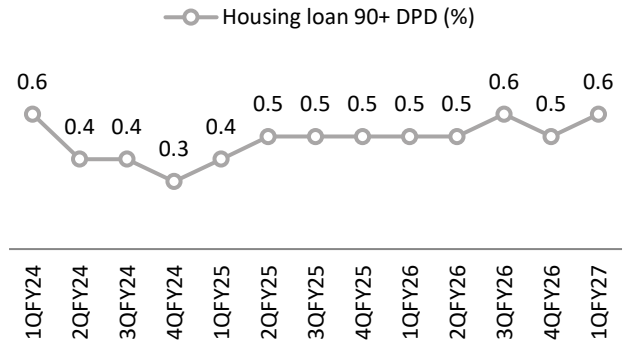
Source: MOFSL, Company

Exhibit 22: Credit costs to gradually come down



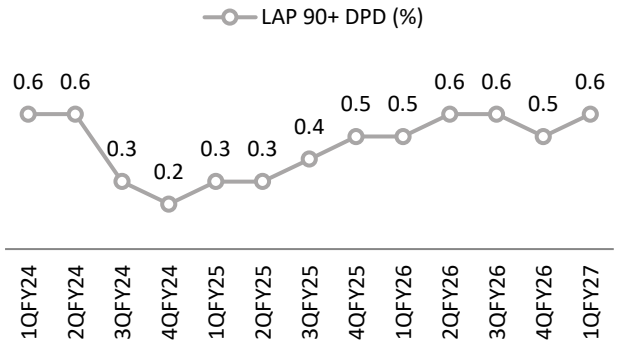
Source: MOFSL, Company;

Exhibit 23: Slight uptick in housing loans – 90+ dpd (%)



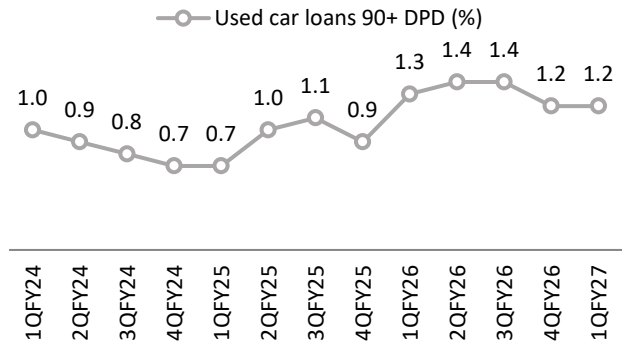
Source: MOFSL, Company

Exhibit 24: LAP – 90+ dpd (%)



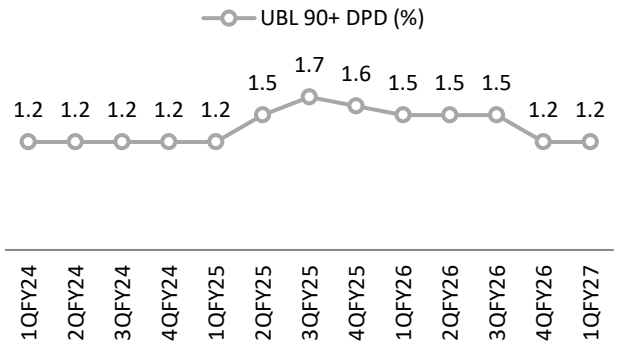
Source: MOFSL, Company;

Exhibit 25: Used car – 90+ dpd (%)



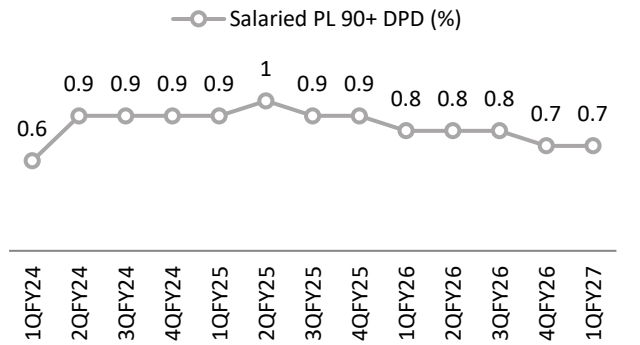
Source: MOFSL, Company

Exhibit 26: Business loan – 90+ dpd (%)



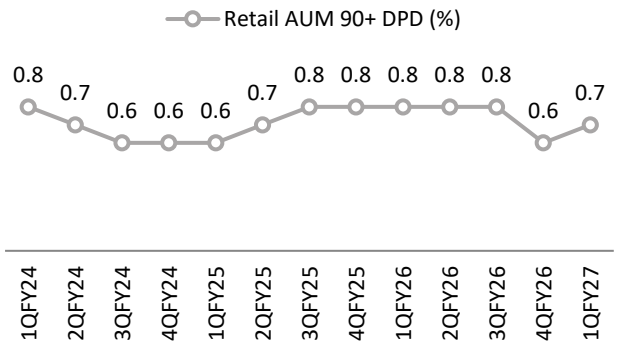
Source: MOFSL, Company

Exhibit 27: Salaried PL – 90+ dpd (%)



Source: MOFSL, Company

Exhibit 28: Retail AUM – 90+ dpd (%)

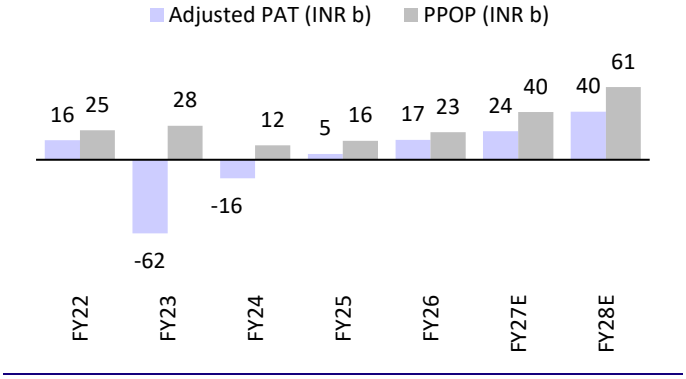


Source: MOFSL, Company

Multiple levers underpin RoA accretion

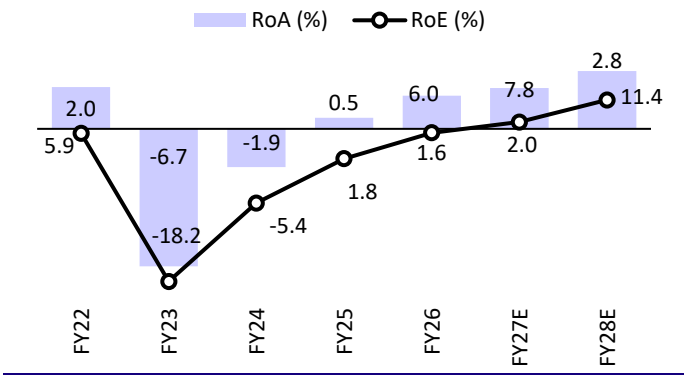
- Piramal Finance's RoA accretion is expected to be driven by the convergence of strong AUM growth, improving margins, operating leverage and contained credit costs. A richer mix of higher-yielding businesses such as gold loans, MFI and unsecured lending, alongside lower funding costs, should support margin expansion. At the same time, AUM growth outpacing operating expenses should further strengthen operating leverage, while improving risk outcomes and a gradual moderation in credit costs should provide further support to profitability. Together, these factors should drive growth-business RoAUM toward management's ~2.5% target by 4QFY27. We expect Piramal Finance to deliver an RoA of ~2.0%/2.8% for FY27/FY28.

Exhibit 29: PAT expected to be ~INR40b by FY28



Source: MOFSL, Company

Exhibit 30: RoA/RoE of 2.8%/11.4% in FY28E



Source: MOFSL, Company;

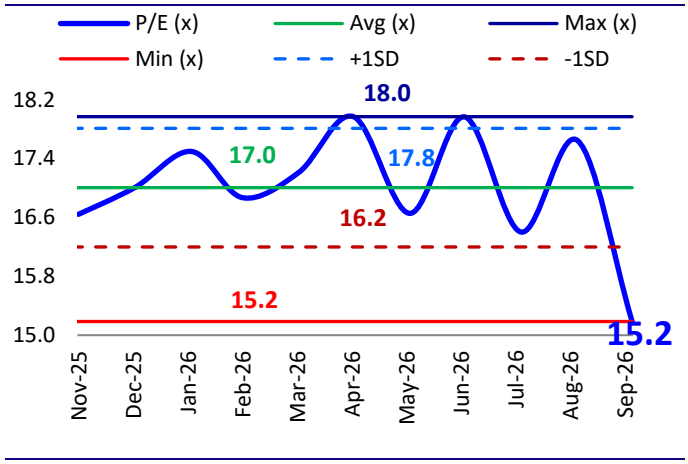
Valuation and view

- Piramal is entering a phase where the benefits of its multi-year transformation can increasingly translate into earnings. With the legacy book largely behind it, a scalable retail franchise, a richer business mix, lower funding costs, improving operating leverage and disciplined credit outcomes provide a stronger foundation for profitability. The ~INR38.5b capital infusion further strengthens the balance sheet's flexibility to fund growth while maintaining a prudent capital buffer. With management targeting ~2.5% RoAUM by 4QFY27 and >3% over the longer term, the improving operating architecture provides a credible pathway to sustained earnings expansion.
- We model a total AUM CAGR of ~25% and PAT CAGR of ~55% over FY26- FY28E, with RoA/RoE reaching 2.8%/11% by FY28E. We reiterate our BUY rating with a TP of INR 2,480 (based on our Mar'28E SoTP).

Exhibit 31: **Piramal: SoTP – Mar'28**

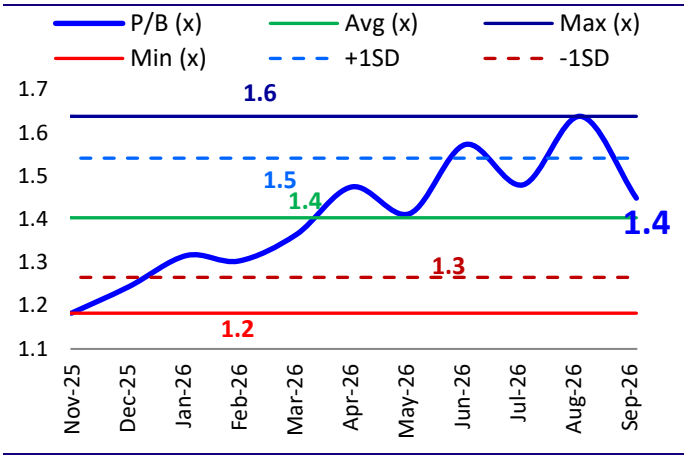
	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	520	5.4	2,300	93	❖ 1.5x Mar'28E PBV
Shriram Group	24	0.3	106	4	❖ Based on its stake in General Insurance Businesses
Life Insurance	8	0.1	34	1	
Alternatives	9	0.1	40	2	
Target Value	**561**	**5.8**	**2,480**	**100**	

Exhibit 32: One-year forward P/E



Source: MOFSL, Company

Exhibit 33: One-year forward P/B



Source: MOFSL, Company;

Financials and valuations

Income statement							INR m
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Interest Income	75,228	77,986	73,139	85,410	1,06,537	1,35,706	1,72,778
Interest Expended	42,817	40,412	44,004	53,174	63,902	74,027	88,188
Net Interest Income	**32,411**	**37,574**	**29,135**	**32,236**	**42,635**	**61,679**	**84,590**
Change (%)	17.1	15.9	-22.5	10.6	32.3	44.7	37.1
Other Income	3,881	12,881	10,561	13,726	13,379	15,246	16,860
Net Income	**36,292**	**50,455**	**39,695**	**45,962**	**56,013**	**76,925**	**1,01,450**
Change (%)	31.1	39.0	-21.3	15.8	21.9	37.3	31.9
Operating Expenses	11,718	22,148	27,740	30,143	33,078	37,069	40,777
PPoP	**24,574**	**28,307**	**11,955**	**15,820**	**22,936**	**39,856**	**60,674**
Change (%)	15.3	15.2	-57.8	32.3	45.0	73.8	52.2
Provisions/write offs	8,299	51,801	60,115	10,737	26,080	18,750	23,802
PBT	**16,275**	**-23,494**	**-48,160**	**5,083**	**-3,144**	**21,106**	**36,872**
Tax	4,062	-39,781	-15,949	1,594	-1,231	0	0
Tax Rate (%)	25.0	161.4	47.3	31.4	-9.7	0.0	0.0
PAT (before associate income)	**12,213**	**16,287**	**-32,211**	**3,488**	**-1,913**	**21,106**	**36,872**
Associate Income	5,939	3,886	1,537	1,366	1,889	2,645	3,174
PAT (before exceptional)	**18,152**	**20,173**	**-30,674**	**4,855**	**-24**	**23,751**	**40,046**
Exceptional items	-1,836	-81,813	15,116	0	16,705	0	0
PAT (after exceptional)	**16,316**	**-61,640**	**-15,558**	**4,855**	**16,681**	**23,751**	**40,046**
Change (%)	5.1	-477.8	-74.8	-131.2	243.6	42.4	68.6

Balance sheet							INR m
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Capital	477	477	449	451	452	476	489
Reserves & Surplus	3,54,414	3,10,114	2,65,121	2,70,509	2,81,034	3,27,650	3,75,108
Net Worth	**3,68,369**	**3,10,591**	**2,65,571**	**2,70,959**	**2,81,915**	**3,28,126**	**3,75,597**
Borrowings	5,54,510	4,95,828	5,34,020	6,54,840	7,99,892	9,41,918	11,57,795
Change (%)	48	-11	8	23	22	18	23
Other liabilities	39,549	23,891	24,274	20,681	20,975	16,780	13,424
Total Liabilities	**9,98,729**	**8,37,522**	**8,26,050**	**9,49,434**	**11,05,465**	**12,86,824**	**15,46,816**
Loans and advances	**4,93,180**	**4,63,946**	**5,49,434**	**6,57,918**	**8,48,380**	**10,70,361**	**13,38,491**
Change (%)	-2	-6	18	20	29	26	25
Investments	**2,48,565**	**2,23,318**	**1,25,130**	**1,25,387**	**98,138**	**88,324**	**79,492**
Net Fixed Assets	86,715	7,385	6,232	4,931	4,290	3,003	2,102
Cash and Cash equivalents	71,872	46,491	44,468	62,759	55,679	27,859	30,324
Deferred tax assets	13,679	18,472	28,756	27,404	27,674	27,674	27,674
Other assets	84,719	77,910	72,030	71,036	71,303	69,603	68,733
Total Assets	**9,98,729**	**8,37,522**	**8,26,050**	**9,49,434**	**11,05,465**	**12,86,824**	**15,46,816**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)							
Yield on loans	13.0	11.9	11.0	11.4	11.7	11.9	12.1
Cost of funds	9.2	7.7	8.5	8.9	8.8	8.5	8.4
Spread	3.8	4.2	2.5	2.5	2.9	3.4	3.7
Net Interest Margin	5.6	5.7	4.4	4.3	4.7	5.4	5.9
Profitability Ratios (%)							
RoE	5.9	-18.2	-5.4	1.8	6.0	7.8	11.4
RoA	2.0	-6.7	-1.9	0.5	1.6	2.0	2.8
C/I ratio	32.3	43.9	69.9	65.6	59.1	48.2	40.2
Opex/AUM ratio		3.4	4.2	4.0	3.6	3.2	2.8
Asset Quality (%)							
Gross NPA	22,270	20,550	14,300	19,510	19,700	23,752	28,288
Gross NPA (% of AUM)	3.6	3.3	2.2	2.7	2.2	2.1	2.0
Net NPA	9,980	10,380	4,960	12,540	13,870	16,627	19,519
Net NPA (% of AUM)	1.7	1.8	0.8	1.8	1.6	1.5	1.4
PCR (%)	55.2	49.5	65.3	35.7	29.6	30.0	31.0
Credit costs (%)	1.4	7.9	9.1	1.4	2.9	1.6	1.7

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM (INR m)	6,68,900	6,39,890	6,88,460	8,06,890	10,12,300	12,74,240	15,93,442
YoY growth (%)	37	-4	8	17	25	26	25
AUM Mix (%)							
Wholesale	67.8	49.8	30.4	19.9	15.2	13.5	13.0
Retail	32.2	50.2	69.6	80.1	84.8	86.5	87.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Wholesale Loans (INR m)	4,53,380	3,18,450	2,09,190	1,60,370	1,53,450	1,71,864	2,07,909
YoY growth (%)	4.0	-29.8	-34.3	-23.3	-4.3	12.0	21.0
Retail Loans (INR m)	2,15,520	3,21,440	4,79,270	6,46,520	8,58,850	11,02,376	13,85,533
YoY growth (%)	306.4	49.1	49.1	34.9	32.8	28.4	25.7
Total Loan Book	**6,68,900**	**6,39,890**	**6,88,460**	**8,06,890**	**10,12,300**	**12,74,240**	**15,93,442**
YoY growth (%)	36.8	-4.3	7.6	17.2	25.5	25.9	25.1

VALUATION	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	1,544	1,301	1,182	1,202	1,247	1,378	1,537
Price-BV (x)	**1.3**	**1.5**	**1.7**	**1.6**	**1.6**	**1.4**	**1.3**
EPS (INR)	68.4	84.5	-69.3	21.5	73.8	99.7	163.9
EPS Growth YoY	-1	24	-182	-131	243	35	64
Price-Earnings (x)	**28.8**	**23.3**	**-28.4**	**91.5**	**26.7**	**19.8**	**12.0**
Dividend per share (INR)		31.0	10.0	11.0	11.0	23.9	32.8
Dividend yield (%)		**1.6**	**0.5**	**0.6**	**0.6**	**1.2**	**1.7**

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

.

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: No.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).

6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. 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. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This 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 MOFSL 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 certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.