

Akin to previous 3Qtrs, Q4 for PIEL was about multiple positive & negative one-offs seen in the past. PIEL's growth business (Retail and Wholesale 2.0) made good progress, and plan to convert PCHL into an NBFC-ICC and then merging the parent in PCHL and renaming it 'Piramal Finance (PFL)' addresses RBI/NHB compliance needs, paving way for the LT. However, this was overshadowed by one-offs such as reversal of AIF provisions following amendments in the Dec-23 RBI Circular, gains on stake sale in its Shriram Investments holding, one-off tax gains, and a series of write-offs, impairment & additional provisioning on legacy Wholesale 1.0 assets. Overall, PIEL remains a WIP retail and wholesale lending franchise, with legacy pain now mostly behind; steering towards 3% sustainable RoA is likely to be a 3-4Yr voyage. We adjust our FY25-26 estimates; retain ADD and Mar-25E TP of Rs1,000 (implied FY26E P/BV of 0.8x).

Piramal Enterprises: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profits	99,686	(16,835)	14,190	22,183	33,625
AUM growth (%)	(1.8)	7.6	16.1	24.3	26.3
NII growth (%)	15.4	(21.9)	36.8	22.7	26.9
NIMs+Fee (%)	6.3	5.3	6.5	6.7	6.9
PPOP growth (%)	15.2	(34.5)	66.8	39.1	43.7
Adj. EPS (Rs)	79.7	(20.5)	63.2	98.7	149.7
Adj. EPS growth (%)	149.3	(125.7)	(408.2)	56.3	51.6
Adj. BV (INR)	1,158.1	1,029.9	1,068.2	1,128.1	1,218.8
Adj. BVPS growth (%)	0.0	(11.1)	3.7	5.6	8.0
RoA (%)	0.0	(0.6)	1.7	2.3	2.8
RoE (%)	0.0	(1.9)	6.0	9.0	12.8
P/E (x)	11.2	(43.7)	14.2	9.1	6.0
P/ABV (x)	0.0	0.8	0.8	0.8	0.7

Source: Company, Emkay Research

A quarter and a year full of one-offs

Q4FY24 for PIEL was no different than the earlier three quarters, wherein the sustained improvement in underlying growth businesses was yet again lost in the noise of negative and positive one-offs from the legacy wholesale loanbook. The positive outcome of FY24 includes: i) Growth segments (Retail and Wholesale 2.0) seeing strong growth and sustained improvement in profitability, with exit-quarter PBT RoAUM of 2.4%. ii) Wholesale 1.0 AUM run down to Rs140bn (with Rs25bn provisions sitting); Company has plans of running it further down to Rs70bn in FY25. iii) Gains & benefits from planned divestments of legacy stakes in Shriram Insurance ventures, inflows from written-off AIFs, and allowability of Rs105bn carry-forward losses shall provide for any further loss, given default in the rundown process of the legacy book. iv) Against the backdrop of not meeting NHB's requirements of HFC, PCHL has applied for conversion to NBFC-ICC; the Board has decided to merge PIEL with PCHL and rename it 'Piramal Finance' (PFL). On the Q4 results front, credit cost, tax reversals, and investment gains set the agenda. (Exhibits 3-5)

Accelerated rundown of legacy Wholesale, along with Retail and Wholesale 2.0 led to profitable growth

Of the total Rs33.54bn credit cost in Q4, the legacy book has accounted for ~Rs32bn. The good news is that this book has run down to Rs140bn, and plans to run it down to under-Rs70bn in FY25 are in place. While Wholesale 1.0 continues to be run down, Mgmt expects AUM to grow ~15% in FY25, and log 26% CAGR over FY24-28, while targeting ~3-3.3% RoA by FY28. The growth businesses are shaping up well in terms of AUM growth, asset quality, and profitability. Conversion of PCHL to NBFC-ICC (due to not meeting NHB's HFC requirements), as well as merger of parent with PCHL and renaming it Piramal Finance (PFL), address regulatory requirements (PCHL being in RBI's upper layer required to be listed by Sep-25) and sets PIEL on the path to becoming a large diversified retail-focused lender.

We adjust estimates to reflect Q4 developments; reiterate ADD

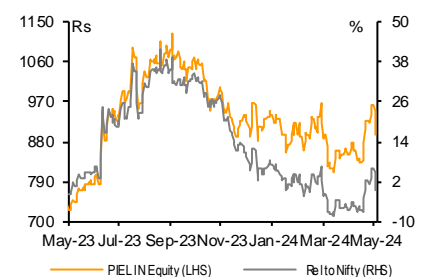
To reflect Q4 developments and Mgmt commentary on growth ahead, profitability, and the legacy book rundown, we adjust our FY25-26 estimates – we cut our consol. AUM and earnings and now expect the non-lending minority legacy investments (Shriram Insurance venture, etc) to provide for any further provisioning/write-off needs on legacy book rundown; hence, we ignore these in our SOTP value. We value PIEL at 0.8x FY26E P/B, on core lending business network, to arrive at our TP of Rs1,000/sh; maintain ADD.

Target Price – 12M	Sep-24
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	11.7
CMP (08-May-24) (Rs)	895.2

Stock Data	Ticker
52-week High (Rs)	1,140
52-week Low (Rs)	716
Shares outstanding (mn)	224.7
Market-cap (Rs bn)	201
Market-cap (USD mn)	2,408
Net-debt, FY25E (Rs mn)	6,100
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	1,305.7
ADTV-3M (USD mn)	15.6
Free float (%)	56.0
Nifty-50	22,303
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	46.2
FPIs/MFs (%)	17.0/13.2

Price Performance				
(%)	1M	3M	12M	
Absolute	3.5	0.7	19.7	
Rel. to Nifty	5.2	(2.0)	(2.0)	

1-Year share price trend (Rs)



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Exhibit 1: Actual vs estimates

(Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Change QoQ	Change YoY	Emkay (estimate)	Variation
Disbursement - Retail	68,280	57,070	62,460	76,920	89,100	16%	30%	92,241	-3.4%
AUM	639,890	639,380	669,320	672,830	688,460	2%	8%	708,086	-2.8%
NII	9,297	6,897	7,394	8,281	7,338	-11%	-21%	9,303	-21.1%
Provisions	6,728	3,090	3,600	2,586	33,203	1184%	393%	2,955	1023.5%
PPOP	4,660	3,586	4,125	3,905	2,747	-30%	-41%	5,257	-47.7%
PAT	-1,959	5,088	482	-23,776	1,371	-106%	-170%	9,276	-85.2%
GS3	3.2%	2.3%	2.3%	2.1%	2.1%	2bps	108bps	2.5%	-37bps
NS3	1.7%	1.3%	1.3%	1.0%	0.8%	24bps	97bps	1.2%	-42bps
Credit cost	4.2%	1.9%	1.2%	1.6%	19.5%	-1787bps	-1534bps	1.7%	1780bps

Source: Company, Emkay Research

Exhibit 2: Revision in estimates

Y/e Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
AUM	869,176	799,445	-8.0%	1,085,470	993,462	-8.5%	NA	1,254,379	NA
Disbursement - retail	368,717	353,936	-4.0%	458,004	435,538	-4.9%	NA	523,333	NA
Net interest income	41,870	40,631	-3.0%	54,730	49,863	-8.9%	NA	63,259	NA
PPOP	37,507	30,952	-17.5%	47,310	43,044	-9.0%	NA	61,861	NA
Provisions	12,352	13,391	8.4%	15,932	15,688	-1.5%	NA	19,107	NA
PBT	27,155	19,098	-29.7%	33,878	29,856	-11.9%	NA	45,256	NA
PAT	20,176	14,190	-29.7%	25,171	22,183	-11.9%	NA	33,625	NA
Adj. PAT	20,176	14,190	-29.7%	25,171	22,183	-11.9%	NA	33,625	NA
Adj. EPS (Rs)	89.8	63.2	-29.7%	112.0	98.7	-11.9%	NA	149.7	NA
BVPS (Rs)	1,192	1,068	-10.4%	1,260	1,128	-10.4%	NA	1,219	NA
Networth	284,808	274,169	-3.7%	300,062	287,612	-4.1%	NA	307,989	NA
NIM + Fees	6.4%	6.5%	5bps	6.6%	6.7%	10bps	NA	6.9%	NA
Cost-to-income ratio (%)	46.6%	53.5%	692bps	43.7%	48.4%	469bps	NA	42.5%	NA
Opex-to-AUM	4.2%	4.8%	64bps	3.8%	4.5%	74bps	NA	4.1%	NA
Credit costs (bps)	157	180	23bps	163	175	12bps	NA	170	NA
ROA	2.6%	1.9%	-65bps	2.6%	2.5%	-10bps	NA	3.0%	NA
ROE	7.7%	6.0%	-169bps	9.1%	9.0%	-15bps	NA	12.8%	NA
Loan book growth	22.8%	16.1%	-663bps	24.9%	24.3%	-62bps	NA	26.3%	NA

Source: Company, Emkay Research

Exhibit 3: Quarterly result snapshot

(Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY Chg	QoQ Chg
Net Interest Income	9,297	6,897	7,394	8,281	7,338	-21.1%	-11.4%
Other Income	2,225	3,054	3,484	2,746	3,474	56.1%	26.5%
Total Income	11,521	9,951	10,878	11,027	10,812	-6.2%	-2.0%
Operating Expenses	6,861	6,366	6,753	7,122	8,065	17.5%	13.2%
Operating Profit	4,660	3,586	4,125	3,905	2,747	-41.0%	-29.6%
Provisions	6,728	3,090	3,600	2,586	33,203	393.5%	1183.8%
Credit costs	4.2%	1.9%	1.2%	1.6%	19.5%	1534bps	1791bps
PBT	-2,068	496	526	1,319	-30,456	NA	-2409.6%
Tax	22	1,732	107	-9,575	-8,212	NA	NA
Tax rate	NA	349.2%	20.4%	NA	NA	NA	NA
Share of net profit of associates and JV	131	211	707	728	-108	-182.5%	-114.9%
Exceptional Items (net of tax)	-	6,113	-643	-35,398	23,722	NA	NA
PAT	-1,959	5,088	482	-23,776	1,371	NA	NA
Disbursements - Retail	68,280	57,070	62,460	76,920	89,100	30.5%	15.8%
Total AUM	639,890	639,380	669,320	672,830	688,460	7.6%	2.3%
Networth	310,590	308,440	287,100	263,760	265,570	-14.5%	0.7%
GS3	2.3%	2.1%	2.1%	-108bps	-2bps	2.3%	2.1%
NS3	1.3%	1.0%	0.8%	-95bps	-24bps	1.3%	1.0%
PCR	49.5%	48.0%	46.6%	54.7%	65.3%	1583bps	1061bps

Source: Company, Emkay Research

Exhibit 4: Credit cost break-up

Q4FY24	(Rs mn)
Additional Management overlay	7,290
Credit cost in growth segment	1,520
Impairment loss on Investment property	6,603
Markdown in Legacy Land and receivables	7,047
Writeoff in Legacy Stage 2/3 Assets and SR	10,000
Others	1,080
Total	33,540

Source: Company, Emkay Research

Exhibit 5: Q4FY24 Credit cost – Bridge from IndAS Account

Q4FY24 Credit cost	(Rs mn)	Comment
Net gain / (loss) on fair value changes	5,747	Fair value changes on investments, including SRs
Net loss on de-recognition of financial instruments under amortized cost category	15,480	Haircut on the gross loan value when sold out for SR at fair value
Impairment allowance / (reversals) on financial instruments	5,373	Credit cost on all the loans adjusted for reversals of provisions
Depreciation, amortization and impairment	6,603	Rs6.6bn of impairment taken on investment property held at market value
Others	337	
Total	33,540	

Source: Company, Emkay Research

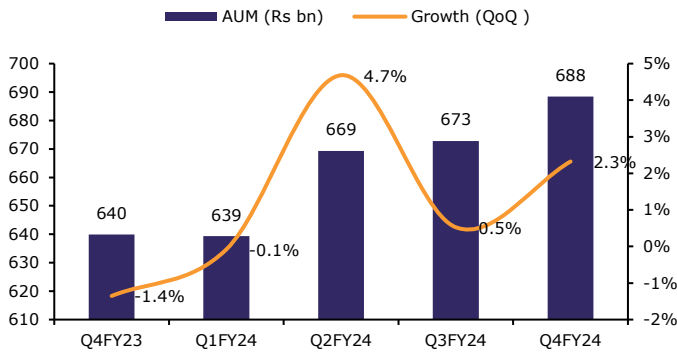
Exhibit 6: SoTP based valuation

Business unit (Rs mn)	Valuation Methodology	Multiple (x)	Stake	Factor value	Holdco discount	Value	Value per share (Rs)	Contribution to TP
Financial Services Business	Price-to-Book (Mar-26E)	0.8	100%	273,612	0%	224,362	999	100%
Shriram Insurance*	Fair Value	0.0	100.0%	34,192	25%	0	0	0%
AIF	Book value of equity allocated	0.0	JV	7,300	0%	0	0	0%
Insurance	Book value of equity allocated	0.0	50%	9,532	0%	0	0	0%
SOTP Value						224,362	1,000	

Source: Company, Emkay Research; Note: Effective ownership in Shriram General: 13.33%; in Shriram Life: 14.91%

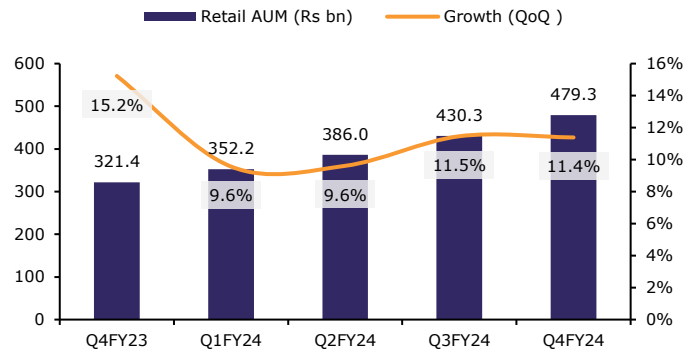
Result in charts

Exhibit 7: Strong AUM growth in Retail and Wholesale 2.0



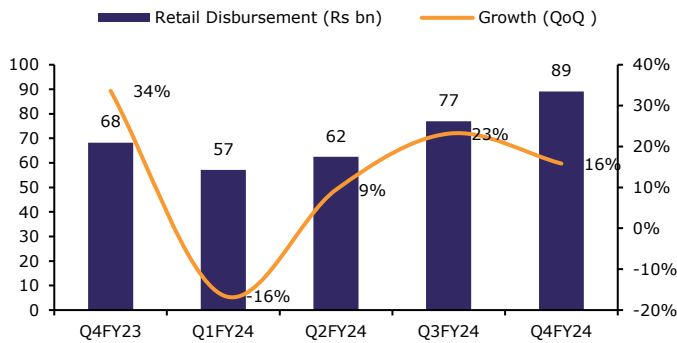
Source: Company, Emkay Research

Exhibit 8: Disbursement marginally impacted by prudent underwriting



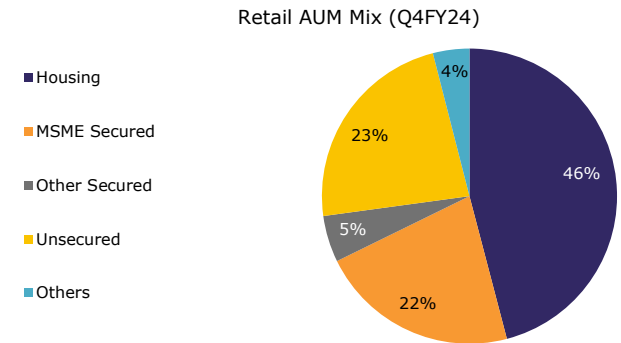
Source: Company, Emkay Research

Exhibit 9: Strong growth across the product segment



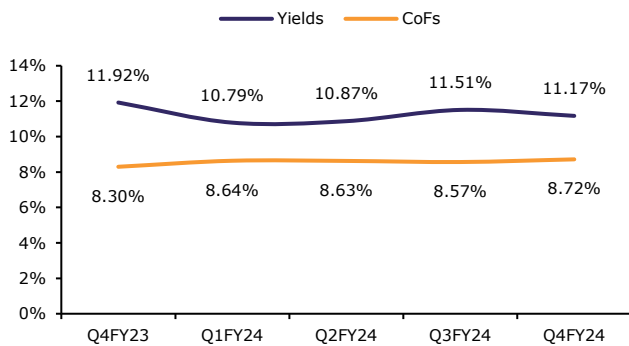
Source: Company, Emkay Research

Exhibit 10: Mortgage forms 68% of the retail AUM



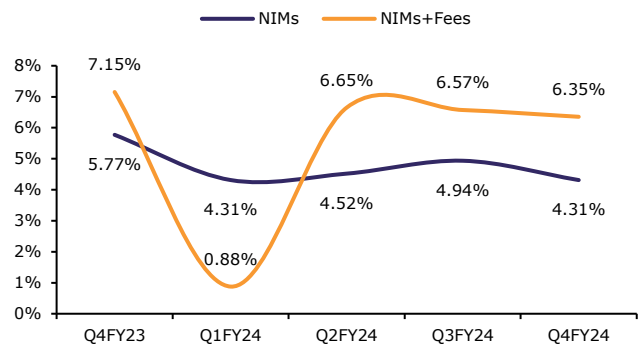
Source: Company, Emkay Research

Exhibit 11: Yield impacted by non-interest generating assets of Wholesale 1.0



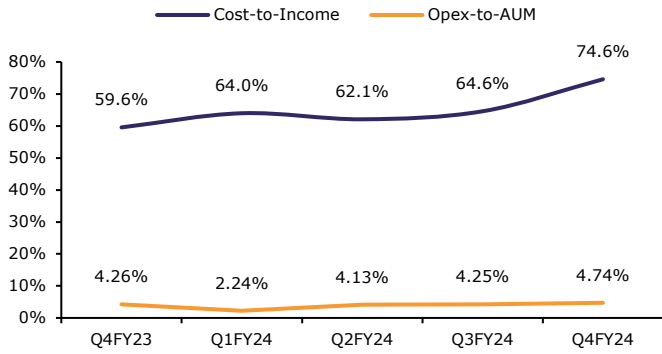
Source: Company, Emkay Research

Exhibit 12: Margin compression on account of a 20bps increase in CoFs



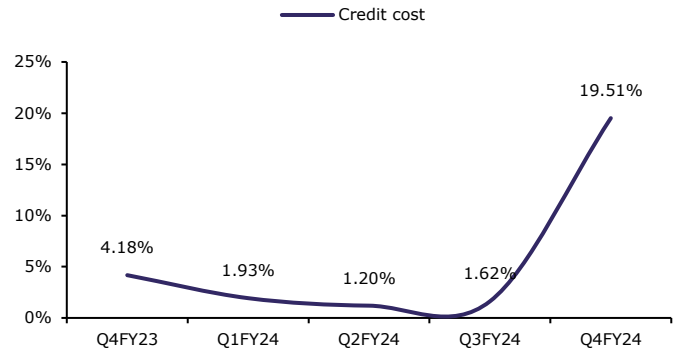
Source: Company, Emkay Research

Exhibit 13: Operating expenses elevated on account of continuous investment in manpower and infrastructure development



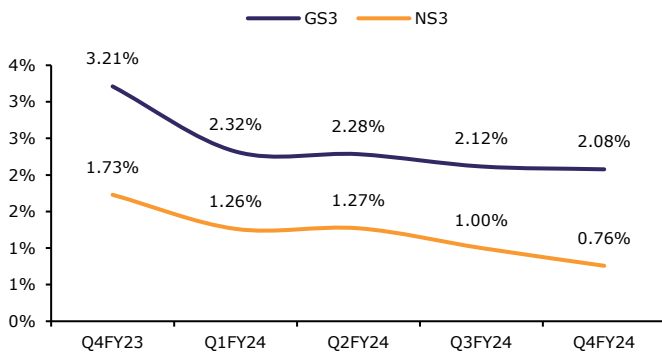
Source: Company, Emkay Research

Exhibit 14: Credit cost impacted by markdown and additional management overlay of Wholesale 1.0



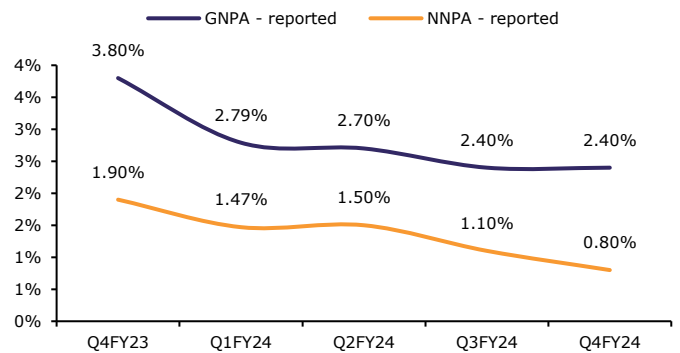
Source: Company, Emkay Research

Exhibit 15: Stable asset quality



Source: Company, Emkay Research

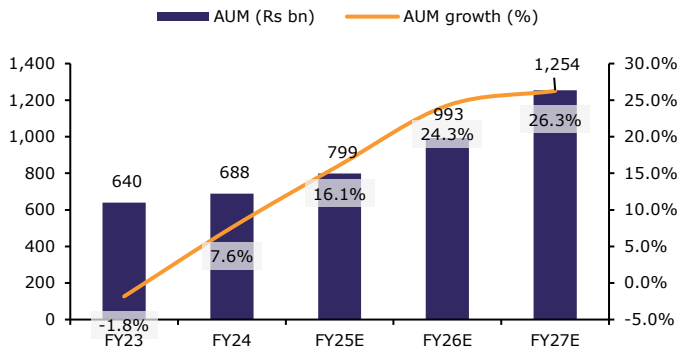
Exhibit 16: GNPA and NNPA trends



Source: Company, Emkay Research

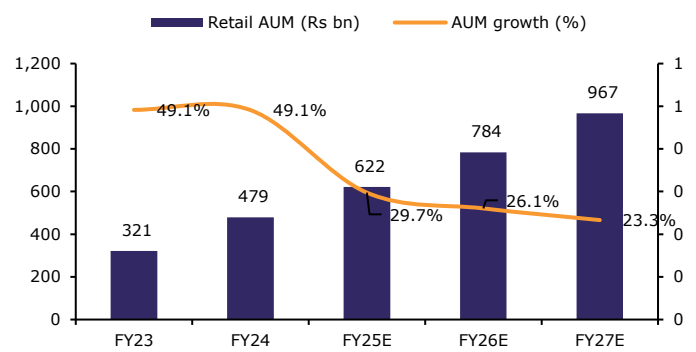
Story in charts

Exhibit 17: Management guided to 26% CAGR over FY24-28



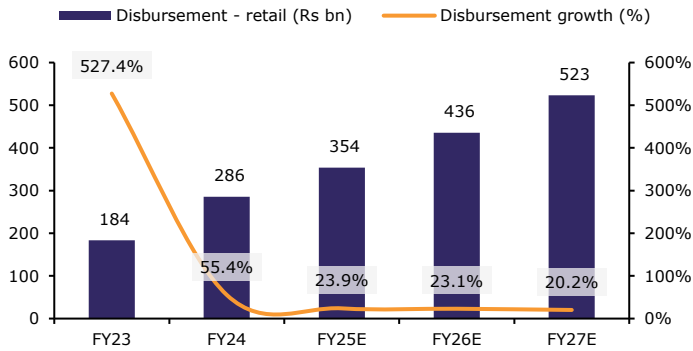
Source: Company, Emkay Research

Exhibit 18: Retail AUM to grow at !25% over our estimate period



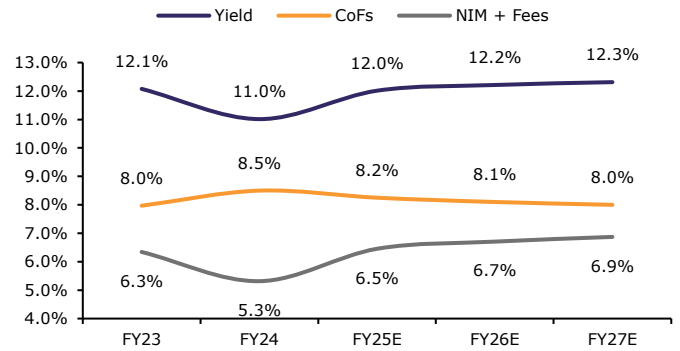
Source: Company, Emkay Research

Exhibit 19: Disbursement to grow above 20% over FY25-27E



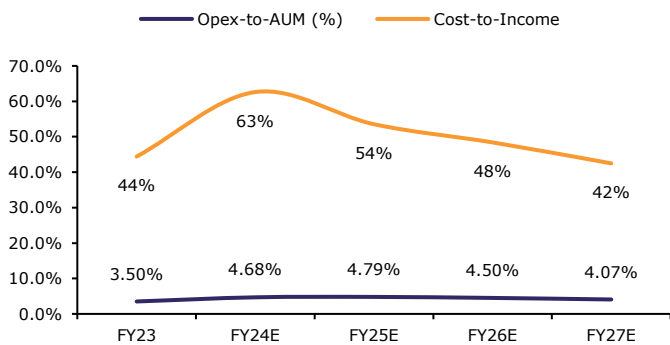
Source: Company, Emkay Research

Exhibit 20: Margins to improve as the non interest generating book runs down



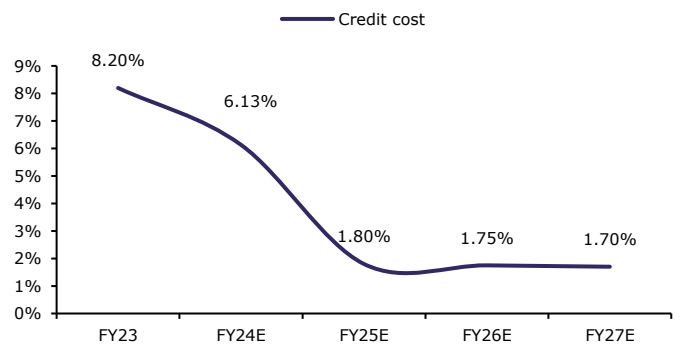
Source: Company, Emkay Research

Exhibit 21: We expect opex to moderate over FY25-27E



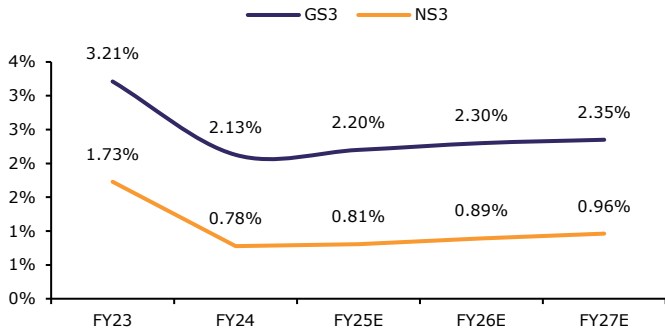
Source: Company, Emkay Research

Exhibit 22: Credit cost to hover at 1.5-2%



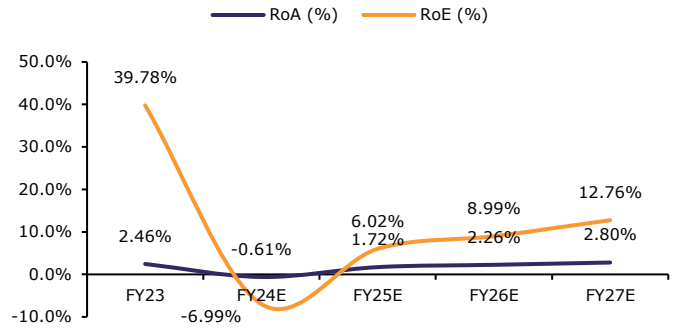
Source: Company, Emkay Research

Exhibit 23: Asset quality to remain stable



Source: Company, Emkay Research

Exhibit 24: ROA/ROE to improve with increasing share of growth book



Source: Company, Emkay Research

Management call highlights

- The board has approved the composite scheme of arrangement for merger of Piramal Enterprises Limited with its 100% subsidiary Piramal Capital Housing Finance Limited and renaming Piramal Capital and Housing Finance Limited as Piramal Finance Limited.
- During Q4FY24, the company took a strategic decision to further accelerate the rundown of the legacy business and lower the non-yielding proportion of the book.
- Growth business yields remained stable YoY; however, the cost of funds saw an inch-up (20bps), which led to some NIM compression.
- Management said that some large sticky assets have been resolved and a few deals on the land receivables front have also been concluded; this led to a loss of Rs13.51bn in the legacy business during Q4FY24. Accelerated rundown in the legacy portfolio resulted in higher credit costs during the quarter.
- Management targets the legacy book AUM reaching Rs60-70bn or 10% of the total AUM by FY25. Management expects further gains from AIFs on account of reversal of provisions made on the back of the RBI Circular, which could aid in accelerated run down of the wholesale book.
- During FY24, the company has tightened its underwriting norms, and disbursement volumes have been flat QoQ during Q4FY24. The tightening of credit norms has kept the 90+ delinquency under control and remained stable sequentially. Regarding the digital lending business, 90% is secured through credit protected partnerships.
- As the company maintains expansion of its retail business, Management continues to invest in manpower, branch infrastructure, technology, and analytics, to drive further growth.
- With new branches maturing, Management expects improvement in overall branch productivity which will further drive an improvement in the Opex-to-AUM ratio.
- The average ticket size in the real estate 2.0 business stood at Rs1.41bn, and at Rs0.59bn on a sanctioned basis in the corporate mid-market lending business.
- Of the Rs35.4bn provision made in Q3FY24 on account of the RBI Circular relating to investments in AIF, Management has reversed the amount aggregating to Rs15.17bn and remains confident of full recovery of the balance AIF investment.
- Credit cost (Rs33.5bn) breakup: Rs14bn by way of markdown of wholesale assets; Rs10bn by way of write-off of stage 2&3 assets through settlement; Rs7.29bn worth of additional management overlay, and balance on standard assets. Management indicated it has additional Rs106bn carry-forward business asset loss available for set-off; tax benefit arising from this will provide additional comfort for accelerated rundown of its Wholesale 1.0.
- Wholesale 1.0 rundown in Q4 was ~Rs40bn, and Management highlighted that there are only 2 accounts in stage 1 (of legacy book) that are more than Rs5bn, and that Management was able to resolve most of the chunky assets.
- The SR portfolio reduced by ~10% in Q4 from Q1, and Company has realized cash of ~Rs14bn during the year.
- PCHFL is seeking NBFC-ICC license and, as part of the merger consideration, PIEL shareholders, in lieu of every one equity share of PIEL, will get one equity share of Piramal Finance Limited (subject to RBI approval) one non-convertible non-cumulative non-participating redeemable preference share of Rs67 of Piramal Finance Limited. The proposal will address the requirement of PCHFL being an upper-layer NBFC to be listed by September 2025. The process is expected to be completed in the next 9-12months.

Guidance

- AUM to grow at 15% in FY25 and company to clock 26% CAGR over FY24-28, with AUM mix of 75% retail and 25% wholesale. Wholesale 1.0 to be below 10% of the overall AUM by the end of FY25.
- ROA to reach 3-3.3% by FY28.
- Opex-to-AUM to moderate to 4.6% by the end of FY25.

Piramal Enterprises: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	77,986	73,139	89,363	109,475	138,377
Interest Expense	39,943	43,439	48,732	59,612	75,118
Net interest income	38,043	29,700	40,631	49,863	63,259
NII growth (%)	15.4	(21.9)	36.8	22.7	26.9
Non interest income	12,881	19,938	25,984	33,552	44,313
Total income	50,924	49,638	66,616	83,415	107,572
Operating expenses	22,617	31,085	35,663	40,371	45,711
PPOP	28,307	18,553	30,952	43,044	61,861
PPOP growth (%)	15.2	(34.5)	66.8	39.1	43.7
Provisions & contingencies	52,951	40,715	13,391	15,688	19,107
PBT	(24,643)	(22,162)	17,561	27,356	42,755
Extraordinary items	80,663	(12,159)	0	0	1
Tax expense	(39,781)	(15,949)	4,908	7,673	11,631
Minority interest	0	0	0	0	0
Income from JV/Associates	3,886	1,537	1,537	2,500	2,500
Reported PAT	99,686	(16,835)	14,190	22,183	33,625
PAT growth (%)	0.0	(116.9)	(184.3)	56.3	51.6
Adjusted PAT	19,023	(4,676)	14,190	22,183	33,625
Diluted EPS (Rs)	79.7	(20.5)	63.2	98.7	149.7
Diluted EPS growth (%)	149.3	(125.7)	(408.2)	56.3	51.6
DPS (Rs)	33.0	10.0	24.9	38.9	59.0
Dividend payout (%)	0.0	0.0	0.4	0.4	0.4
Effective tax rate (%)	0.0	25.7	25.7	25.7	25.7
Net interest margins (%)	6.3	5.3	6.5	6.7	6.9
Cost-income ratio (%)	44.4	62.6	53.5	48.4	42.5
PAT/PPOP (%)	352.2	(90.7)	45.8	51.5	54.4
Shares outstanding (mn)	238.7	224.7	224.7	224.7	224.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
GNPL - Stage 3	20,550	14,300	17,588	22,850	29,478
NNPL - Stage 3	10,380	4,960	6,100	8,382	11,404
GNPL ratio - Stage 3 (%)	3.2	2.1	2.2	2.3	2.4
NNPL ratio - Stage 3 (%)	1.7	0.8	0.8	0.9	1.0
ECL coverage - Stage 3 (%)	49.5	65.3	65.3	63.3	61.3
ECL coverage - 1 & 2 (%)	4.9	3.9	4.0	4.1	4.2
Gross slippage - Stage 3	0	0	0	0	0
Gross slippage ratio (%)	0.0	0.0	0.0	0.0	0.0
Write-off ratio (%)	0.0	0.0	0.0	0.0	0.0
Total credit costs (%)	8.2	6.1	1.8	1.8	1.7
NNPA to networth (%)	3.3	1.9	2.2	2.9	3.7
Capital adequacy					
Total CAR (%)	43.6	25.6	23.8	20.7	18.1
Tier-1 (%)	42.4	0.0	23.8	20.7	18.1
Miscellaneous					
Total income growth (%)	38.2	(2.5)	34.2	25.2	29.0
Opex growth (%)	84.1	37.4	14.7	13.2	13.2
PPOP margin (%)	4.4	2.8	4.2	4.8	5.5
Credit costs-to-PPOP (%)	187.1	219.5	43.3	36.4	30.9
Loan-to-Assets (%)	75.1	79.8	82.2	84.5	87.1
Yield on loans (%)	12.1	11.0	12.0	12.2	12.3
Cost of funds (%)	8.0	8.5	8.2	8.1	8.0
Spread (%)	4.1	2.5	3.8	4.1	4.3

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	477	449	449	449	449
Reserves & surplus	310,113	265,121	273,720	287,163	307,540
Net worth	310,590	265,570	274,169	287,612	307,989
Borrowings	495,828	534,020	647,550	824,574	1,053,678
Other liabilities & prov.	0	0	0	0	0
Total liabilities & equity	806,418	799,590	921,719	1,112,186	1,361,667
Net loans	600,250	637,900	757,383	939,899	1,185,513
Investments	85,720	42,450	42,450	42,450	42,450
Cash, other balances	74,300	62,470	62,382	67,326	67,884
Interest earning assets	760,270	742,820	862,215	1,049,675	1,295,848
Fixed assets	19,340	27,340	30,074	33,081	36,390
Other assets	19,200	29,430	29,430	29,430	29,430
Total assets	798,810	799,590	921,719	1,112,186	1,361,667
BVPS (Rs)	1,158.1	1,029.9	1,068.2	1,128.1	1,218.8
Adj. BVPS (INR)	1,158.1	1,029.9	1,068.2	1,128.1	1,218.8
Gross loans	639,890	688,460	799,445	993,462	1,254,379
Total AUM	639,890	688,460	799,445	993,462	1,254,379
On balance sheet	0	0	0	0	0
Off balance sheet	0	0	0	0	0
Disbursements	183,684	285,560	353,936	435,538	523,333
Disbursements growth (%)	527.3	55.5	23.9	23.1	20.2
Loan growth (%)	0.0	6.3	18.7	24.1	26.1
AUM growth (%)	(1.8)	7.6	16.1	24.3	26.3
Borrowings growth (%)	(5.1)	9.4	21.3	27.3	27.8
Book value growth (%)	0.0	(11.1)	3.7	5.6	8.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	11.2	(43.7)	14.2	9.1	6.0
P/B (x)	0.8	0.9	0.8	0.8	0.7
P/ABV (x)	0.0	0.8	0.8	0.8	0.7
P/PPOP (x)	3.0	4.6	2.8	2.0	1.4
Dividend yield (%)	3.7	1.1	2.8	4.3	6.6
Dupont-RoE split (%)					
NII/avg AUM	5.9	4.5	5.5	5.6	5.6
Other income	2.0	3.0	3.5	3.7	3.9
Securitization income	0.0	0.0	0.0	0.0	0.0
Opex	2.1	2.6	2.7	2.5	2.2
Employee expense	1.4	2.0	2.1	2.0	1.8
PPOP	4.4	2.8	4.2	4.8	5.5
Provisions	8.2	6.1	1.8	1.8	1.7
Tax expense	0.0	25.7	25.7	25.7	25.7
RoAUM (%)	15.4	(2.5)	1.9	2.5	3.0
Leverage ratio (x)	2.6	2.8	3.2	3.6	4.3
RoE (%)	0.0	(1.9)	6.0	9.0	12.8

Quarterly data

Rs mn, Y/E Mar	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
NII	9,297	6,897	7,394	8,281	7,338
NIM+Fees(%)	7.2	0.9	6.6	6.6	6.4
PPOP	4,660	3,586	4,125	3,905	2,747
PAT	(1,959)	5,088	482	(23,776)	1,371
EPS (Rs)	(8.21)	(4.30)	4.72	50.17	(99.50)

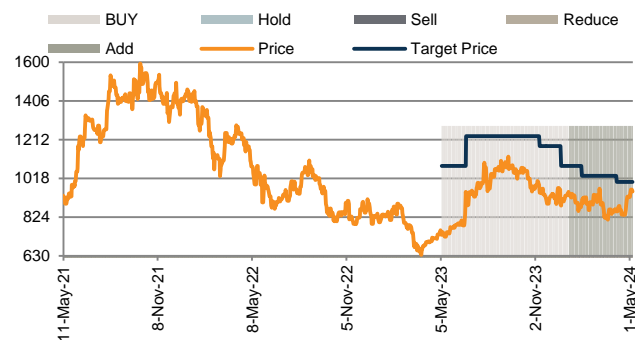
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
06-Apr-24	852	1,000	Add	Avinash Singh
30-Jan-24	894	1,030	Add	Avinash Singh
05-Jan-24	940	1,080	Add	Avinash Singh
21-Dec-23	882	1,080	Buy	Avinash Singh
30-Nov-23	926	1,180	Buy	Avinash Singh
22-Nov-23	915	1,180	Buy	Avinash Singh
10-Nov-23	946	1,180	Buy	Avinash Singh
28-Aug-23	1,107	1,230	Buy	Avinash Singh
30-Jul-23	1,073	1,230	Buy	Avinash Singh
08-Jul-23	927	1,230	Buy	Avinash Singh
22-Jun-23	929	1,230	Buy	Avinash Singh
06-May-23	735	1,080	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
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