

PIEL reported yet another quarter of 'glass half empty or half full' results. The continued growth in retail and Wholesale 2.0 AUM with stable asset quality, continued rundown of the legacy Wholesale book (without incremental credit cost), and the continued decline in Opex-to-AUM endorses the progress it has been making. However, the lower fee income (owing to shift in accounting to amortization of fee income), lower-than-expected realization from written-off AIF investments, increased interest cost owing to rising cost of funds, and increased borrowing led to a disappointing show on profitability. Overall, Q1FY25 marks another quarter of 'gradual' progress toward 'Piramal 2.0'; even the Rs2.6bn write-off on land was out of management overlay of Rs9.46bn and was on account of disposal of the land asset. Looking ahead: i) On Rs130bn legacy assets there is a Rs20bn provision (does not include management overlay of Rs6.86bn), there is also the likelihood of recovery of Rs20bn from AIFs and Rs30-40bn from investments. ii) Retail and Wholesale 2.0 book is well on track to reach Rs1.25trn by FY27. To reflect Q1 developments, we adjust our estimates and reiterate our ADD rating with unchanged Jun-25E TP of Rs1,000/share (implying Jun-26E 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)	11,120	15,935	25,638
AUM growths (%)	(1.8)	5.0	19.4	24.3	25.5
NII growths (%)	15.4	(21.9)	29.8	27.8	29.4
NIMs (%)	6.3	5.3	6.0	6.5	6.8
PPOP growth (%)	15.2	(34.5)	(4.0)	61.2	55.0
Adj. EPS (Rs)	79.7	(20.5)	13.9	48.7	91.9
Adj. EPS growth (%)	149.3	(125.7)	(167.8)	250.4	88.7
Adj. BV (INR)	1,158.1	1,029.9	1,064.6	1,114.3	1,194.1
Adj. BVPS growth (%)	0.0	(11.1)	3.4	4.7	7.2
RoA (%)	0.0	(0.6)	0.4	1.1	2.2
RoE (%)	0.0	(7.0)	4.7	6.5	9.9
P/E (x)	11.1	(43.1)	63.5	18.1	9.6
P/ABV (x)	0.0	0.9	0.8	0.8	0.7

Source: Company, Emkay Research

Good performance in terms of growth, asset quality, and credit cost

PIEL reported a good quarter with growth AUM of Rs576bn (total AUM Rs705bn) registering sequential growth of 6% (51% YoY) along with stable asset quality and credit cost. Margin remained under pressure with NIM of 6.7%, declining by 30bps QoQ owing to increased borrowings, and the management expects pressure to continue over the next 2 quarters. Net Credit cost in Q1FY25 was 1.3% (gross 1.6%) and remained in a comfortable range. The improvement in credit cost was on account of annual recalibration in the ECL model. The company has reduced the PCR on combined Stage-1 by 70bps (1.9% from 2.6% in Q4FY24) and has increased the coverage ratio of its retail Stage-2 asset (from 3.3% to 11.8%). In Q1FY25, AIF recovery was ~Rs1.03bn which offset the loss on the wholesale book. In terms of asset quality and legacy book, the management highlighted that the wholesale book has not witnessed any slippage since FY22, whereas the legacy book continues to rundown. In the current quarter, the company has sold one land and utilized ~Rs2.6bn of management overlay against it.

'Gradual' progress toward FY28 goals continues, but not without speed breakers

With continuous rundown of its Wholesale 1.0 and strong growth in Wholesale 2.0 books and retail loans, PIEL is progressing well toward its objective of doubling its book by FY28 (from FY24), and the management indicated that it aspires to bring down the proportion of its legacy book to 10% by end-FY25. In terms of credit cost we don't expect any negative surprise as the management holds management overlay of Rs6.86bn and have taken a substantial haircut already, whereas recoveries from the AIF is treated as an exceptional item (the management expects a recovery of ~Rs10bn in FY25). The management indicated that margins are expected to remain under pressure for next 2-3 quarters on account of increased borrowings and shift in asset mix due to regulatory pressure, though it expects margins to be supported by increasing share of its cross sell and fee income. Considering the overall progress so far, we believe a 3% ROA is possible but would take some time (the management expects to deliver 3-3.5% ROA by FY28).

We adjust our estimates to reflect Q1 developments; reiterate ADD

To reflect Q1 developments and the management commentary on growth, profitability, accounting adjustment, and the legacy book rundown, we adjust our FY25-27 estimates leading to material cut in our adjusted earnings estimates as we move the AIF recovery amount below adjusted earnings. We value PIEL at 0.8x Jun-26E P/B on core lending business network to arrive at our TP of Rs1,000/sh; maintain ADD. We don't ascribe any value to the various investments including the one in Shriram Insurance entities.

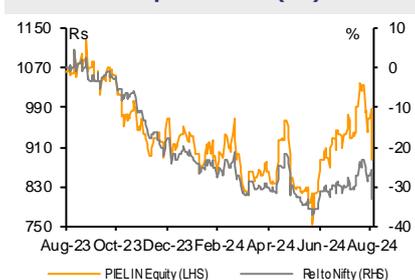
Target Price – 12M	Jun-25
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	13.3
CMP (14-Aug-24) (Rs)	882.4

Stock Data	Ticker
52-week High (Rs)	1,140
52-week Low (Rs)	737
Shares outstanding (mn)	225.5
Market-cap (Rs bn)	199
Market-cap (USD mn)	2,370
Net-debt, FY25E (Rs mn)	6,959
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	1,470.3
ADTV-3M (USD mn)	17.5
Free float (%)	56.0
Nifty-50	24,144
INR/USD	83.9
Shareholding, Jun-24	
Promoters (%)	46.0
FPIs/MFs (%)	16.2/13.4

Price Performance

(%)	1M	3M	12M
Absolute	(5.9)	6.3	(13.9)
Rel. to Nifty	(4.5)	(2.2)	(30.7)

1-Year share price trend (Rs)



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Exhibit 1: Actual vs Estimates

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY	QoQ	Estimate	Variation
Total AUM	639,380	669,320	672,830	688,460	705,760	10.4%	2.5%	692,657	1.9%
Disbursement (Retail)	57,070	62,460	76,920	89,100	68,160	19.4%	-23.5%	97,921	-30.4%
NII	6,897	7,394	8,281	7,338	7,324	6.2%	-0.2%	7,990	-8.3%
Total Income	9,951	10,878	11,027	10,812	9,492	-4.6%	-12.2%	11,875	-20.1%
Opex	6,366	6,753	7,122	8,065	7,119	11.8%	-11.7%	8,215	-13.3%
PPoP	3,586	4,125	3,905	2,747	2,373	-33.8%	-13.6%	3,659	-35.1%
Provision	3,090	3,600	2,586	33,203	1,007	-67.4%	-97.0%	2,057	-51.0%
PBT	496	526	1,319	-30,456	1,366	175.6%	-104.5%	1,602	-14.7%
PAT	5,088	482	-23,776	1,371	1,815	-64.3%	32.4%	1,339	35.5%
Adj. PAT	-1,025	1,125	11,622	-22,351	778	-175.9%	-103.5%	1,339	-41.9%
Credit Cost (reported)	0.8%	1.2%	1.6%	1.2%	1.6%	80bps	40bps	1.2%	41bps
GNPA	2.8%	2.7%	2.4%	2.4%	2.7%	-9bps	30bps	2.2%	50bps
NNPA	1.5%	1.5%	1.1%	0.8%	1.1%	-37bps	30bps	0.8%	30bps

Source: Company, Emkay Research

Exhibit 2: Change in estimate

Y/E Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
AUM	798,180	802,511	0.5%	992,198	997,444	0.5%	1,253,114	1,252,201	-0.1%
Disbursement - Retail	353,936	354,136	0.1%	435,538	435,770	0.1%	523,333	523,766	0.1%
Net interest income	40,598	38,552	-5.0%	49,793	49,263	-1.1%	63,188	63,747	0.9%
Total Income	66,560	52,289	-21.4%	83,297	68,097	-18.2%	107,451	89,536	-16.7%
PPOP	30,897	17,812	-42.3%	42,926	28,715	-33.1%	61,740	44,517	-27.9%
Provisions	13,380	12,383	-7.5%	15,666	14,768	-5.7%	19,085	17,511	-8.2%
PBT	19,054	14,967	-21.5%	29,760	21,447	-27.9%	45,156	34,506	-23.6%
PAT	14,157	11,120	-21.5%	22,112	15,935	-27.9%	33,551	25,638	-23.6%
Adj. PAT	14,157	3,120	-78.0%	22,112	10,935	-50.5%	33,550	20,638	-38.5%
Adj. EPS (Rs)	63.0	13.9	-78.0%	98.4	48.7	-50.5%	149.3	91.9	-38.5%
BVPS (Rs)	1,068	1,065	-0.3%	1,128	1,114	-1.2%	1,218	1,194	-2.0%
Networth	274,149	273,354	-0.3%	287,549	284,509	-1.1%	307,881	302,455	-1.8%
NIM + Fees	6.5%	6.0%	-44bps	6.7%	6.5%	-24bps	6.9%	6.8%	-11bps
Cost-to-income ratio	53.6%	65.9%	1235bps	48.5%	57.8%	937bps	42.5%	50.3%	774bps
Opex-to-AUM	4.8%	4.6%	-17bps	4.5%	4.4%	-13bps	4.1%	4.0%	-7bps
Credit costs (bps)	180	166	-14bps	175	164	-11bps	170	156	-14bps
ROA	1.9%	1.5%	-42bps	2.5%	1.8%	-70bps	3.0%	2.3%	-71bps
ROE	6.0%	4.7%	-128bps	9.0%	6.5%	-245bps	12.7%	9.9%	-284bps
Loan book growth	15.9%	16.6%	63bps	24.3%	24.3%	-2bps	26.3%	25.5%	-76bps

Source: Company, Emkay Research; Note: Due to change in accounting policy, recoveries from AIF is treated as exceptional item and is not forming part of other income or netted off from credit cost

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Exhibit 3: Quarterly snapshot

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY Chg	QoQ Chg
Net Interest Income	6,897	7,394	8,281	7,338	7,324	6.2%	-0.2%
Other Income	3,054	3,484	2,746	3,474	2,169	-29.0%	-37.6%
Total Income	9,951	10,878	11,027	10,812	9,492	-4.6%	-12.2%
Operating Expenses	6,366	6,753	7,122	8,065	7,119	11.8%	-11.7%
Operating Profit	3,586	4,125	3,905	2,747	2,373	-33.8%	-13.6%
Provisions	3,090	3,600	2,586	33,203	1,007	-67.4%	-97.0%
Credit Cost (calc.)	1.9%	2.2%	1.5%	19.5%	0.6%	-135bps	-1,893bps
Credit cost (reported)	0.8%	1.2%	1.6%	1.2%	1.6%	80bps	40bps
PBT	496	526	1,319	-30,456	1,366	NA	NA
Tax	1,732	107	-9,575	-8,212	665	NA	NA
Tax rate	349.2%	20.4%	NA	NA	48.6%	NA	NA
Share of net profit of associates and JV	211	707	728	-108	76	-64.0%	-170.1%
Exceptional Items (net of tax)	6,113	-643	-35,398	23,722	1,037	-83.0%	-95.6%
PAT	5,088	482	-23,776	1,371	1,815	-64.3%	32.4%
Adj. PAT	-1,025	1,125	11,622	-22,351	778	-175.9%	-103.5%
Disbursements - Retail	57,070	62,460	76,920	89,100	68,160	19.4%	-23.5%
Total AUM	639,380	669,320	672,830	688,460	705,760	10.4%	2.5%
Networth	308,440	287,100	263,760	265,570	268,630	-12.9%	1.2%
GS3	2.3%	2.3%	2.1%	2.1%	2.4%	9bps	28bps
NS3	1.3%	1.3%	1.0%	0.8%	1.0%	-25bps	23bps
PCR (on stage 3 only)	48.0%	46.6%	54.7%	65.3%	60.0%	1199bps	-535bps

Source: Company, Emkay Research

Exhibit 4: SOTP valuation

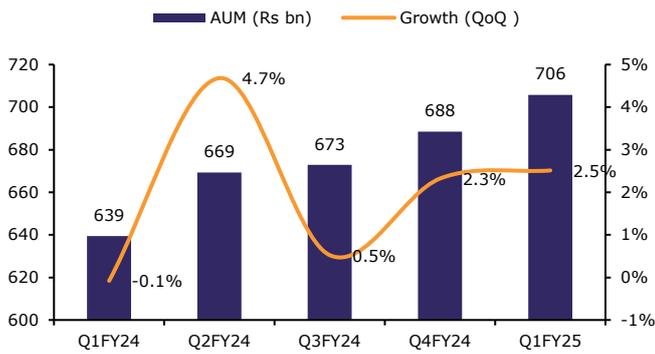
Business unit	Valuation Methodology	Multiple	Stake	Factor value	Holdco discount	Value	Value per share	Contribution to TP
Financial Services Business	Price to Book (Jun-26 E)	0.8	100%	274,996	0%	219,996	1,000	100%
Shriram Insurance*	Fair Value	0.0	100.0%	34,192	25%	0	0	0%
AIF	Book value of equity allocated	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						219,996	1,000	

Source: Company, Emkay Research Note:* Effective ownership in Shriram General: 13.33%; in Shriram Life: 14.91%; we don't ascribe any value to Shriram investment as we expect that proceeds of this investment will be used toward rundown of legacy book

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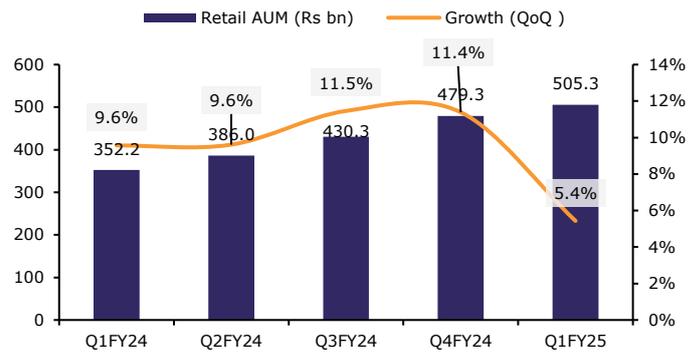
Result in charts

Exhibit 5: Strong growth momentum in Wholesale 2.0 and retail continues



Source: Company, Emkay Research

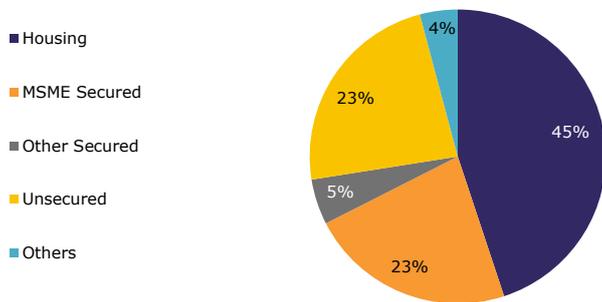
Exhibit 6: In Q1FY25, the Used car segment witnessed the highest growth



Source: Company, Emkay Research

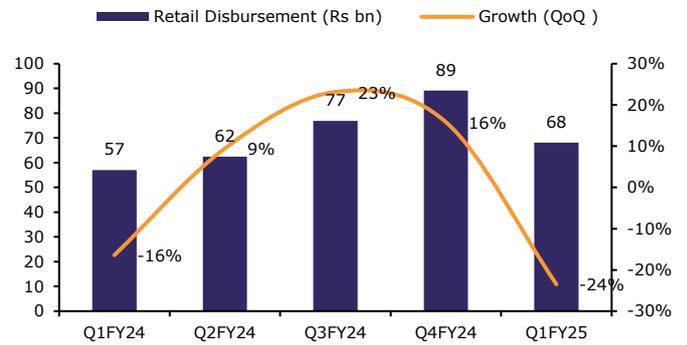
Exhibit 7: Mortgage form ~67% of the Retail AUM

Retail AUM mix Q1FY25



Source: Company, Emkay Research

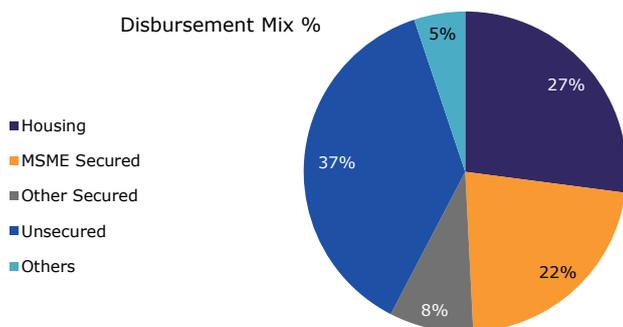
Exhibit 8: Retail disbursement



Source: Company, Emkay Research

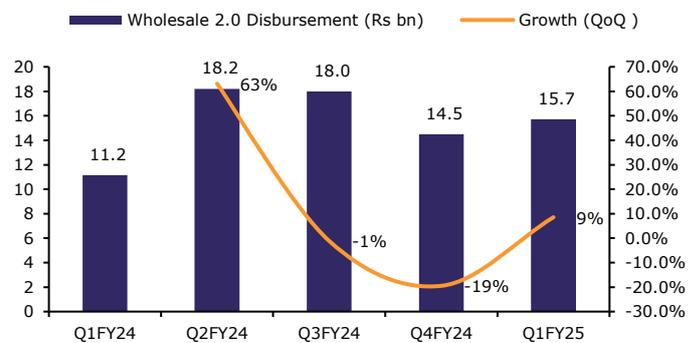
Exhibit 9: Retail disbursement mix

Disbursement Mix %



Source: Company, Emkay Research

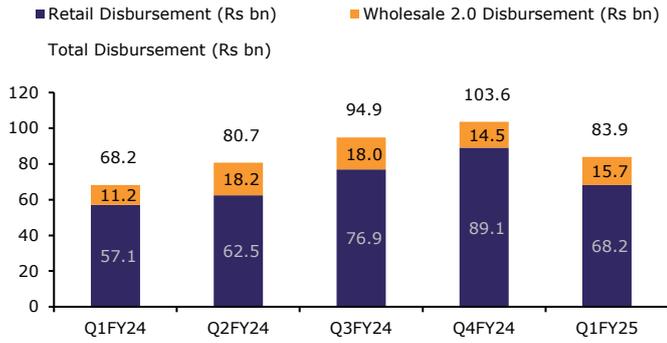
Exhibit 10: Strong disbursement growth



Source: Company, Emkay Research

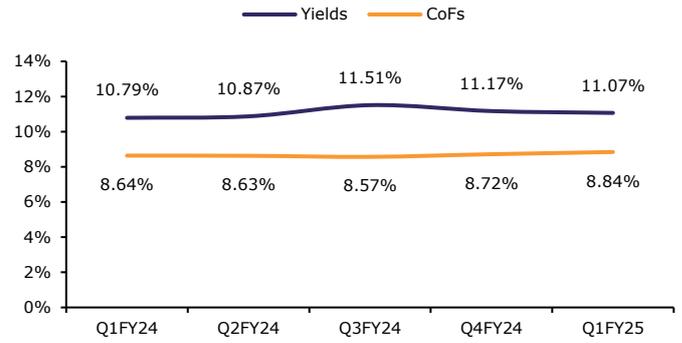
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Exhibit 11: Disbursement remained robust for growth loan book



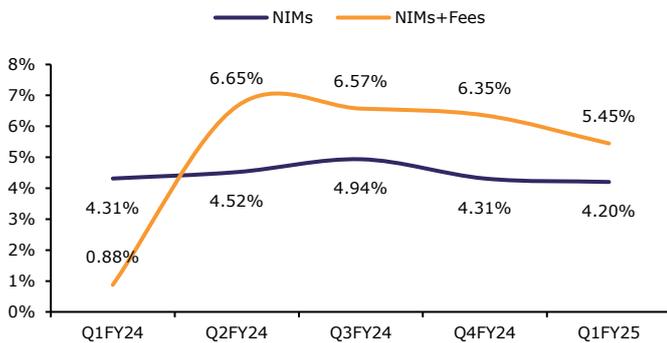
Source: Company, Emkay Research

Exhibit 12: Yield moderated on account of increase in share of mortgage book



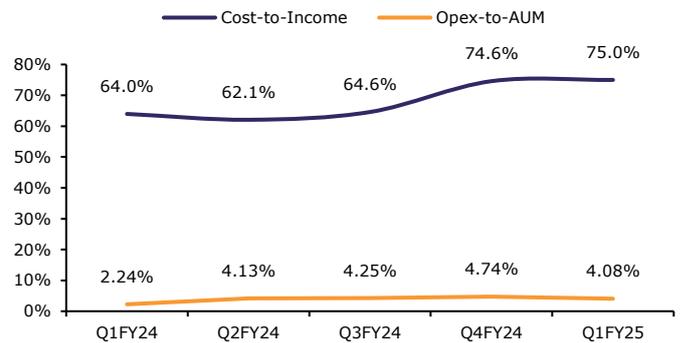
Source: Company, Emkay Research

Exhibit 13: Margin impacted on account of increased borrowings



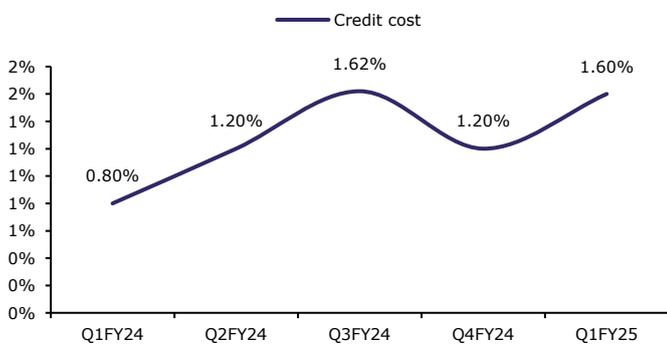
Source: Company, Emkay Research

Exhibit 14: Cost-to-income remained elevated



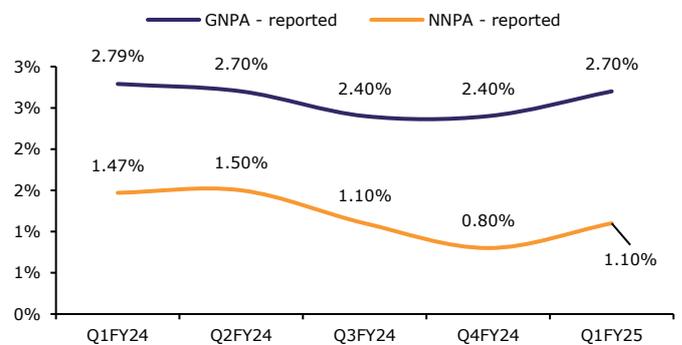
Source: Company, Emkay Research

Exhibit 15: Reported credit



Source: Company, Emkay Research

Exhibit 16: Asset quality impacted on account of seasonality

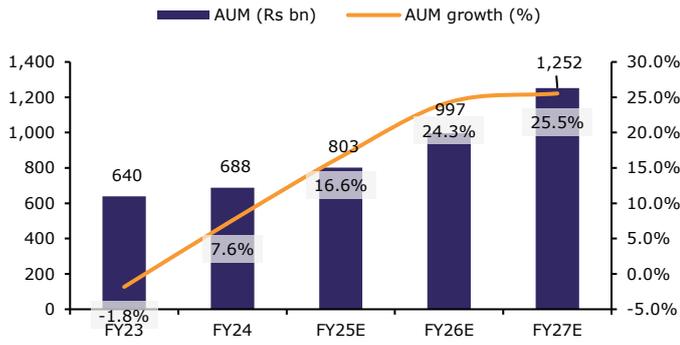


Source: Company, Emkay Research

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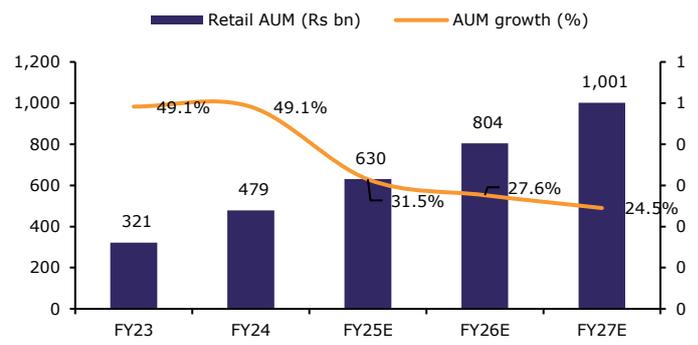
Story in charts

Exhibit 17: Robust AUM growth



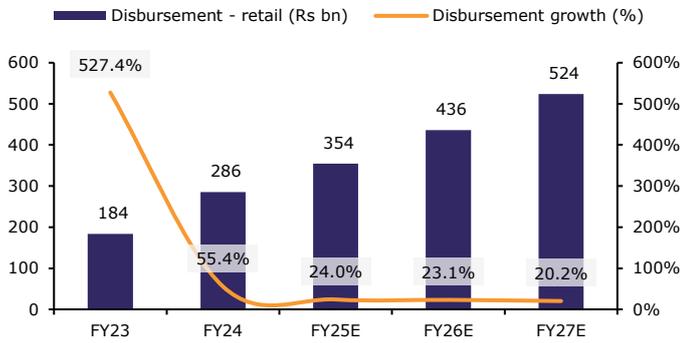
Source: Company, Emkay Research

Exhibit 18: Retail AUM to grow above 25%



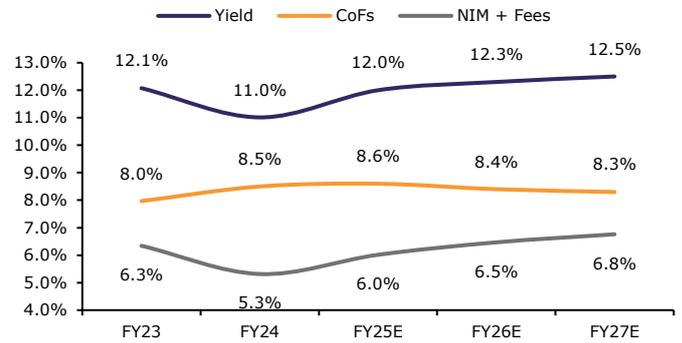
Source: Company, Emkay Research

Exhibit 19: Robust disbursement across product segment



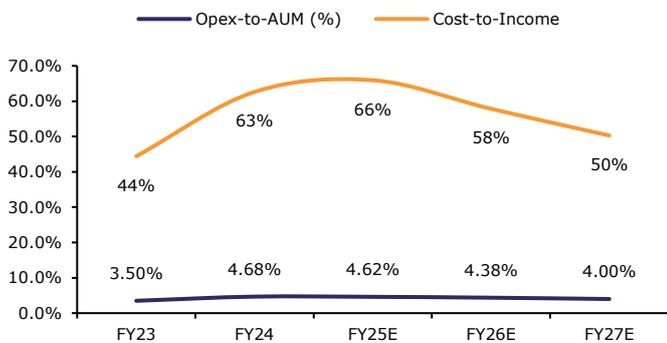
Source: Company, Emkay Research

Exhibit 20: Margin improvement led by improved product mix and moderating CoFs



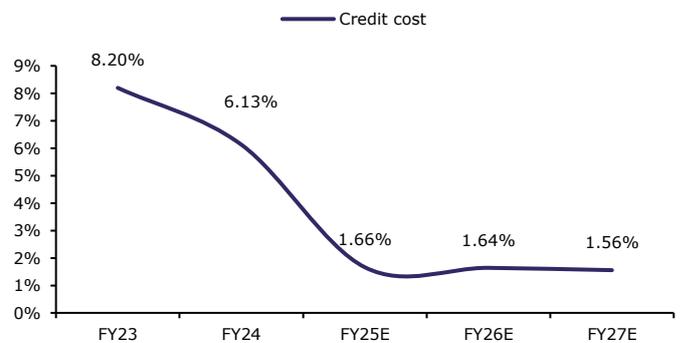
Source: Company, Emkay Research

Exhibit 21: Opex to moderate on account of improved efficiency



Source: Company, Emkay Research

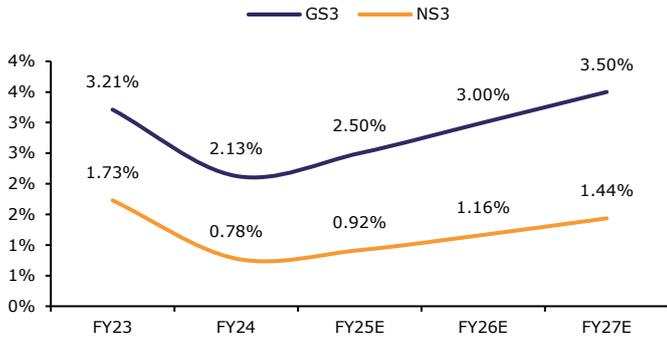
Exhibit 22: Credit cost to remain range bound at 1.5-2%



Source: Company, Emkay Research

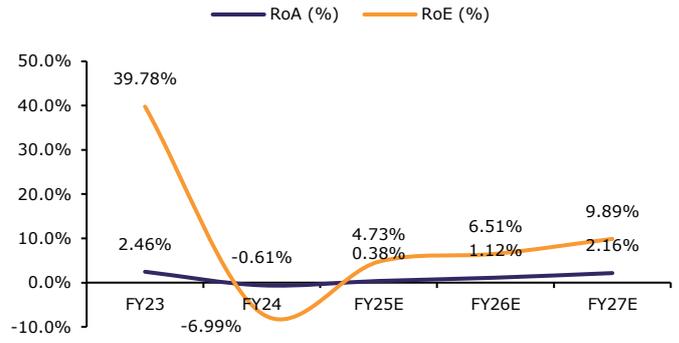
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Exhibit 23: Asset quality to remain stable



Source: Company, Emkay Research

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



Source: Company, Emkay Research

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Management call highlights

- The management indicated that the company has sustained momentum of its growth book, comprising of Retail and Wholesale 2.0. While the rundown of the legacy book (wholesale 1.0) continues. The share of growth book has increased to 82% in Q1FY25 vs 34% in FY22.
- Overall NIM for the growth business stood at 6.7% (vs 7% in Q4), impacted on account of higher borrowings. While Opex-to-AUM witnessed improvement of 104bps YoY, the management guided for Opex-to-AUM to moderate further and stabilize at 3.5-4% levels.
- The management indicated that asset quality remained resilient with 90+ delinquency contained at 0.6% vs 0.8% during the same period a year ago. The management also highlighted that Wholesale 2.0 has not seeing any delinquency so far.
- Gross credit cost in Q1FY25 stood at 1.6% (net credit cost at 1.3%).
- Legacy book has come down to ~Rs129.8bn, declining 11% sequentially. The management aspires to bring it down to 10% by end of FY25.
- Change in regulatory instructions from the regulator had a temporary impact of Rs2.6bn on disbursements in housing and LAP segment. The management has consciously calibrated the disbursement of its unsecured business, thus impacting overall disbursements.
- With the changing market dynamics, the management has slowed down its disbursement of Digital Loan.
- Cross sell stood at 7.4% of the disbursement in Q1 and is expected to see further improvement going forward.
- Wholesale 2.0 is performing well and has not seen any delayed payment since FY22. Repayments in Q1 was ~Rs8.5bn and ATS of this book is ~Rs740mn.
- CoFs in Q1FY25 remained flat at ~8.9% and the company will continue to focus on diversifying its borrowing mix, including securitization and foreign borrowings. ALM remains well-matched with positive gaps across all buckets.
- Increase in PCR on Stage 2 of retail assets is a call that the management took despite PD and LGD coming down (this is expected to strengthen the balance sheet). The management highlighted that this strategic move would result in strengthening the overall balance sheet. On the Wholesale provisioning front, the management informed that Rs2.6bn (management overlay) is a write-off of one land asset sold out of the legacy book.
- The company has taken a rake hike of ~25bps in August and there has been a change in mix within the secured product with increasing share of higher-yield product. The management indicated that margins is expected to remain under pressure for next 2-3 quarters on account increased borrowings/CoFs.
- PIEL is witnessing some pressure on MFI loans compared to its BL segment, and this segment forms a smaller part of the overall portfolio, so the overall impact is limited.
- Gain on recovery from AIF is expected to be ~Rs10bn in current FY. SR book saw reduction of ~Rs3bn in Q1FY25 and the management is working on resolution of these assets.
- In Q1FY25, the management indicated the loss (Rs1bn) from Wholesale 1.0 was offset by recoveries from AIF (Rs1.03bn) and going forward the management expects the recoveries to be higher than the loss from the legacy book.
- In Q1, the management has changed the accounting policy of Fees income which has an impact of ~Rs600mn on the fee income in Q1FY25.
- Opex is expected to moderate to 3.5-4% levels as the branch vintages and productivity improves. Also, the management highlighted that while opening a new branch, they only offer mortgage product initially and even today not all branches have all the products.

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Piramal Enterprises: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	77,986	73,139	89,458	110,697	140,603
Interest Expense	39,943	43,439	50,907	61,435	76,856
Net interest income	38,043	29,700	38,552	49,263	63,747
NII growth (%)	15.4	(21.9)	29.8	27.8	29.4
Non interest income	12,881	19,938	13,737	18,834	25,789
Total income	50,924	49,638	52,289	68,097	89,536
Operating expenses	22,617	31,085	34,476	39,382	45,018
PPOP	28,307	18,553	17,812	28,715	44,517
PPOP growth (%)	15.2	(34.5)	(4.0)	61.2	55.0
Provisions & contingencies	52,951	40,715	12,383	14,768	17,511
PBT	(24,643)	(22,162)	5,430	13,947	27,006
Extraordinary items	80,663	(12,159)	8,000	5,000	5,000
Tax expense	(39,781)	(15,949)	3,846	5,512	8,868
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)	11,120	15,935	25,638
PAT growth (%)	0.0	(116.9)	(166.1)	43.3	60.9
Adjusted PAT	19,023	(4,676)	3,120	10,935	20,638
Diluted EPS (Rs)	79.7	(20.5)	13.9	48.7	91.9
Diluted EPS growth (%)	149.3	(125.7)	(167.8)	250.4	88.7
DPS (Rs)	33.0	10.0	14.9	21.3	34.2
Dividend payout (%)	0.0	(0.5)	0.3	0.3	0.3
Effective tax rate (%)	0.0	0.0	25.7	25.7	25.7
Net interest margins (%)	6.3	5.3	6.0	6.5	6.8
Cost-income ratio (%)	44.4	62.6	65.9	57.8	50.3
PAT/PPOP (%)	352.2	(90.7)	62.4	55.5	57.6
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	20,063	29,923	43,827
NNPL - Stage 3	10,380	4,960	6,959	10,977	16,955
GNPL ratio - Stage 3 (%)	3.2	2.1	2.5	3.0	3.5
NNPL ratio - Stage 3 (%)	1.7	0.8	0.9	1.2	1.4
ECL coverage - Stage 3 (%)	49.5	65.3	65.3	63.3	61.3
ECL coverage - 1 & 2 (%)	4.9	3.9	3.9	3.8	3.7
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	1.7	1.6	1.6
NNPA to networth (%)	3.3	1.9	2.5	3.9	5.6
Capital adequacy					
Total CAR (%)	43.6	35.5	32.4	28.5	25.0
Tier-1 (%)	42.4	34.2	31.2	27.3	23.7
Miscellaneous					
Total income growth (%)	38.2	(2.5)	5.3	30.2	31.5
Opex growth (%)	84.1	37.4	10.9	14.2	14.3
PPOP margin (%)	4.4	2.8	2.4	3.2	4.0
Credit costs-to-PPOP (%)	187.1	219.5	69.5	51.4	39.3
Loan-to-Assets (%)	75.1	79.8	82.3	85.9	88.0
Yield on loans (%)	12.1	11.0	12.0	12.3	12.5
Cost of funds (%)	8.0	8.5	8.6	8.4	8.3
Spread (%)	4.1	2.5	3.4	3.9	4.2

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	272,905	284,060	302,006
Net worth	310,590	265,570	273,354	284,509	302,455
Borrowings	495,828	534,020	650,034	812,917	1,039,327
Other liabilities & prov.	0	0	0	0	0
Total liabilities & equity	806,418	799,590	923,388	1,097,426	1,341,782
Net loans	600,250	637,900	759,513	942,326	1,181,243
Investments	85,720	42,450	42,450	42,450	42,450
Cash, other balances	74,300	62,470	61,921	50,138	52,270
Interest earning assets	760,270	742,820	863,884	1,034,914	1,275,963
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	923,388	1,097,426	1,341,782
BVPS (Rs)	1,158.1	1,029.9	1,064.6	1,114.3	1,194.1
Adj. BVPS (INR)	1,158.1	1,029.9	1,064.6	1,114.3	1,194.1
Gross loans	639,890	672,190	802,511	997,444	1,252,201
Total AUM	639,890	672,190	802,511	997,444	1,252,201
On balance sheet	0	0	0	0	0
Off balance sheet	0	0	0	0	0
Disbursements	183,684	285,560	354,136	435,770	523,766
Disbursements growth (%)	527.3	55.5	24.0	23.1	20.2
Loan growth (%)	0.0	6.3	19.1	24.1	25.4
AUM growth (%)	(1.8)	5.0	19.4	24.3	25.5
Borrowings growth (%)	(5.1)	9.4	21.7	25.1	27.9
Book value growth (%)	0.0	(11.1)	3.4	4.7	7.2

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	11.1	(43.1)	63.5	18.1	9.6
P/B (x)	0.8	0.9	0.8	0.8	0.7
P/ABV (x)	0.0	0.9	0.8	0.8	0.7
P/PPOP (x)	3.1	4.8	5.0	3.1	2.0
Dividend yield (%)	3.7	1.1	1.7	2.4	3.9
Dupont-RoE split (%)					
NII/avg AUM	5.9	4.5	5.2	5.5	5.7
Other income	2.0	3.0	1.8	2.1	2.3
Securitization income	0.0	0.0	0.0	0.0	0.0
Opex	2.1	2.6	2.4	2.3	2.1
Employee expense	1.4	2.0	2.2	2.1	1.9
PPOP	4.4	2.8	2.4	3.2	4.0
Provisions	8.2	6.1	1.7	1.6	1.6
Tax expense	0.0	0.0	25.7	25.7	25.7
RoAUM (%)	15.4	(2.6)	1.5	1.8	2.3
Leverage ratio (x)	2.6	2.7	3.1	3.7	4.3
RoE (%)	0.0	(7.0)	4.7	6.5	9.9
Quarterly data					
Rs mn, Y/E Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
NII	6,897	7,394	8,281	7,338	7,324
NIM(%)	0.9	6.6	6.6	6.4	5.4
PPOP	3,586	4,125	3,905	2,747	2,373
PAT	5,088	482	(23,776)	1,371	1,815
EPS (Rs)	(4.30)	4.72	11.05	(99.50)	3.46

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
04-Jul-24	946	1,000	Add	Avinash Singh
05-Jun-24	787	1,000	Add	Avinash Singh
09-May-24	816	1,000	Add	Avinash Singh
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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REDUCE	5% upside to 15% downside
SELL	<15% downside

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