17 October 2025
2QFY26 Results Update | Sector: Financials

Piramal Finance

Bloomberg	PIEL IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	254.8 / 2.9
52-Week Range (INR)	1356 / 848
1, 6, 12 Rel. Per (%)	-5/5/5
12M Avg Val (INR M)	855

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
PPOP	15.8	20.3	37.5
PAT	4.8	14.4	24.1
PAT (ex-exceptional)	4.8	4.0	22.1
EPS	22	64	107
EPS Gr. (%)	-	196	68
BV/Sh. (INR)	1,202	1,255	1,346
RoA (%)	0.5	1.4	1.9
RoE (%)	1.8	5.2	8.2
Valuation			
P/E (x)	52.3	17.7	10.5
P/BV (x)	0.9	0.9	0.8
Dividend yield (%)	1.0	1.4	2.3

Shareholding pattern (%)

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

FII includes depository receipts

CMP: INR1,124 TP: INR1,460 (+30%) Upgrade to Buy

Predictability returns, profitability builds - Upgrade to BUY

Legacy book wind-down nears end; retail engine providing growth visibility

The earnings volatility seen during the transition period is now comfortably behind, with the legacy wholesale portfolio largely run down and a retail-dominated book driving consistency in performance. Improved NIMs, sustained cost efficiencies, and stable asset quality underpin a visible improvement in the RoA trajectory. The company's retail transformation, supported by sharper underwriting, AI-driven productivity gains, and calibrated risk-taking, is now translating into steady growth and profitability. With the balance sheet cleanup nearing completion and growth visibility improving across core segments, we see a compelling risk-reward at current valuations. We upgrade Piramal Finance (PIEL) to **BUY** with a revised **TP of INR 1,460**, as the company consolidates its position as a stable, retail-focused lender.

- PIEL reported 2QFY26 net profit of ~INR3.3b (PQ: ~INR2.8b). NII in 2QFY26 rose ~31% YoY to ~INR10.2b. PPOP grew ~37% YoY and stood at ~INR4.3b (PY: INR3.2b). Opex to AUM for the company's retail business declined to ~3.9% (PQ: 4.2%).
- The company recorded an exceptional expense of INR810m in 2QFY26, of which 1) INR600m was related to amalgamation costs, and 2) as part of the sale agreement, the company has provided INR210m towards compensation for tax matters pertaining to earlier years for Piramal Imaging.
- Consol. NIMs expanded ~20bp QoQ to 6.1% (PQ: 5.9%). Growth to Legacy AUM mix improved to 94%:6% in Sep'25 from 34%:66% as of Mar'22.
- Total AUM grew 22% YoY and 6.6% QoQ to INR914b. Wholesale 2.0 AUM grew ~43% YoY to INR113b, while Wholesale 1.0 AUM declined ~55% YoY/14% QoQ to INR54b. The company reiterated that it would look to run down its legacy wholesale book to ~INR30b by end-FY26.
- PIEL is now more confident in its retail-focused strategy, with legacy challenges largely behind it. We believe that the phase of earnings volatility is now comfortably behind, and that there will be no negative surprises or volatile quarters going forward. With the legacy wholesale book expected to be largely addressed/run down by end-FY26, the portfolio will increasingly shift toward a stable, retail-dominated mix. Consequently, we now expect PIEL to exhibit a more predictable and consistent earnings trajectory.
- The company is prioritizing RoA enhancement through multiple structural levers such as NIM expansion (with a better product mix and a decline in CoB), better operating efficiency, and improvement in the fee income profile.
- AI-driven efficiencies have helped the company lower its long-term opex-to-AUM guidance by ~25bp to 3.25-3.5%. The company has provided a positive outlook, guiding for significant growth in PAT and AUM till FY30. It guided for a scale-up in AUM to ~INR1.5t+ by FY28 and INR2t+ by FY30 (AUM CAGR of ~20-25% over FY25-30). On profits, it guided for PAT of ~INR13b-15b in FY26, ~INR45b by FY28, and ~INR65b by FY30.

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- **We estimate a total AUM CAGR of ~23% over FY25-FY28 and RoA/RoE of 2.7%/12.5% by FY28E. We upgrade our rating on the stock to BUY with a revised TP of INR1,460 (based on Sep'27E SOTP).**

Highlights from the management commentary

- Management shared that the company remains selective in wholesale lending, focusing on plain-vanilla operating loans (target yields ~14%) while avoiding structured, high-risk deals.
- The company expects internal accruals and capital releases from the legacy portfolio to adequately fund growth through FY27; any capital raise decision will be evaluated thereafter.
- The company indicated that it continues to actively engage with credit rating agencies, and noted that the ongoing improvement in profitability and risk profile could pave the way for a potential credit rating upgrade.

Strong retail loan growth of ~36% YoY; retail mix stable QoQ

- Retail AUM grew ~36% YoY to INR747b with its share in the loan book rising to ~82% (PQ: 80%).
- Retail disbursements grew ~36% YoY to INR110b. Disbursement growth was strong sequentially across all major product segments. Disbursement momentum accelerated sequentially in UBL and digital loans while salaried PL maintained earlier strong momentum.
- Management indicated that unsecured business loans (UBL) and used car finance remain segments requiring closer monitoring. While asset quality in these portfolios has remained stable, there has been no visible improvement during the quarter. In contrast, the company highlighted a sequential improvement in the performance of its MFI and digital loan portfolios.

Asset quality stable; credit costs (after adjusting for ECL re-balance) flat QoQ

- GS3 improved ~25bp QoQ to ~2.6%, while NS3 declined ~20bp QoQ to 1.8%. Stage 3 PCR was stable QoQ at ~29.4%.
- 90+ dpd remains steady at 0.8% for overall retail AUM. Growth business (Retail and Wholesale 2.0) gross credit costs rose ~30bp QoQ to 1.8% (PQ: ~1.5%). The sequential increase is because 1QFY26 had a net positive impact of ~36bp on credit costs due to ECL rebalancing. Total ECL/EAD declined ~30bp QoQ to ~2.1% of the AUM.
- Management shared that credit risk in the unsecured MSME and business loans segment, which peaked in Oct/Nov'24, has not come down from those levels but has also not deteriorated further. The company shared that it expects the micro-LAP segment to remain under stress for a couple of quarters before improving.
- Capital adequacy (CRAR) rose to ~20.7% (vs ~19.3% at Jun'25).

Valuation and view

- PIEL reported a healthy operational performance during the quarter, led by strong growth in its retail loans and continued scale down of the legacy wholesale book, which now accounts for <6% of total AUM. Asset quality remained broadly stable across key product segments, leading to stable credit costs. With rising retail traction and a better funding mix, NIM expanded further, reinforcing the shift toward a more stable and profitable lending model.

- Our earnings estimate for FY26 and FY27 factors in gains from the AIF exposures, deferred consideration of USD120m from the sale of Piramal Imaging, and zero tax outgo in the foreseeable future. Due to the uncertainty and unpredictability surrounding the monetization of the stake in Shriram Life and General Insurance, we have not factored it into our estimates yet. However, the eventual monetization is expected to provide one-off gains, which could help offset credit costs associated with the disposal of the residual stressed legacy wholesale AUM (of ~INR54b).
- We estimate a total AUM CAGR of ~23% and a ~26% CAGR in Retail AUM over FY25-FY28. We upgrade PIEL to BUY as we see a compelling risk-reward with the business entering a structurally stronger phase of growth and profitability. The company has largely completed its transition into a retail-focused franchise with sharper underwriting, enhanced productivity, and healthy risk-adjusted credit costs. **We upgrade our rating on the stock to BUY with a revised TP of INR1,460 (based on Sep'27E SOTP).**

Exhibit 1: SOTP valuation – Sep 2027

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	282	3.4	1,253	86	❖ 0.9x Sep'27E PBV
Shriram Group	34	0.4	151	10	❖ Based on its stake in Shriram Life/General Insurance Businesses
Life Insurance	6	0.1	26	2	
Alternatives	7	0.1	30	2	
Target Value	**329**	**3.9**	**1,460**	**100**	

Source: MOFSL, Company

Piramal: Quarterly Performance (INR m)

Y/E March	FY25				FY26E		FY25	FY26E
	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26		
Interest Income	19,285	20,804	21,888	22,636	23,934	25,852	89,090	1,06,497
Interest Expenses	12,047	13,050	13,640	14,167	14,917	15,669	53,174	64,248
Net Interest Income	**7,238**	**7,754**	**8,248**	**8,469**	**9,017**	**10,183**	**35,916**	**42,248**
YoY Growth (%)	*6.3*	*6.5*	*1.5*	*18.9*	*24.6*	*31.3*		
Other operating income	1,943	2,075	6,358	5,900	2,492	2,863	6,417	7,443
Other Income	226	870	536	1,791	509	287	3,623	3,877
Total Income	**9,407**	**10,700**	**15,142**	**16,159**	**12,018**	**13,334**	**45,956**	**53,568**
YoY Growth (%)	*-49.9*	*-7.4*	*6.0*	*20.6*	*27.8*	*24.6*		
Operating Expenses	7,034	7,534	8,002	7,843	8,145	9,007	30,143	33,315
Operating Profit	**2,373**	**3,166**	**7,140**	**8,317**	**3,873**	**4,326**	**15,814**	**20,253**
YoY Growth (%)	*-75.5*	*-35.5*	*-2.4*	*-887.2*	*63.2*	*36.6*		
Provisions & Loan Losses	1,007	2,376	6,278	8,058	1,646	1,653	10,740	17,730
Profit before Tax	**1,366**	**790**	**862**	**258**	**2,227**	**2,673**	**5,074**	**2,523**
Tax Provisions	664	272	521	136	247	-776	1,594	0
PAT (before associate income)	**702**	**518**	**340**	**122**	**1,980**	**3,449**	**3,479**	**2,523**
Associate Income	76	343	45	903	784	631	1,370	1,507
PAT (before exceptional)	**778**	**860**	**386**	**1,024**	**2,764**	**4,080**	**4,849**	**4,030**
Exceptional items	1,037	769	0	0	0	-810	0	10,320
Profit from Discontinued operations							-	-
PAT (after exceptional)	**1,815**	**1,630**	**386**	**1,024**	**2,764**	**3,270**	**4,849**	**14,350**

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

Product Segments	Products	Average disbursement ticket size (₹ lakh)	Disbursement yield	Share in disbursements	AUM yield	Share in AUM*
Housing	Affordable housing Mass affluent housing Budget housing	22.0	11.9%	25.4%	11.7%	39.6%
Secured MSME (LAP)	Micro LAP Secured business loan Loan against property (LAP) LAP plus	25.3	13.3%	29.6%	13.0%	28.5%
Used car loans	Pre-owned car loans	6.9	15.4%	7.5%	15.2%	6.4%
Business loan	Unsecured business loans (UBL)	6.6	19.4%	7.3%	19.5%	7.4%
	Microfinance loans	0.5	18.6%	3.7%	17.7%	1.2%
Salaried PL	Salaried personal loans	4.6	17.4%	14.1%	17.3%	8.6%
Digital loan	Digital purchase finance Digital personal loans Merchant BNPL	0.9	14.9%	12.4%	16.4%	4.6%
Total / weighted average		**14.8**	**14.5%**		**13.6%**	

Source: Company, MOFSL

CONFERENCE CALL

Highlights from the management commentary

Guidance

- PFL aims to double its AUM to INR1.5t+ by FY28 while maintaining RoAUM of ~3%.
- The company has guided for retail opex/AUM to be in the range of 3.25-3.75% over the medium term, driven by AI-led productivity gains and operating scale benefits.
- Cost of borrowing is expected to remain stable in 3Q and moderate by ~10bp in 4QFY26.
- The company reiterated its PAT guidance of INR13b-15b for FY26.
- The company expects internal accruals and capital releases from the legacy portfolio to adequately fund growth through FY27; any capital raise decision will be evaluated thereafter.

Financial performance

- Consolidated PAT grew 101% YoY to INR3.27b, marking the seventh consecutive quarter of profit improvement.
- Retail AUM grew 36% YoY, while Wholesale 2.0 AUM rose 43% YoY; overall AUM expanded 22% YoY.
- Cost of borrowings declined 19bp QoQ to <9% for the first time in five years, aiding a 10bp QoQ improvement in NIM for the growth business.
- Retail Opex-to-AUM improved sharply from 4.2% in 1QFY26 to ~3.9% in 2QFY26.
- Growth business credit costs stood at 1.7% (vs. 1.4% in 1QFY26) due to prior-quarter ECL rebalancing; overall asset quality remained stable.
- The company remains well on track to achieve its FY26 targets across growth, profitability, and risk parameters.

Opening remarks

- PIEL, amongst India’s fastest-growing upper-layer NBFCs, has built a loan book of INR914b, serving over 5m customers and disbursing more than 2.5m loans across underserved segments such as affordable housing, MSME, and microfinance.
- With legacy exposure now below 6%, the company has built a strong foundation to deliver sustained growth, profitability, and controlled risk over the next five years.
- The company continues to strategically expand its branch network and integrate AI-driven processes across all business functions, with 45+ AI use cases already deployed to enhance underwriting, productivity, and customer experience.
- Piramal remains under the blackout period due to the amalgamation of Piramal Finance and Piramal Enterprises and expects listing by the first week of Nov’25.

Retail Lending Segment

- Retail disbursements reached an all-time high in 2QFY26 and grew 36% YoY, driven by strong momentum in mortgages (Home Loans + LAP), which grew 37% YoY and crossed INR500b, now constituting ~68% of the retail AUM.
- Disbursements momentum accelerated sequentially in UBL and digital loans, while salaried PL maintained its strong momentum.

- Retail 90+ dpd stood steady at 0.8% and was maintained in a narrow range over the last three years. Secured lending products had a stable quarter on all metrics.
- The improvement seen in overall unsecured businesses in 4QFY25 has continued in 1Q and in 2QFY26 as well. Credit risk trends for digital and MFI improved significantly in 2QFY26.
- Unsecured business loans (UBL) and used car finance are the two segments of the loan book that need closer monitoring.
- UBL risk was stable in 2Q, even though it is at a slightly higher level as seen in FY25. Used car risk was stable QoQ after an unusual uptick seen in 1Q.
- Cross-sell penetration was 25-30% in unsecured disbursements. The company expects this number to materially improve over the coming years.
- PIEL continues to see strong traction in semi-urban LAP markets.
- While PIEL has a very small book in micro-LAP, it expects the industry stress in the micro-LAP to get worse and expects stress in this segment to persist at elevated levels for the next two quarters.
- The company plans to expand its MFI business and start a gold loan business as well. Gold loans will be grown organically and the company will share more details in 2HFY26.

Wholesale Lending (Wholesale 2.0)

- Wholesale AUM grew 43% YoY to INR112b, with ~INR20b disbursed in 2QFY26 across real estate and corporate mid-market lending segments.
- CMML focuses on providing loans to mid-market companies in key sectors. The company had 60 loans with AUM of INR26.8b as of Sep'25
- Repayments accounted for 57% of disbursements during the quarter.
- The company remains selective in wholesale lending, focusing on plain-vanilla operating loans (target yields of ~14%) while avoiding structured, high-risk deals.
- As legacy and investment books wind down, additional capital will be redeployed toward the core lending business.

Legacy Portfolio and Balance Sheet

- Legacy wholesale book now forms <6% of total AUM and remains on track to decline to ~INR30b-35b by end-FY26.
- Consolidated PAT for 1HFY26 stood at ~INR6b. Management expects 2HFY26 PAT at INR7b-9b.
- Cost of borrowing declined ~19bps QoQ. The company expects further improvement of 10bp in 4QFY26 as bank MCLR cuts flow through.
- Active engagement with credit rating agencies continues; improvement in profitability and risk profile could lead to potential credit rating upgrade.

Asset Quality and Credit Costs

- The company had seen a net positive impact from ECL re-balancing in 1QFY26. Adjusted for that, credit costs were stable in 2Q vs. 1Q.
- Credit costs for the growth book were stable QoQ, reflecting improved portfolio mix and benign macro conditions.

- Delinquencies in unsecured business loans remained steady to improving, while the used car portfolio risk was broadly stable
- LAP delinquencies inched up slightly but remain manageable, with overall risk levels within comfort range.
- Micro-LAP segment (~INR2b loan book) continues to face stress and is expected to worsen in the near term before stabilizing.
- Credit risk in the unsecured MSME and business loans segment, which reached its peak in 3QFY25, has not come down from those levels but has also not deteriorated either.

AI-driven Transformation

- The company's AI-native strategy focuses on strengthening underwriting, improving cost efficiency, and driving better risk predictability.
- Over 45 AI use cases have been deployed across credit, collections, fraud detection, and customer service.
- Opex, credit costs, and collection efficiency continue to improve meaningfully due to these AI-driven interventions.
- Management remains committed to building a future-ready, scalable, and technology-led financial institution with predictable and sustainable returns.

Valuation and view

- PIEL reported a healthy operational performance during the quarter, led by strong growth in its retail loans and continued scale down of the legacy wholesale book, which now accounts for <6% of total AUM. Asset quality remained broadly stable across key product segments, leading to stable credit costs. With rising retail traction and a better funding mix, NIM expanded further, reinforcing the shift toward a more stable and profitable lending model.
- Our earnings estimate for FY26 and FY27 factors in gains from the AIF exposures, deferred consideration of USD120m from the sale of Piramal Imaging, and zero tax outgo in the foreseeable future. Due to the uncertainty and unpredictability surrounding the monetization of the stake in Shriram Life and General Insurance, we have not factored it into our estimates yet. However, the eventual monetization is expected to provide one-off gains, which could help offset credit costs associated with the disposal of the residual stressed legacy wholesale AUM (of ~INR54b).
- We estimate a total AUM CAGR of ~23% and a ~26% CAGR in Retail AUM over FY25-FY28. We upgrade PIEL to BUY as we see a compelling risk-reward with the business entering a structurally stronger phase of growth and profitability. The company has largely completed its transition into a retail-focused franchise with sharper underwriting, enhanced productivity, and healthy risk-adjusted credit costs. **We upgrade our rating on the stock to BUY with a revised TP of INR1,460 (based on Sep'27E SOTP).**

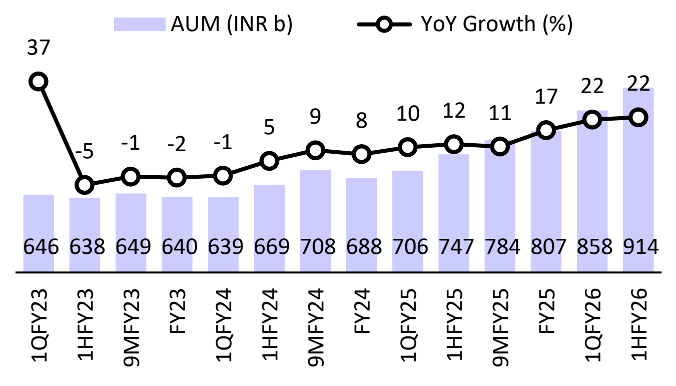
Exhibit 3: SOTP valuation – Sep'27E

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	282	3.4	1,253	86	❖ 0.9x Sep'27E PBV
Shriram Group	34	0.4	151	10	❖ Based on its stake in Shriram Life/General Insurance Businesses
Life Insurance	6	0.1	26	2	
Alternatives	7	0.1	30	2	
Target Value	**329**	**3.9**	**1,460**	**100**	

Source: MOFSL, Company

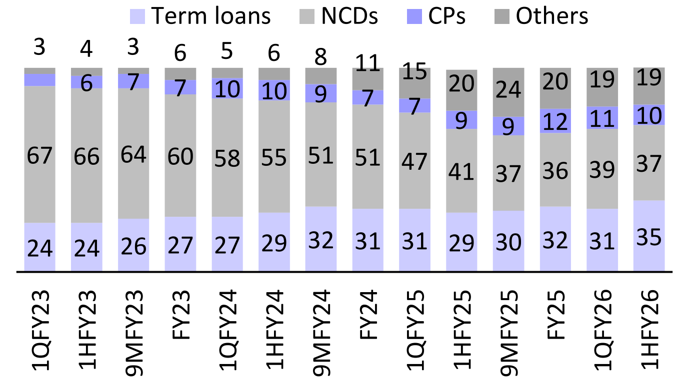
Key exhibits

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



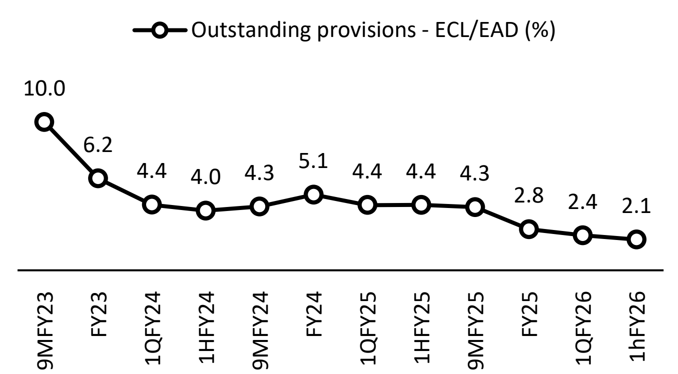
Source: MOFSL, Company

Exhibit 5: Borrowing mix (%)



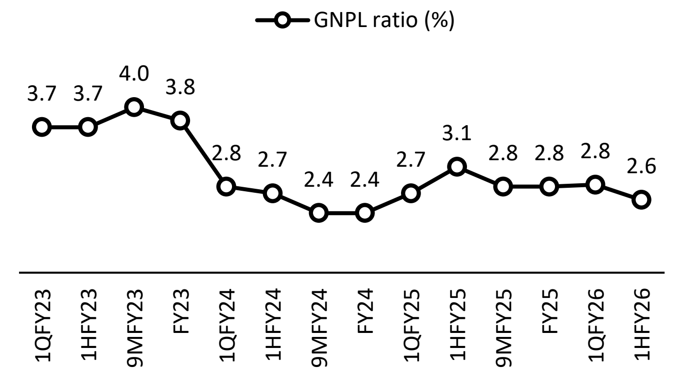
Source: MOFSL, Company

Exhibit 6: ECL/EAD declined ~150bp QoQ (%)



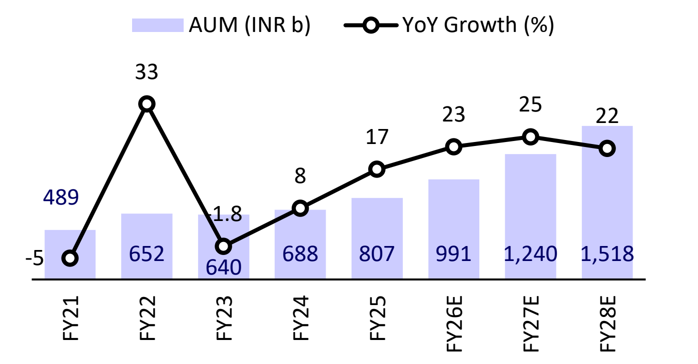
Source: MOFSL, Company

Exhibit 7: GNPA declined ~20bp QoQ (%)



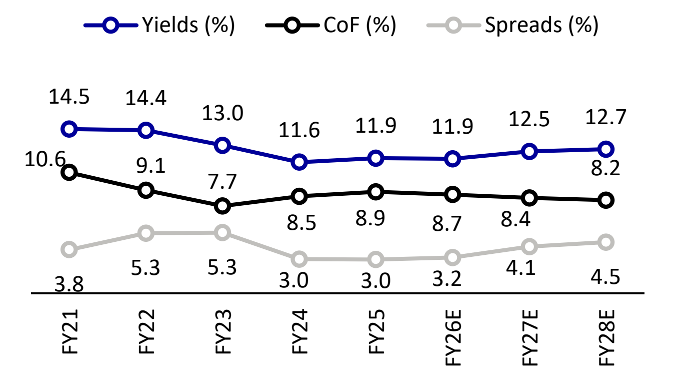
Source: MOFSL, Company

Exhibit 8: AUM CAGR of 23% over FY25-FY28E



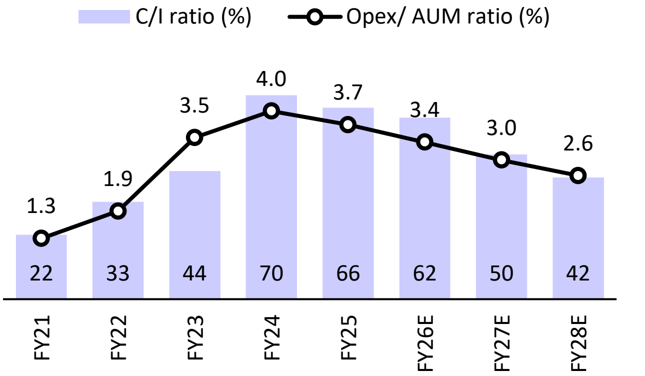
Source: MOFSL, Company

Exhibit 9: Expect spreads to expand in FY26 and FY27E



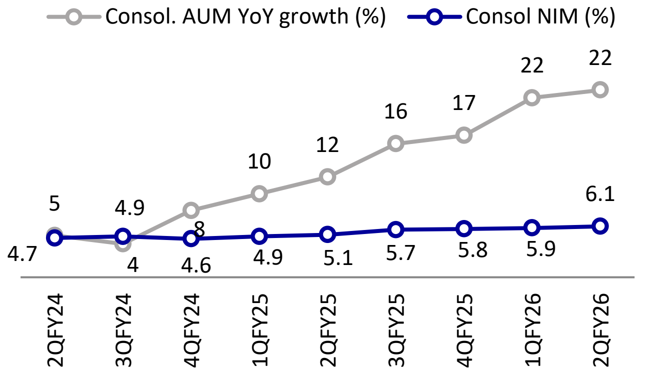
Source: MOFSL, Company

Exhibit 10: Expect opex/AUM to improve significantly



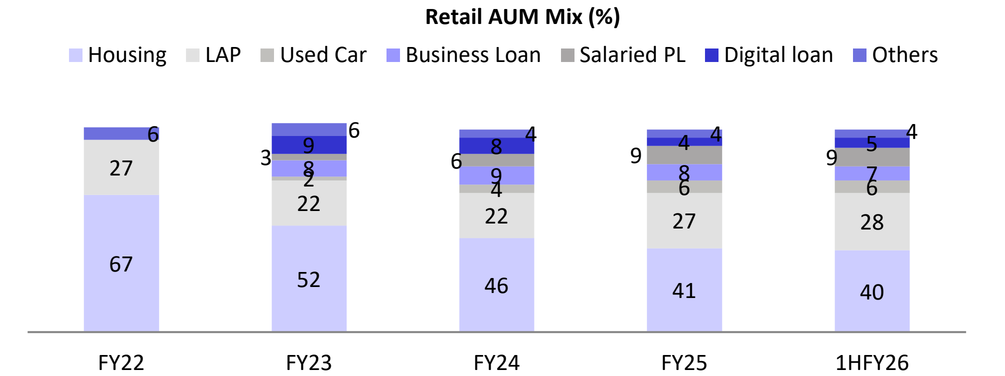
Source: MOFSL, Company

Exhibit 11: Consol NIMs continues to improve



Source: MOFSL, Company

Exhibit 12: Retail AUM Mix (%)



Source: MOFSL, Company

Financials and valuations

Income statement								INR m
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Interest Income	69,260	75,228	77,986	74,230	89,090	1,06,497	1,39,423	1,75,144
Interest Expended	41,580	42,251	40,412	44,004	53,174	64,248	78,806	95,500
Net Interest Income	**27,680**	**32,977**	**37,574**	**30,226**	**35,916**	**42,248**	**60,616**	**79,644**
Change (%)		19.1	13.9	-19.6	18.8	17.6	43.5	31.4
Other Income	1,150	3,881	12,881	9,480	10,040	11,320	13,811	16,772
Net Income	**28,830**	**36,858**	**50,456**	**39,706**	**45,956**	**53,568**	**74,427**	**96,416**
Change (%)		27.8	36.9	-21.3	15.7	16.6	38.9	29.5
Operating Expenses	6,360	12,284	22,148	27,740	30,143	33,315	36,940	40,191
PPoP	**22,470**	**24,574**	**28,307**	**11,966**	**15,814**	**20,253**	**37,488**	**56,226**
Change (%)		9.4	15.2	-57.7	32.2	28.1	85.1	50.0
Provisions/write offs	10	8,299	54,101	45,638	10,740	17,730	17,084	18,192
PBT	**22,460**	**16,275**	**-25,793**	**-33,672**	**5,074**	**2,523**	**20,404**	**38,034**
Tax	5,790	4,062	-39,781	-15,949	1,594	0	0	0
Tax Rate (%)	25.8	19.0	0.0	0.0	0.0	0.0	0.0	0.0
PAT (before associate income)	**16,670**	**12,213**	**13,987**	**-17,724**	**3,479**	**2,523**	**20,404**	**38,034**
Associate Income	0	5,939	3,886	1,540	1,370	1,507	1,658	1,989
PAT (before exceptional)	**16,670**	**18,152**	**17,873**	**-16,184**	**4,849**	**4,030**	**22,062**	**40,023**
Exceptional items	0	-1,529	80,663	13,840	0	10,320	2,000	0
PAT (after exceptional)	**16,670**	**16,622**	**98,536**	**-2,344**	**4,849**	**14,350**	**24,062**	**40,023**
Profit from discontinued Operations	0	3,365	0	0	0	0	0	0
Reported net profit/loss	**16,670**	**19,988**	**98,536**	**-2,344**	**4,849**	**14,350**	**24,062**	**40,023**

Balance sheet							INR m	INR m
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Capital	451	477	477	449	451	451	451	451
Reserves & Surplus	1,80,279	3,54,414	3,10,114	2,65,121	2,70,509	2,82,379	3,02,997	3,37,245
Net Worth	**1,80,730**	**3,68,369**	**3,10,591**	**2,65,571**	**2,70,959**	**2,82,830**	**3,03,448**	**3,37,696**
Borrowings	3,75,564	5,54,510	4,95,828	5,34,020	6,54,840	8,22,133	10,54,206	12,75,068
Change (%)	0	48	-11	8	23	26	28	21
Other liabilities	5,086	39,549	23,891	24,274	20,681	16,545	13,236	10,589
Total Liabilities	**5,61,380**	**9,98,729**	**8,37,522**	**8,26,050**	**9,49,434**	**11,21,508**	**13,70,890**	**16,23,352**
Loans and advances	**4,61,680**	**4,93,180**	**4,63,946**	**5,49,434**	**6,57,918**	**8,40,885**	**10,88,021**	**13,62,695**
Change (%)	0	7	-6	18	20	28	29	25
Investments		**2,48,565**	**2,23,318**	**1,25,130**	**1,25,387**	**1,06,579**	**95,921**	**86,329**
Net Fixed Assets	1,200	86,715	7,385	6,232	4,931	3,451	2,416	1,691
Cash and Cash equivalents	38,500	71,872	46,491	44,468	62,759	55,000	55,000	55,000
Deferred tax assets		13,679	18,472	28,756	27,404	27,404	27,404	27,404
Other assets	60,000	71,366	77,910	72,030	71,036	88,189	1,02,127	90,233
Total Assets	**5,61,380**	**9,98,729**	**8,37,522**	**8,26,050**	**9,49,434**	**11,21,508**	**13,70,890**	**16,23,352**

E: MOFSL Estimates

Financials and valuations

Ratios								
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Spreads Analysis (%)								
Yield on loans	14.5	14.4	13.0	11.6	11.9	11.9	12.5	12.7
Cost of funds	10.6	9.1	7.7	8.5	8.9	8.7	8.4	8.2
Spread	3.8	5.3	5.3	3.0	3.0	3.2	4.1	4.5
Net Interest Margin	5.8	6.3	6.3	4.7	4.8	4.7	5.4	5.8
Profitability Ratios (%)								
RoE	9.9	6.6	5.3	-0.8	1.8	5.2	8.2	12.5
RoA	3.1	2.3	1.9	-0.3	0.5	1.4	1.9	2.7
C/I ratio	22.1	33.3	43.9	69.9	65.6	62.2	49.6	41.7
Asset Quality (%)								
Gross NPA	20,180	22,270	20,550	14,300	19,510	21,605	23,670	23,452
Gross NPA (% of AUM)	4.1	3.6	3.3	2.2	2.7	2.4	2.1	1.7
Net NPA	9,870	9,980	10,380	4,960	12,540	15,123	16,569	16,182
Net NPA (% of AUM)	2.1	1.7	1.8	0.8	1.8	1.7	1.5	1.2
PCR (%)	51.1	55.2	49.5	65.3	35.7	30.0	30.0	31.0
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
AUM (INR m)	4,88,910	6,51,850	6,39,890	6,88,460	8,06,890	9,90,522	12,40,242	15,17,938
YoY growth (%)	-5	33	-2	8	17	23	25	22
AUM Mix (%)								
Wholesale	89.2	69.6	49.8	30.4	19.9	15.7	15.1	14.1
Retail	10.8	33.1	50.2	69.6	80.1	84.3	84.9	85.9
Total	**100.0**	**102.6**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Wholesale Loans (INR m)	3,93,650	3,84,620	2,74,960	2,09,190	1,60,370	1,55,559	1,86,671	2,14,671
YoY growth (%)	-13.3	-2.3	-28.5	-23.9	-23.3	-3.0	20.0	15.0
Retail Loans (INR m)	53,030	2,15,520	3,21,440	4,79,270	6,46,520	8,34,963	10,53,571	13,03,266
YoY growth (%)	-4.2	306.4	49.1	49.1	34.9	29.1	26.2	23.7
Total Loan Book	**4,46,680**	**6,00,140**	**5,96,400**	**6,88,460**	**8,06,890**	**9,90,522**	**12,40,242**	**15,17,938**
YoY growth (%)	-12.4	34.4	-0.6	15.4	17.2	22.8	25.2	22.4
VALUATION	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Book Value (INR)	801	1,544	1,301	1,182	1,202	1,255	1,346	1,498
Price-BV (x)		**0.7**	**0.9**	**1.0**	**0.9**	**0.9**	**0.8**	**0.8**
EPS (INR)	73.9	69.7	74.9	-10.4	21.5	63.7	106.8	177.6
EPS Growth YoY		-6	8	-114	-306	196	68	66
Price-Earnings (x)		**16.2**	**15.0**	**-107.8**	**52.3**	**17.7**	**10.5**	**6.3**
Dividend per share (INR)			31.0	10.0	11.0	15.3	25.6	32.0
Dividend yield (%)			**2.8**	**0.9**	**1.0**	**1.4**	**2.3**	**2.8**

E: MOFSL Estimates

Du-pont	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY27E**
Interest income	13.7	9.6	8.5	8.9	10.0	10.3	11.2	11.7
Interest expense	8.2	5.4	4.4	5.3	6.0	6.2	6.3	6.4
NII	**5.5**	**4.2**	**4.1**	**3.6**	**4.0**	**4.1**	**4.9**	**5.3**
Fee and other income	0.2	0.5	1.4	1.1	1.1	1.1	1.1	1.1
Total income	**5.7**	**4.7**	**5.5**	**4.8**	**5.2**	**5.2**	**6.0**	**6.4**
Operating expense	1.3	1.6	2.4	3.3	3.4	3.2	3.0	2.7
PPOP	**4.4**	**3.2**	**3.1**	**1.4**	**1.8**	**2.0**	**3.0**	**3.8**
Provisions (annualized)	0.0	1.1	5.9	5.5	1.2	**1.7**	**1.4**	**1.2**
PBT	**4.4**	**2.1**	**-2.8**	**-4.0**	**0.6**	**0.2**	**1.6**	**2.5**
ROA (before associate and exceptional)	**3.3**	**1.6**	**1.5**	**-2.1**	**0.4**	**0.2**	**1.6**	**2.5**
Consol RoA (including associate and exceptional)		**2.6**	**10.9**	**-2.0**	**0.5**	**1.4**	**1.9**	**2.7**
Assets-to-equity	3.0	2.8	2.7	2.9	3.3	3.7	4.3	4.7
Consol ROE (PAT)	**9.9**	**7.3**	**29.4**	**-5.8**	**1.8**	**5.2**	**8.2**	**12.5**

E: MOFSL Estimates

NOTES

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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