

Piramal Finance reported a good 2QFY27, tracking management guidance on growth, profitability, and asset quality, with PAT up 67% yoy. As the legacy book (~1.5% of AUM) runs off, reported NIM should converge toward the higher growth-book NIM. The Rs38.5bn equity raise (QIP and promoter warrants) and a potential non-dilutive capital release provide ample runway for ~25% AUM growth. Profitability should improve further on operating leverage, a shift toward higher-yielding unsecured and gold loans, and lower COF. Since the AA+ upgrade, new borrowing costs less than the debt it replaces, while variable-rate assets exceed variable-rate liabilities, cushioning a rising-rate cycle. The management reiterated FY27 guidance of ~50% PAT growth and a 2.5% exit ROAUM. The draft IRDAI insurance-commission norms are a key risk to FY28 ROA, although the Pramerica Life stake and lower insurance sales incentives provide meaningful offsets. The ~Rs160bn of carried-forward tax losses and the Shriram stake add further shareholder value. To reflect 2Q developments and management commentary, we tweak our FY27–29 estimates and reiterate ADD with a Sep-27E TP of Rs2,100, valuing the stock at Sep-28E PBV of 1.3x.

Sustained growth and stable asset quality

Piramal Finance delivered strong 2QFY27, with growth AUM rising 30% yoy to comprise ~98.5% of the total portfolio, while consol AUM grew 24% yoy to ~Rs1.13trn. Consol NIM was stable at 6.5%, while continued operating efficiency drove retail opex-to-AUM down to 3.48%, supporting growth ROAUM of 2%. The legacy book further reduced to ~1.5% of AUM (~Rs16.73bn), and asset quality was stable, with growth credit cost at 1.5%, GNPA/NNPA at 2.4%/1.7%, and retail 90+ DPD under tight control at 0.7%.

On track for FY27; ROAUM levers intact

After a strong 1H, the management remains confident of meeting FY27 guidance of ~25% AUM growth, ~50% PAT growth, and 2.5% exit ROAUM, and reaching Rs1.5trn AUM by Mar-28. ROAUM should improve further on 1) reported NIM converging toward the 6.8% growth-book NIM as the legacy book runs off; 2) stable-to-lower COB, as ~Rs375bn of debt maturing over 18 months is refinanced at cheaper rates following the rating upgrade, while variable-rate assets exceed liabilities; 3) another 30–35bps cut in opex over six quarters; and 4) a mix shift toward unsecured loans (21% to 25–26% of AUM) and gold loans. Credit cost should stay benign, though the management remains watchful of IT-sector home loans and rising outside gold-loan exposure among borrowers. The draft IRDAI commission norms could cut FY28 ROA by 18–24bps (gross) and delay the +3% ROAUM target, though the Pramerica Life stake and lower sales incentives should significantly cushion the impact. With CAR at 20.1%, leverage at 3.6x (4.5–5x target), and a potential non-dilutive capital release over 12–24 months, the recent Rs38.5bn raise should fund growth for the next few years.

Adjust estimates; maintain ADD

To reflect 2Q developments and management commentary, we tweak our FY27–29E estimates, leading to minor changes in AUM and earnings (Exhibit 5). We reiterate ADD with an unchanged Sep-27E TP of Rs2,100, valuing the stock at 1.3x Sep-28E PBV.

Correction: correction in share count in SOTP (ex-3), BV and valuation multiple

Piramal Finance: Financial Snapshot (Consolidated)

Y/E 2025 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	4,848	15,061	24,602	35,592	46,452
AUM growth (%)	17.2	25.5	25.1	24.1	22.2
NII growth (%)	18.9	31.7	41.9	32.4	25.6
NIMs (%)	4.2	4.7	5.7	6.2	6.3
PPOP growth (%)	32.3	45.0	75.2	40.6	27.6
Adj. EPS (Rs)	21.5	66.8	104.0	145.3	189.6
Adj. EPS growth (%)	0	210.7	55.6	39.8	30.5
Adj. BV (INR)	1,201.6	1,250.2	1,363.3	1,496.6	1,661.3
Adj. BVPS growth (%)	1.6	4.0	9.0	9.8	11.0
RoA (%)	0.6	1.5	2.1	2.5	2.6
RoE (%)	1.8	5.4	8.1	10.3	12.0
P/E (x)	90.7	29.2	18.8	13.4	10.3
P/ABV (x)	1.6	1.6	1.4	1.3	1.2

Source: Company, Emkay Research

Target Price – 12M	Sep-27
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	7.7

Stock Data	PIRAMALF IN
52-week High (Rs)	2,328
52-week Low (Rs)	1,235
Shares outstanding (mn)	236.6
Market-cap (Rs bn)	461
Market-cap (USD mn)	4,861
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	0.5
ADTV-3M (Rs mn)	830.2
ADTV-3M (USD mn)	8.7
Free float (%)	52.8
Nifty-50	22,888.9
INR/USD	94.9

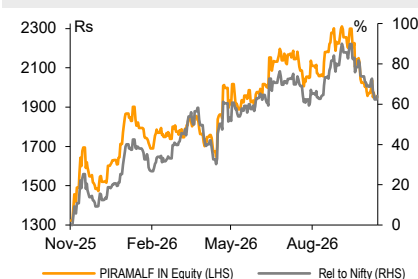
Shareholding, Sep-26

Promoters (%)	44.2
FPIs/MFs (%)	15.6/21.8

Price Performance

(%)	1M	3M	12M
Absolute	(15.2)	(9.1)	0.0
Rel. to Nifty	(13.5)	(3.3)	0.0

1-Year share price trend (Rs)



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Exhibit 1: Piramal Finance – Quarterly earnings snapshot

(Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy chg	qoq chg
Net interest income	11,319	12,274	13,619	14,377	15,303	35.2%	6.4%
Other income	1,964	2,525	1,940	2,508	2,366	20.5%	-5.6%
Total income	13,283	14,798	15,559	16,885	17,669	33.0%	4.6%
Operating expenses	8,129	8,205	8,621	8,894	9,214	13.3%	3.6%
Operating profit	5,153	6,593	6,938	7,991	8,456	64.1%	5.8%
Provisions	2,481	3,703	1,976	4,550	3,025	21.9%	-33.5%
Credit cost	1.7%	1.6%	0.8%	1.6%	1.5%	-12bps	-7bps
PBT	2,494	3,279	5,048	4,430	5,800	132.6%	30.9%
Tax	(776)	(731)	30	(180)	346	-144.6%	-292.4%
PAT	3,270	4,010	5,018	4,610	5,454	66.8%	18.3%
Disbursements (retail)	109,540	104,980	131,010	125,270	146,460	33.7%	16.9%
Total AUM	914,470	966,898	1,012,296	1,069,396	1,131,122	23.7%	5.8%
Net worth	274,474	278,716	281,915	289,062	311,801	13.6%	7.9%
GS3	2.55%	2.60%	2.30%	2.37%	2.40%	-15bps	3bps
NS3	1.81%	1.90%	1.60%	1.64%	1.66%	-15bps	2bps
PCR	29.43%	27.86%	29.61%	31.49%	31.39%	196bps	-10bps

Source: Company, Emkay Research

Exhibit 2: Movement in the legacy book

Legacy AUM	FY23	FY24	FY25	FY26	1QFY27	2QFY27
Mix						
Stage-1:						
Loans	134,804	40,001	19,942	8,805	1,996	1,564
AIF	42,292	10,672	3,917	2,121	2,121	361
Land and receivables	29,524	19,624	13,388	3,701	3,701	3,701
Security Receipts (SRs)	20,170	32,683	19,548	8,539	6,231	2,097
Stage-2 loans	48,440	34,750	3,785	1,477	7,038	5,850
Stage-3 loans	15,300	7,990	8,619	3,427	3,436	3,153
Total Legacy	290,530	145,720	69,199	28,070	24,524	16,726
Growth yoy		-50%	-53%	-59%	-61%	-69%

Source: Company, Emkay Research

Exhibit 3: SOTP-based valuation

Business unit	Valuation methodology	Multiple (x)	Stake	Factor value (Rs mn)	Holdco discount	Value (Rs mn)	Value per share (Rs)	Contribution to TP
Financial Services Business	Price-to-book (Sep-28E)	1.3	100%	386,757	0%	510,520	2,100	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%
Unallocated NW		1.0	100%	0	0%	0	0	0%
SOTP-based value						510,520	2,100	

Source: Company, Emkay Research

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Exhibit 4: AUM mix

AUM mix (Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy Chg	qoq Chg
Retail AUM	747,040	794,125	858,846	912,493	974,617	30.5%	6.8%
Housing loans	295,496	306,500	318,538	330,789	341,645	15.6%	3.3%
LAP	212,846	233,082	259,828	281,205	304,859	43.2%	8.4%
Used car loans	47,971	50,816	55,376	57,598	60,082	25.2%	4.3%
Digital loans	34,253	37,405	44,089	52,358	62,993	83.9%	20.3%
Business loans (excluding microfinance)	55,640	56,947	60,807	62,489	65,229	17.2%	4.4%
Microfinance	8,939	11,439	13,845	15,466	17,624	97.2%	14.0%
Salaried PL	64,340	70,079	77,438	83,809	91,789	42.7%	9.5%
Loan against mutual funds	11,848	12,763	14,548	15,138	17,136	44.6%	13.2%
Other	15,706	15,094	14,377	13,640	13,260	-15.6%	-2.8%
Wholesale 2.0 AUM	112,953	120,474	125,380	132,378	139,779	23.7%	5.6%
Real estate	86,084	88,910	91,906	92,157	94,910	10.3%	3.0%
CMML	26,869	31,564	33,474	40,221	44,868	67.0%	11.6%
Legacy AUM	54,477	52,299	28,070	24,524	16,726	-69.3%	-31.8%
Total AUM	914,470	966,898	1,012,296	1,069,396	1,131,122	23.7%	5.8%

Source: Company, Emkay Research

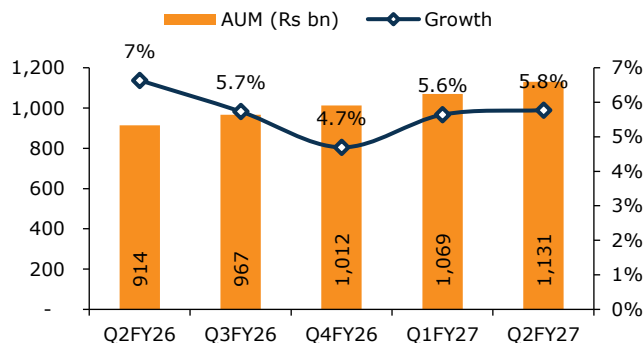
Exhibit 5: Change in estimates

Y/e Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
AUM	1,264,209	1,266,734	0.2%	1,557,378	1,571,478	0.9%	1,898,676	1,920,448	1.1%
Loan book growth	24.9%	25.1%	25bps	23.2%	24.1%	87bps	21.9%	22.2%	29bps
Net interest income	67,439	67,122	-0.5%	88,783	88,850	0.1%	110,548	111,592	0.9%
Total income	78,122	78,005	-0.2%	100,953	101,288	0.3%	124,872	126,224	1.1%
Opex	37,164	37,821	1.8%	44,307	44,771	1.0%	53,292	54,119	1.6%
PPOP	40,958	40,183	-1.9%	56,647	56,518	-0.2%	71,579	72,105	0.7%
Provisions	18,356	17,346	-5.5%	22,569	22,683	0.5%	27,585	27,411	-0.6%
PBT	24,490	24,595	0.4%	35,966	35,592	-1.0%	45,883	46,452	1.2%
PAT	24,670	24,602	-0.3%	35,966	35,592	-1.0%	45,883	46,452	1.2%
Adj EPS (Rs)	109.4	104.0	-5.0%	147.1	145.3	-1.2%	187.6	189.6	1.1%
BVPS (Rs)	1,406	1,363	-3.1%	1,534	1,497	-2.4%	1,697	1,661	-2.1%
Net worth	343,874	322,618	-6.2%	375,109	366,590	-2.3%	414,927	406,925	-1.9%
NIM + Fees	7.1%	7.1%	-2bps	7.3%	7.3%	-2bps	7.2%	7.2%	0bps
Cost-to-income	47.6%	48.5%	91bps	43.9%	44.2%	31bps	42.7%	42.9%	20bps
Opex-to-AUM	3.37%	3.42%	6bps	3.2%	3.2%	2bps	3.1%	3.1%	2bps
Credit costs (bps)	1.66%	1.57%	-9bps	1.64%	1.64%	0bps	1.60%	1.6%	-3bps
ROAUM	2.23%	2.23%	-1bps	2.61%	2.57%	-4bps	2.66%	2.7%	1bps
ROE	7.9%	8.1%	25bps	10.00%	10.33%	32bps	11.62%	12.0%	39bps

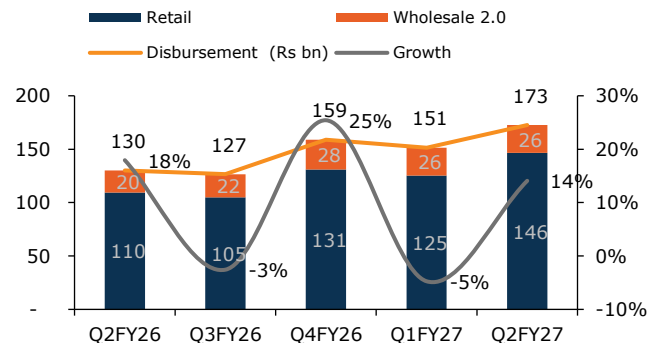
Source: Company, Emkay Research

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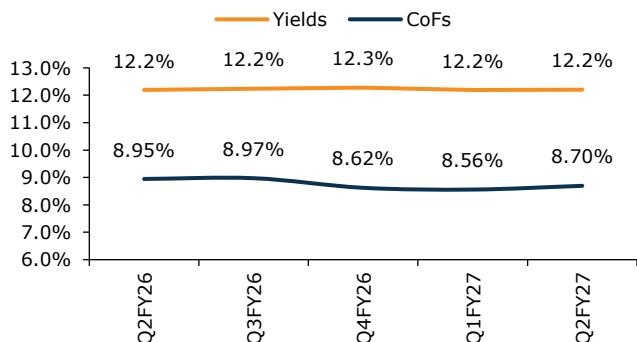
Results in charts

Exhibit 6: Strong AUM growth led by robust disbursements


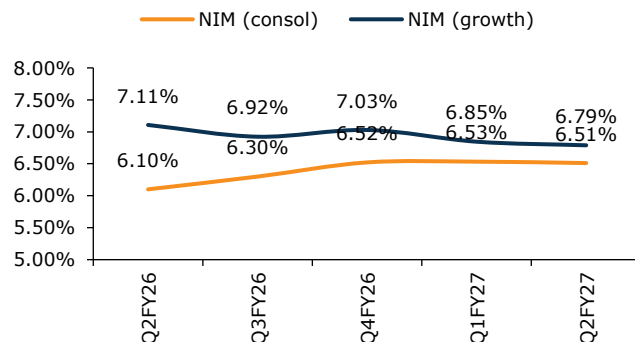
Source: Company, Emkay Research

Exhibit 7: Disbursement remains strong in the retail segment


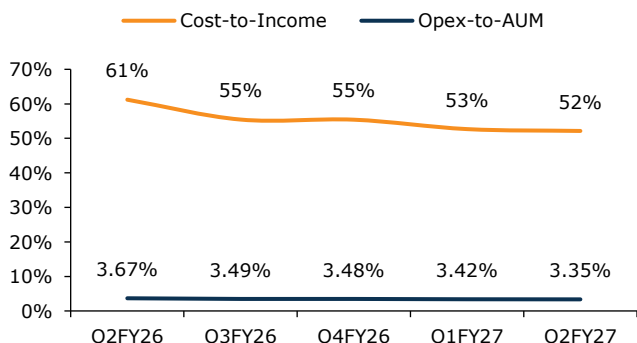
Source: Company, Emkay Research

Exhibit 8: Reported COF was at ~8.79%, declined by ~5bps since rating upgrade


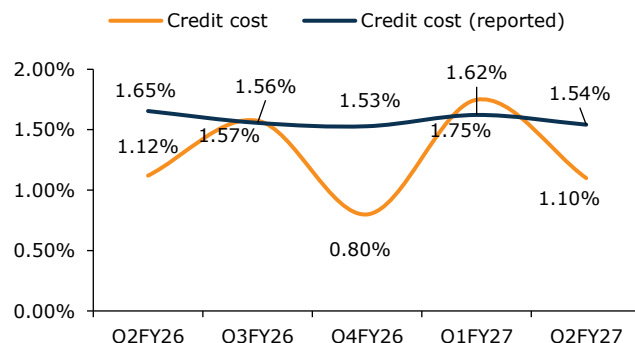
Source: Company, Emkay Research

Exhibit 9: NIM moderation on account of lower DA in the quarter


Source: Company, Emkay Research

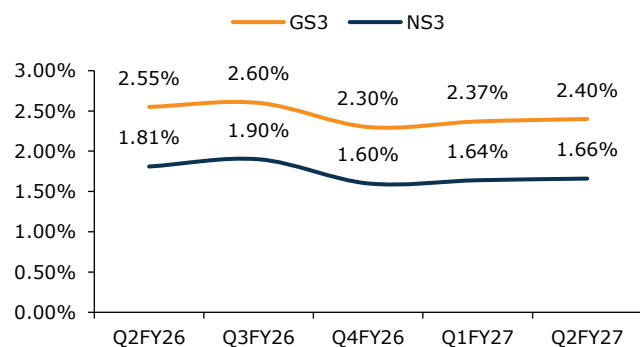
Exhibit 10: Opex moderation led by improving productivity


Source: Company, Emkay Research

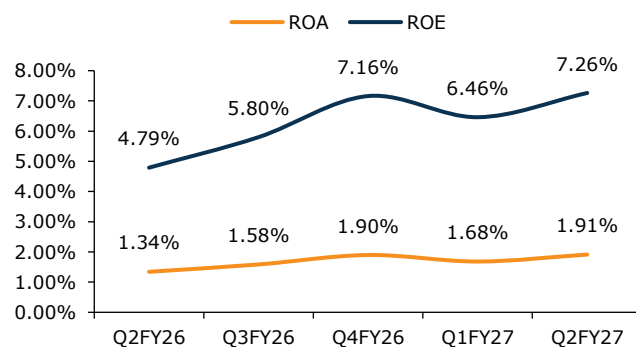
Exhibit 11: Credit cost remains well controlled


Source: Company, Emkay Research

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Exhibit 12: Asset quality remains strong

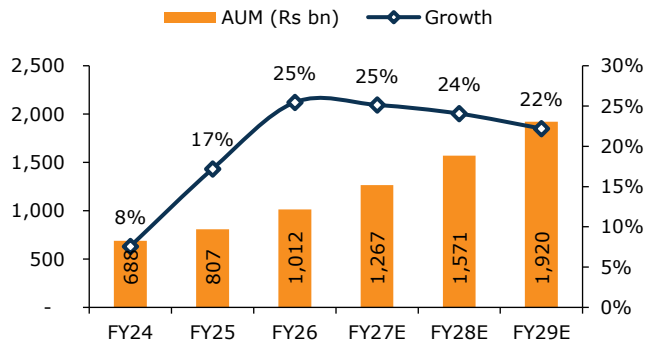
Source: Company, Emkay Research

Exhibit 13: Reported ROAAUM for the quarter was ~2%

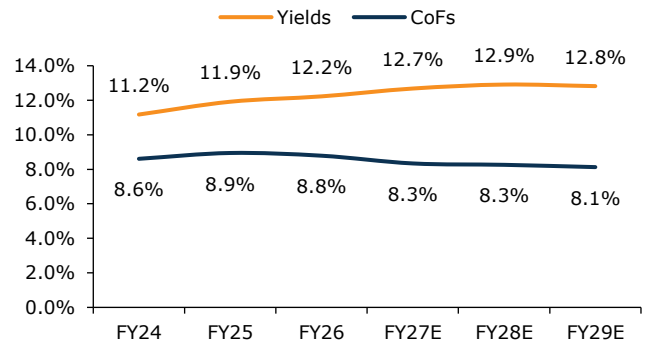
Source: Company, Emkay Research

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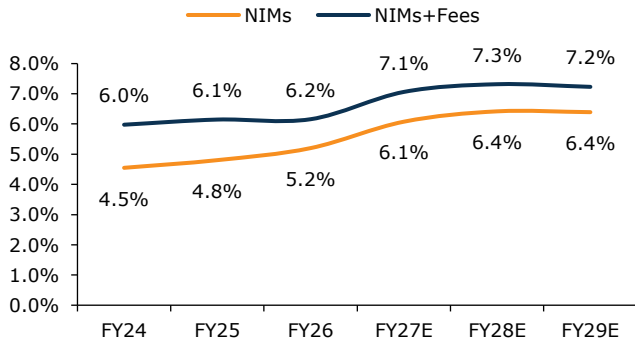
Story in charts

Exhibit 14: AUM expected to reach ~Rs1.5trn by end-FY28E


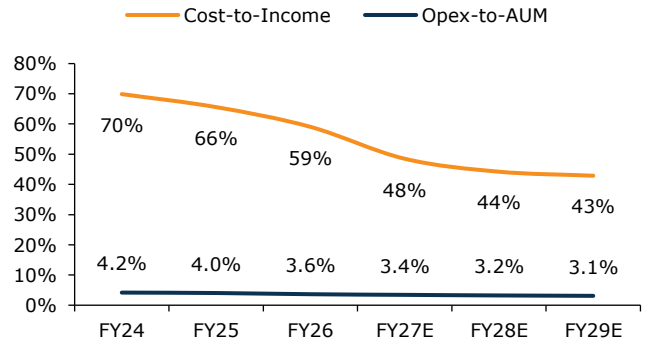
Source: Company, Emkay Research

Exhibit 15: COF to moderate on account of rating upgrade to AA+


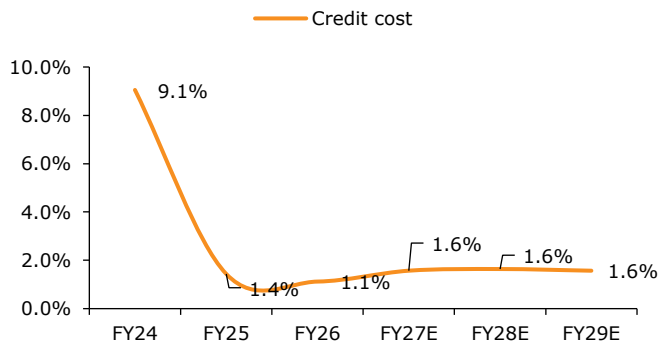
Source: Company, Emkay Research

Exhibit 16: Margin expansion led by COF moderation, improved productivity, and higher cross-sell despite near-term head of insurance commission


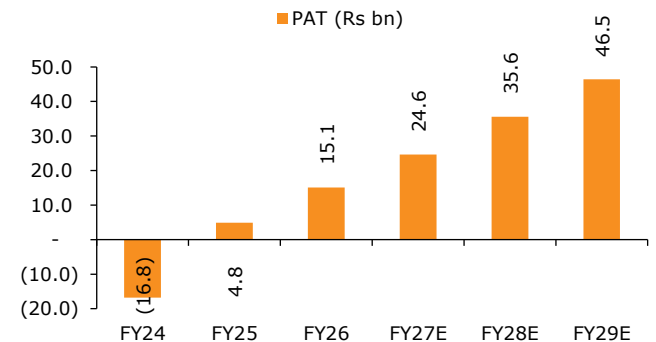
Source: Company, Emkay Research

Exhibit 17: Opex to moderate as AUM scales up


Source: Company, Emkay Research

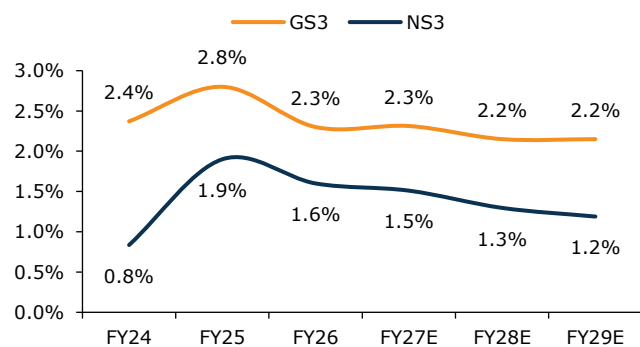
Exhibit 18: Credit cost to be range-bound


Source: Company, Emkay Research

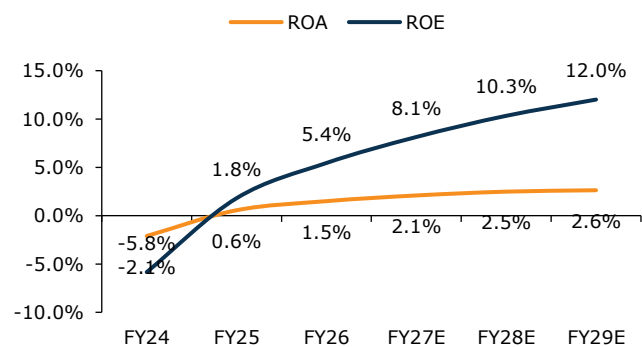
Exhibit 19: PAT to improve as drag from the legacy book eases


Source: Company, Emkay Research

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Exhibit 20: Asset quality to be stable ahead

Source: Company, Emkay Research

Exhibit 21: ROE/ROA to expand over FY27-29E

Source: Company, Emkay Research

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

Earnings call highlights

- The company delivered another strong quarter, with consolidated AUM up 24% yoy to Rs1,131bn and consolidated PAT up 67% yoy to Rs5.45bn. Total income rose 33% yoy to Rs17.67bn against 13% opex growth, taking PPOP up 64% yoy to Rs8.46bn. Growth business PBT stood at Rs5.38bn vs Rs3.44bn in 2QFY26.
- Growth AUM rose 30% yoy and formed 98.5% of total AUM, while the legacy book fell 69% yoy (~32% qoq) to Rs16.73bn, or 1.5% of AUM. The legacy run-down in 2Q was PBT-neutral, and the company carries an ECL provision of Rs4.59bn on this book. Moreover, separate legacy disclosures will be discontinued after the December quarter.
- Retail growth stayed strong, with disbursements up 34% yoy and AUM up 30% yoy to Rs974.62bn. Mortgages (housing loans and LAP) grew 27% yoy to Rs646.50bn, led by mass-affluent housing and larger-ticket LAP Plus, helped by the AA+ upgrade. Unsecured loans grew 46% yoy to Rs237.64bn (21% of AUM). The management aims to raise the share of unsecured loans to 25–26% over time.
- Distribution expansion remained confined to gold and rural, with no full-service urban branch added in the quarter. Gold loan branches rose to 100 from 67 qoq, against a target of 200 by Mar-27, and rural branches to 203 from 178, taking the total network to 838.
- Wholesale lending is growing steadily, with AUM up 24% yoy to Rs139.78bn (68:32 real estate-to-CMML), an average ticket size of ~Rs550mn and a 14.1% yield. Disbursements were Rs26.15bn (91 deals) and repayments Rs18.89bn (~72% of disbursements). With ~74% of FY27 repayments already received, high prepayments slow growth but indicate a healthy book.
- Growth business ROAUM rose to 2% (annualized) from 1.7% in 2QFY26. Leverage dipped to 3.6x from 3.7x after the capital raise, vs a medium-term target of 4.5–5.0x. The management sees three drivers taking ROAUM to +3% over the long term: a smaller legacy book, lower opex and borrowing costs, and more unsecured and gold loans.
- Consolidated NIM was flat qoq at 6.5% (up 35bps yoy), while growth business NIM was 6.8%. The two should converge as the legacy book runs off. Retail income dipped 10bps to 14.6% of loans, only because the quarter had an extra day (~11bps impact), not due to lower yields.
- Liabilities are the clearest structural tailwind. After the AA+ upgrade, the cost of new long-term borrowing fell from 9.36% in 1HFY26 to 8.67% in 2HFY26 and 8.46% in 1HFY27. ~Rs375bn of long-term borrowings mature over the next 18 months, costing at least 60bps more than new borrowing.
- The management stated that variable-rate assets (Rs560bn) exceed variable-rate liabilities (Rs510bn), while the mix has shifted from market-linked to MCLR-linked borrowing. As a result, the management expects overall borrowing costs to stay flat or decline over the next 12 months despite repo rate moves and does not plan to raise customer rates meanwhile.
- Retail opex-to-AUM fell 5bps qoq to 3.48%, while growth business opex-to-AUM fell 33bps yoy to 3.2%. Cost-to-income fell to 52% from 61% in 2QFY26.
- Asset quality was stable across the book. Retail 90+ DPD held at 0.7%, within its four-year range of 0.6–0.8%. Growth business credit cost fell 10bps qoq to 1.5%, while consolidated credit cost dropped to 1.1% from 1.8% in 1QFY27, helped by a Rs0.9bn legacy recovery. GNPA and NNPA stood at 2.4% and 1.7%, respectively. Unsecured delinquencies are at a third of peak levels, while a single fraud case explains the rise in housing loan risk in the 2QFY26 vintage.
- The management flagged four risk points. First, stress in home loans to South India IT employees persists but has not spread to other segments. Second, the weak monsoon has not hurt agri-income customers, with bounce rates flat qoq and 110bps lower yoy. Third, customer leverage is low and below levels two years ago across all products. Fourth, more customers now hold outside gold loans (over 35% vs 20–25% two years ago), which the management is monitoring.

- The company completed its Rs38.5bn equity raise in the quarter (Rs21bn QIP and Rs17.5bn of promoter warrants). It added ~200bps to capital adequacy (now 20.1%) and 5bps to ROAUM, while reducing leverage by only 0.1x. Net worth is Rs311.8bn, and the management sees scope to free up more regulatory capital without dilution over the next 12–24 months.
- The management estimates the IRDAI draft paper could cut FY28 ROA by 18–24bps (gross) if applied as-is from 1-Apr-27, as the company exclusively distributes Pramerica Life products. The net impact should be much smaller as the company owns 50% of Pramerica, with gains flowing back on consolidation, while it can also trim sales incentives and use product clawbacks. The paper is still a draft, and the company is making representations directly and through FIDC.
- Outlook
 - FY27 PAT growth of 50% yoy, reiterated.
 - Leverage to progress toward 4.5–5.0x; 200 gold loan branches by Mar-27.
 - FY27 AUM growth of 25%.
 - AUM of ~Rs1.5trn by FY28, in line with the medium-term aim of doubling AUM every three years.

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

Piramal Finance: Consolidated Financials and Valuations

Profit & Loss					
Y/E 2025 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	89,086	111,213	140,082	178,714	223,823
Interest Expense	53,174	63,902	72,960	89,864	112,231
Net interest income	35,912	47,311	67,122	88,850	111,592
NII growth (%)	18.9	31.7	41.9	32.4	25.6
Non interest income	10,046	8,702	10,883	12,438	14,633
Total income	45,959	56,013	78,005	101,288	126,224
Operating expenses	30,143	33,078	37,821	44,771	54,119
PPOP	15,816	22,936	40,183	56,518	72,105
PPOP growth (%)	32.3	45.0	75.2	40.6	27.6
Provisions & contingencies	10,739	10,184	17,346	22,683	27,411
PBT	5,077	12,751	22,837	33,835	44,694
Extraordinary items	0	(810)	0	0	0
Tax expense	1,595	(1,231)	(7)	0	0
Minority interest	-	-	-	-	-
Income from JV/Associates	1,366	1,889	1,758	1,758	1,758
Reported PAT	4,848	15,061	24,602	35,592	46,452
PAT growth (%)	0	210.7	63.3	44.7	30.5
Adjusted PAT	4,848	15,871	24,602	35,592	46,452
Diluted EPS (Rs)	21.5	66.8	104.0	145.3	189.6
Diluted EPS growth (%)	0	210.7	55.6	39.8	30.5
DPS (Rs)	-	-	-	-	-
Dividend payout (%)	-	-	-	-	-
Effective tax rate (%)	31.4	(9.7)	0.0	0	0
Net interest margins (%)	4.2	4.7	5.7	6.2	6.3
Cost-income ratio (%)	65.6	59.1	48.5	44.2	42.9
PAT/PPOP (%)	30.7	65.7	61.2	63.0	64.4
Shares outstanding (mn)	225.5	225.5	236.7	244.9	244.9

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E 2025 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
GNPL - Stage 3	19,508	19,699	26,240	30,257	36,976
NNPL - Stage 3	12,539	13,866	16,994	18,083	20,250
GNPL ratio - Stage 3 (%)	2.8	2.3	2.3	2.2	2.2
NNPL ratio - Stage 3 (%)	1.9	1.6	1.5	1.3	1.2
ECL coverage - Stage 3 (%)	35.7	29.6	35.2	40.2	45.2
ECL coverage - 1 & 2 (%)	1.9	1.4	1.4	1.3	1.2
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	-	-	-	-	-
Total credit costs (%)	1.4	1.1	1.6	1.6	1.6
NNPA to networth (%)	4.6	4.9	5.3	4.9	5.0
Capital adequacy					
Total CAR (%)	23.6	19.8	20.0	18.9	18.0
Tier-1 (%)	22.4	19.8	18.8	17.7	16.8
Miscellaneous					
Total income growth (%)	15.8	21.9	39.3	29.8	24.6
Opex growth (%)	8.7	9.7	14.3	18.4	20.9
PPOP margin (%)	2.1	2.5	3.5	4.0	4.1
Credit costs-to-PPOP (%)	67.9	113.7	43.2	40.1	38.0
Loan-to-Assets (%)	77.4	81.5	87.2	86.5	86.6
Yield on loans (%)	11.9	12.2	12.7	12.9	12.8
Cost of funds (%)	8.7	8.7	8.6	8.5	8.5
Spread (%)	3.2	3.6	4.1	4.4	4.3

Source: Company, Emkay Research

Balance Sheet					
Y/E 2025 (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	451	451	473	490	490
Reserves & surplus	270,508	281,464	322,145	366,100	406,435
Net worth	270,959	281,915	322,618	366,590	406,925
Borrowings	654,840	799,448	950,051	1,225,753	1,536,359
Other liabilities & prov.	0	0	0	0	0
Total liabilities & equity	925,799	1,081,363	1,272,668	1,592,343	1,943,283
Net loans	716,421	881,755	1,109,149	1,376,675	1,683,579
Investments	51,135	47,048	45,637	43,637	38,637
Cash, other balances	100,836	86,402	44,240	82,518	112,264
Interest earning assets	868,392	1,015,205	1,199,026	1,502,830	1,834,480
Fixed assets	26,355	24,682	27,213	33,077	40,206
Other assets	31,053	41,476	46,430	56,436	68,598
Total assets	925,799	1,081,363	1,272,668	1,592,343	1,943,283
BVPS (Rs)	1,201.6	1,250.2	1,363.3	1,496.6	1,661.3
Adj. BVPS (INR)	1,201.6	1,250.2	1,363.3	1,496.6	1,661.3
Gross loans	736,846	900,185	1,134,408	1,407,318	1,719,834
Total AUM	806,892	1,012,296	1,266,734	1,571,478	1,920,448
On balance sheet	736,846	900,185	1,134,408	1,407,318	1,719,834
Off balance sheet	70,047	112,111	132,326	164,160	200,615
Disbursements	391,650	519,810	700,939	875,705	1,053,054
Disbursements growth (%)	16.5	32.7	34.8	24.9	20.3
Loan growth (%)	12.3	23.1	25.8	24.1	22.3
AUM growth (%)	17.2	25.5	25.1	24.1	22.2
Borrowings growth (%)	22.6	22.1	18.8	29.0	25.3
Book value growth (%)	1.6	4.0	9.0	9.8	11.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E 2025	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	90.7	29.2	18.8	13.4	10.3
P/B (x)	1.6	1.6	1.4	1.3	1.2
P/ABV (x)	1.6	1.6	1.4	1.3	1.2
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0	0	0	0	0
Dupont-RoE split (%)					
NII/avg AUM	4.8	5.2	6.1	6.4	6.4
Other income	1.3	1.0	1.0	0.9	0.8
Securitization income	-	-	-	-	-
Opex	1.9	1.5	1.4	1.3	1.4
Employee expense	2.2	2.2	2.1	1.9	1.7
PPOP	2.1	2.5	3.6	4.1	4.1
Provisions	1.4	1.1	1.6	1.6	1.6
Tax expense	0.2	(0.1)	0.0	0	0
RoAUM (%)	0.6	1.7	2.2	2.6	2.7
Leverage ratio (x)	2.8	3.3	3.7	4.0	4.5
RoE (%)	1.8	5.4	8.1	10.3	12.0

Quarterly data					
Rs mn, Y/E Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
NII	11,319	12,274	13,619	14,377	15,303
NIM (%)	5.1	5.2	5.5	5.5	5.6
PPOP	5,153	6,593	6,938	7,991	8,456
PAT	3,270	4,010	5,018	4,610	5,454
EPS (Rs)	14.46	17.69	22.13	20.34	23.05

Source: Company, Emkay Research

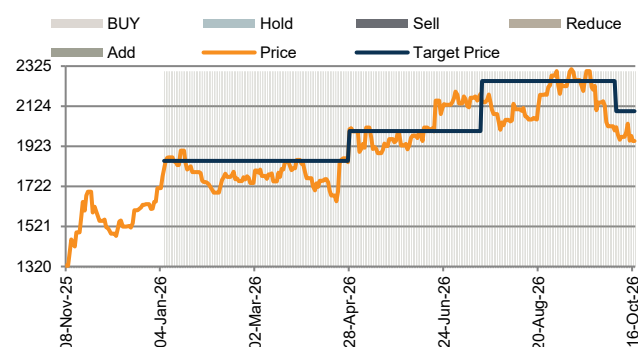
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
06-Oct-26	2,019	2,100	Add	Avinash Singh
17-Jul-26	2,144	2,250	Add	Avinash Singh
05-Jul-26	2,138	2,000	Add	Avinash Singh
28-Apr-26	2,009	2,000	Add	Avinash Singh
06-Apr-26	1,723	1,850	Add	Avinash Singh
17-Mar-26	1,769	1,850	Add	Avinash Singh
24-Jan-26	1,794	1,850	Add	Avinash Singh
06-Jan-26	1,811	1,850	Add	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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