21 November 2026

Piramal AI Day | Sector: Financials - NBFC

Piramal Finance

BSE SENSEX	S&P CNX
83,920	25,801

Motilal Oswal values your support in the EXTEL POLL 2026 for India Research, Sales, Corporate Access and Trading team. We request your ballot.

EXTEL POLL 2026

Ranked 3rd and 4th in the Onshore Broker and Local Broker categories, respectively

CMP: INR2,016 TP: INR2,470 (+23%) Buy

AI-led transformation to unlock the next phase of profitable growth

We attended Piramal Finance's (Piramal) AI day, where the company showcased its extensive use of AI across all business functions and demonstrated how it is driving improvements across Sales, Credit and Collections through greater efficiency and productivity. Below are the key takeaways:

- **Retail franchise maturity sets the stage for profitable growth**: Piramal has successfully transformed itself from a wholesale-oriented lender into a scaled, diversified retail NBFC, with AUM having grown ~5x in ~4.5 years to INR1.1t (as of Sep'26) and retail AUM now surpassing INR1t. Having established scale, distribution and operating capabilities, the company is now shifting focus towards monetizing its investments and driving sustainable profitability, while retaining a healthy ~20-25% medium-term AUM growth ambition.
- **Purpose-built AI architecture emerging as a structural competitive advantage:** Piramal is building a proprietary AI ecosystem tailored to underserved self-employed individuals and small-business owners, addressing the limitations of conventional lending models in assessing fragmented incomes, cash-intensive businesses, and limited documentation. By combining proprietary data, models, and software with advanced AI, it is developing a differentiated technology platform. Continuous data and feedback loops strengthen model accuracy and adaptability over time, while ownership of the application layer and underlying models creates a differentiated and compounding technology moat.
- **Integrated AI architecture transforming the lending value chain and enhancing scalability:** Piramal is embedding AI across the entire lending lifecycle through its Credit.AI, Collections.AI, Growth.AI and CX.AI platforms, creating an integrated ecosystem spanning customer acquisition, credit assessment, collections, and customer engagement. These interconnected platforms work in tandem to enhance risk selection, automate processes, improve sales productivity, and strengthen customer experience, enabling the company to move beyond standalone automation towards a more intelligent, efficient, and scalable lending franchise.
- **Transformed retail franchise leveraging technology to unlock sustainable, profitable growth; reiterate Buy:** Piramal is entering a new phase of growth, having evolved into a scaled, diversified retail NBFC with a strengthened balance sheet and proven operating capabilities. With foundational investments largely behind, the focus is shifting towards monetizing franchise scale through improving operating leverage, portfolio seasoning and technology-led efficiencies. Its growing AI capabilities are expected to further strengthen productivity and risk selection. Management has retained its FY27 AUM growth guidance of ~25% and 50% PAT growth, alongside its 4QFY27 ROA target of ~2.5%, supporting the outlook for sustained earnings expansion.

Stock Info

Bloomberg	PIRAMALF IN
Equity Shares (m)	237
M.Cap.(INRb)/(USDb)	478.1 / 5.2
52-Week Range (INR)	2328 / 1416
1, 6, 12 Rel. Per (%)	-9/-4/22
12M Avg Val (INR M)	876
Free float (%)	55.8

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
PPOP	22.9	37.1	57.1
PAT	16.7	23.8	36.6
PAT (ex exceptional)	0.0	23.8	36.6
EPS	74	100	150
EPS Gr. (%)	243	35	50
Consol BV/Sh. (INR)	1,247	1,378	1,523
RoA (%)	1.6	2.0	2.5
RoE (%)	6.0	7.8	10.4
Valuation			
P/E (x)	27.3	20.2	13.5
P/BV (x)	1.6	1.5	1.3
Dividend yield (%)	0.5	1.2	1.5

Shareholding pattern (%)

As On	Sep-26	Jun-26
Promoter	44.2	46.2
DII	21.8	18.6
FII	15.6	15.7
Others	18.4	19.5

FII Includes depository receipts

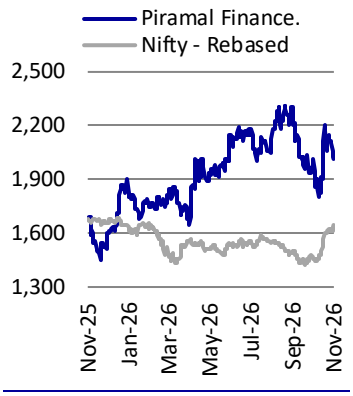
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

Stock's Performance (One-Year)



We estimate an AUM CAGR of ~28% and a PAT CAGR of ~48% over FY26-FY28, with an RoA/RoE of 2.5%/10.4% in FY28E. We reiterate our BUY rating on the stock with a TP of INR2,470 (based on Sep'28E SoTP).

Operating leverage and balance sheet productivity to enhance RoA

- Piramal's next phase of growth will be anchored in improving operating leverage and enhancing balance-sheet productivity. Portfolio seasoning, alongside technology and AI-led efficiencies, is expected to drive further cost optimization, building on the consecutive 14-quarter decline in the opex-to-AUM ratio to ~3.5%. These gains, coupled with calibrated leverage, are expected to support an RoA of ~2.5% and an RoE of ~10% by 4QFY27, with long-term aspirations of ~3% and 15%+, respectively.

AI productivity gains and incremental business driving scalability

- AI adoption is increasingly translating into tangible improvements in portfolio quality, workforce productivity and business generation. Enhanced risk assessment and early collections interventions have nearly halved the 90+ DPD ratio in the retail unsecured portfolio from ~1.65% in 2QFY25 to ~0.75% in 2QFY27. Simultaneously, AI has contributed ~15-17% to the ~35% improvement in employee productivity, with monthly disbursements per employee reaching INR2.75m (from ~INR2.1m in Sep'25) and AUM per employee increasing to ~INR50m (from INR40m in Sep'25). Additionally, digital lending and cross-selling generate ~INR40b of business per quarter. With annual AI investments of ~INR0.9-1.2b, these capabilities are positioning AI as a strategic growth and scalability enabler for Piramal.

Specialized AI platforms driving underwriting precision, collection efficiency, and business generation

Piramal's AI ecosystem comprises four specialized platforms:

- **Credit.AI**, through its proprietary ABCD framework comprising 15 agents, simultaneously evaluates customer documentation, banking transactions, bureau information, collateral, and fraud indicators. Generative AI extracts over ~9k features from bank statements, enabling granular risk assessment across 10 risk bands and facilitating faster, standardized credit decisions.
- **Collections.AI**, powered by Nivaaran, combines repayment history, banking behavior, and customer insights to prioritize recovery interventions, while multilingual voice intelligence automates field updates and follow-ups.
- **Growth.AI** leverages Arya (an internally focused AI assistant/coach/buddy) and PIA (an AI assistant catering to both internal and external users) to identify business opportunities, reactivate channel partners, and nurture leads through the disbursement journey, with PIA generating over ~INR1b in quarterly cross-sell business.
- **CX.AI** enables contextual, multilingual interactions across voice, chat, and digital channels, supporting customer onboarding, documentation, and disbursement. The platform's monthly voice calls have increased ~10x to ~800k, reflecting its growing role in scaling customer engagement and improving responsiveness.

AI-led organizational transformation beyond core lending

- Beyond customer-facing lending applications, Piramal is extending AI adoption across internal workflows through initiatives such as Prastuti (a tool used to create presentations), complementing its broader efforts to embed AI across the organization. Its BYOT (Build your own Tech) and BYOA initiatives further encourage employees to develop customized tools and specialized agents, with ~277 production-grade tools already developed by non-technical employees. This democratization of AI, supported by dedicated product engineering and data science capabilities, is aimed at embedding technology into everyday workflows, improving employee productivity, and reducing manual intervention across business functions.

Other highlights

- Piramal plans to accelerate branch expansion to deepen market penetration across retail, rural and gold loan businesses, taking its branch network well beyond 1,000 from the current ~875. While the expansion may entail near-term cost pressures, technology-led efficiencies and AI-driven productivity gains are expected to absorb the incremental expenditure.
- The divestment of residual investments in the insurance business could unlock capital for redeployment into core lending operations.
- On the regulatory front, the recent IRDAI circular is estimated to have a gross impact of ~18-24bp on the RoA, although the net impact could be lower depending on potential clawbacks and final guidelines, with management awaiting further clarity.

Valuation and view

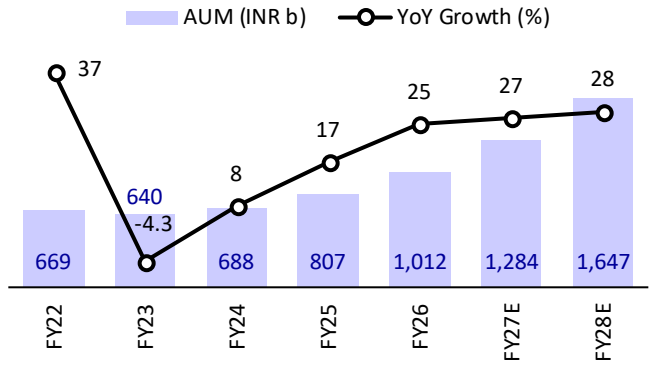
- Piramal's outlook is fortified by the completion of its legacy wholesale book clean-up, a stronger capital base and increasing confidence in scaling its retail franchise. The company is sharpening its focus on improving portfolio quality, capital productivity and operating efficiencies, with proprietary AI capabilities providing an additional lever through better risk selection, higher employee productivity and incremental business generation. Supported by management's confidence in the retail opportunity and its largely unchanged FY27 guidance of ~25% AUM growth and a 4QFY27 RoA target of 2.5%, the company is well positioned to deliver sustained improvement in profitability and long-term return accretion.
- We estimate an AUM CAGR of ~28% and a PAT CAGR of ~48% over FY26-FY28, with an RoA/RoE of 2.5%/10.4% in FY28E. **We reiterate our BUY rating on the stock with a TP of INR2,470 (based on Sep'28E SoTP).**

SoTP – Sep'28

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	518	5.4	2,289	93	❖ 1.5x Sep'28E PBV
Shriram Group	24	0.3	106	4	❖ Based on its stake in General Insurance Businesses
Life Insurance	8	0.1	34	1	
Alternatives	9	0.1	40	2	
Target Value	**559**	**5.8**	**2,470**	**100**	

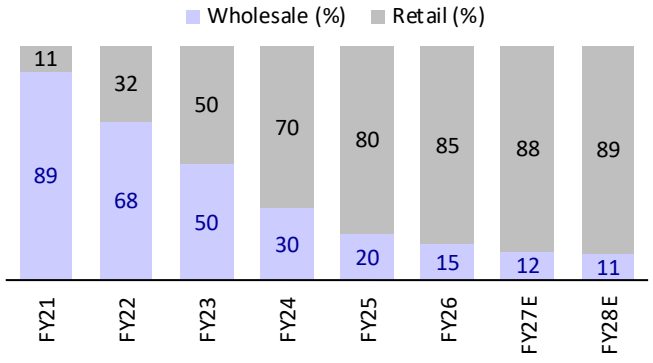
Story in charts

Exhibit 1: AUM CAGR of ~28% over FY26-FY28E



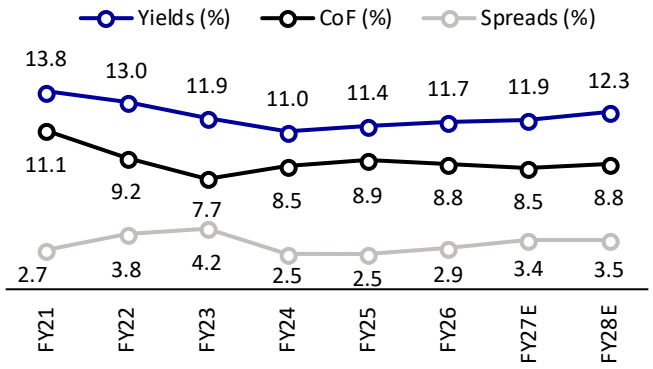
Source: MOFSL, Company

Exhibit 2: Retail mix continues to increase



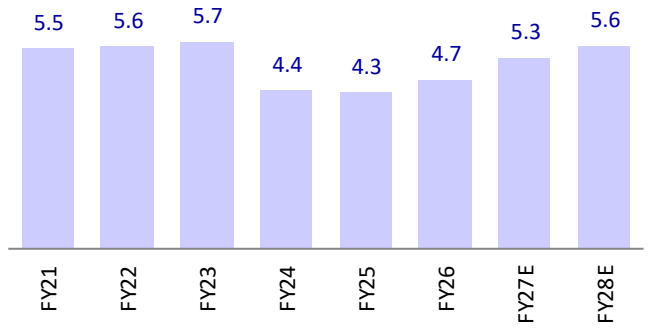
Source: MOFSL, Company

Exhibit 3: Expect improvement in yields...



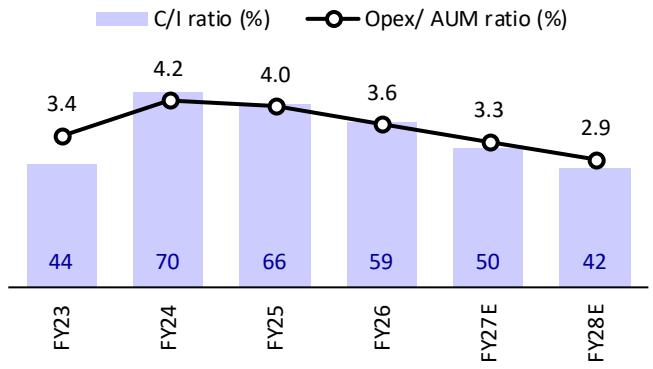
Source: MOFSL, Company

Exhibit 4: ...to lead to NIM expansion by FY28 (%)



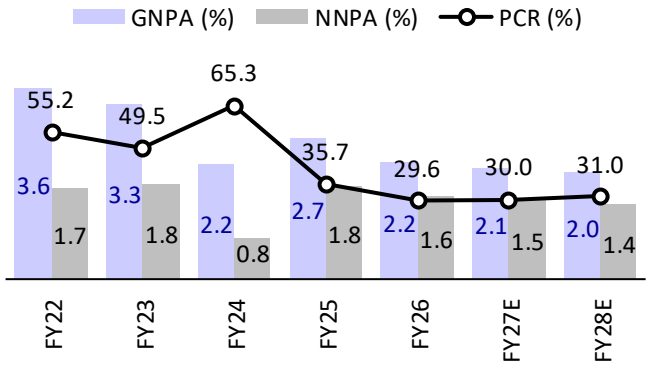
Source: MOFSL, Company

Exhibit 5: Operating costs expected to decline continuously



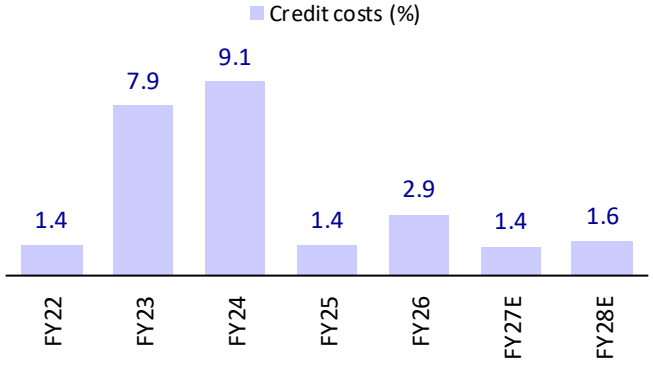
Source: MOFSL, Company

Exhibit 6: Expect further improvement in asset quality



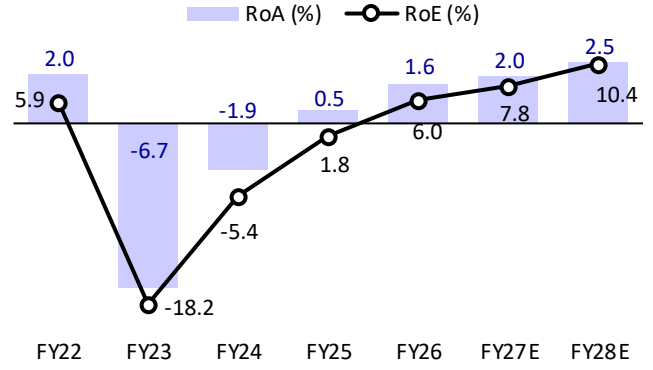
Source: MOFSL, Company

Exhibit 7: Credit costs expected to be ~1.6% by FY28



Source: MOFSL, Company

Exhibit 8: RoA/RoE of 2.5%/10.4% in FY28E

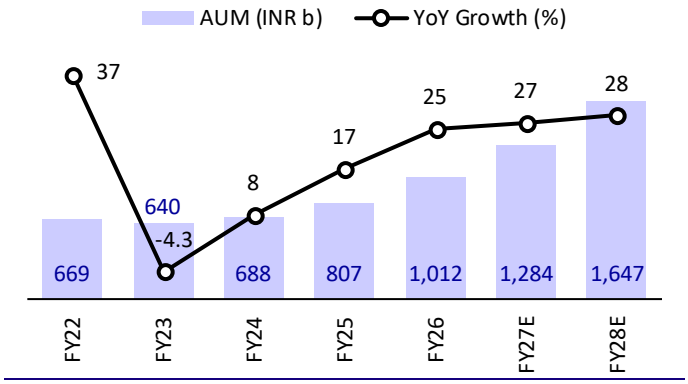


Source: MOFSL, Company;

Retail franchise with improving earnings and return potential

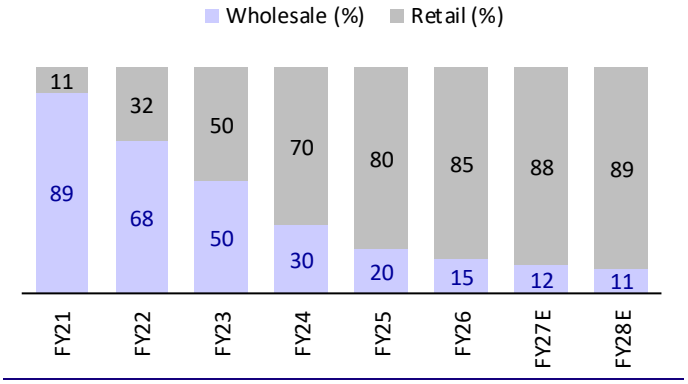
- Since acquiring DHFL in Mar'22, Piramal has transformed from a predominantly wholesale lender into a scaled retail-focused NBFC, with AUM growing ~5x to INR1.1t as of Sep'26. This transformation, driven by product diversification and significant investments in distribution, technology, and organizational talent, has established a strong retail franchise, while the legacy stressed wholesale portfolio has been substantially run down.
- With the operating infrastructure now firmly in place, the company is entering its next phase of growth, shifting its focus from balance-sheet expansion to monetizing these investments and translating scale into sustainable profitability. The benefits of this transition are already becoming visible, with the opex-to-AUM ratio declining for 14 consecutive quarters to ~3.5%, despite rapid business expansion. Further, the AA+ rating upgrade in Mar'26 and an ~INR38.5b equity raise have strengthened the balance sheet, providing headroom to support growth while progressively improving returns.
- Piramal reiterated its FY27 guidance of ~25% AUM growth and ~50% PAT growth (targeting PAT of >INR22.5b), while aiming to sustain a ~20-25% AUM CAGR over the medium term. As the franchise scales, the strategic focus is increasingly shifting towards enhancing the quality of growth and translating scale into stronger returns. This is expected to be driven by operating efficiencies, improving RoA, and calibrated leverage, with Piramal aspiring to achieve ~3% RoA and ~15%+ RoE over the medium term.

Exhibit 9: AUM CAGR of ~28% over FY26-FY28E



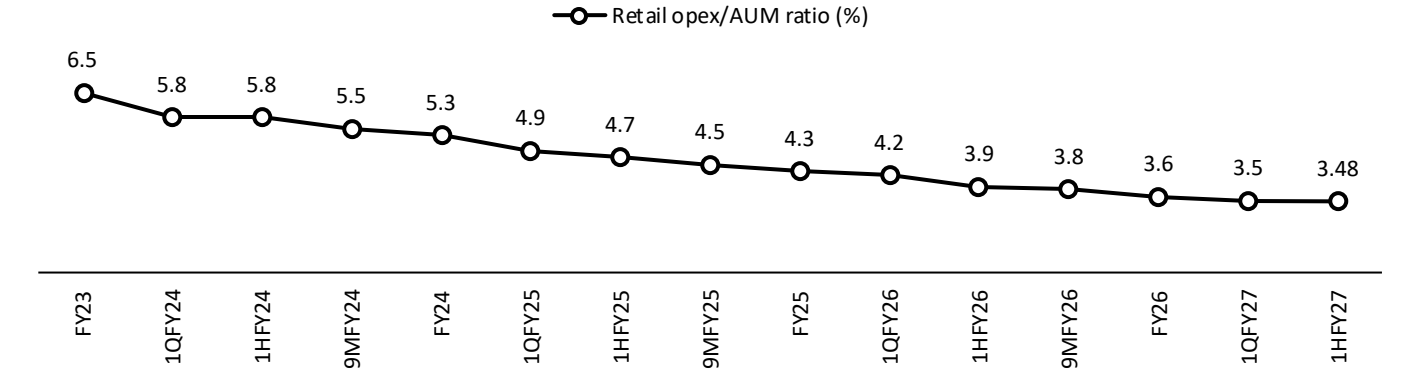
Source: MOFSL, Company

Exhibit 10: Retail mix continues to increase



Source: MOFSL, Company

Exhibit 11: Opex-to-AUM ratio declining



Source: Company, MOFSL

Proprietary AI capabilities underpin a differentiated lending model

- Piramal's AI strategy is purpose-built around the complexities of its target customer segment rather than technology adoption alone. The company primarily serves 'Middle India' self-employed individuals and small-business owners in smaller towns, typically earning INR25k-35k per month. Multiple income streams, cash-intensive businesses and limited formal documentation make conventional underwriting less effective, with ~75% of customer transactions comprising UPI payments linked to small businesses, further complicating financial assessment.
- To address these challenges, Piramal has developed an integrated AI architecture combining predictive ML, generative AI, perception models and Retrieval-Augmented Generation (RAG), enabling it to extract actionable insights from fragmented financial and customer information. Importantly, its strategy extends beyond deploying frontier models such as OpenAI and Gemini. The company is building proprietary models, feature stores, software platforms and agentic capabilities using its own customer data and business context, while sourcing foundational infrastructure, including GPUs, cloud computing and underlying LLMs, externally. Crucially, it retains ownership of its application layer, models, and source code, creating a differentiated capability tailored to its lending ecosystem.

Exhibit 12: Piramal has built an in-house AI ecosystem

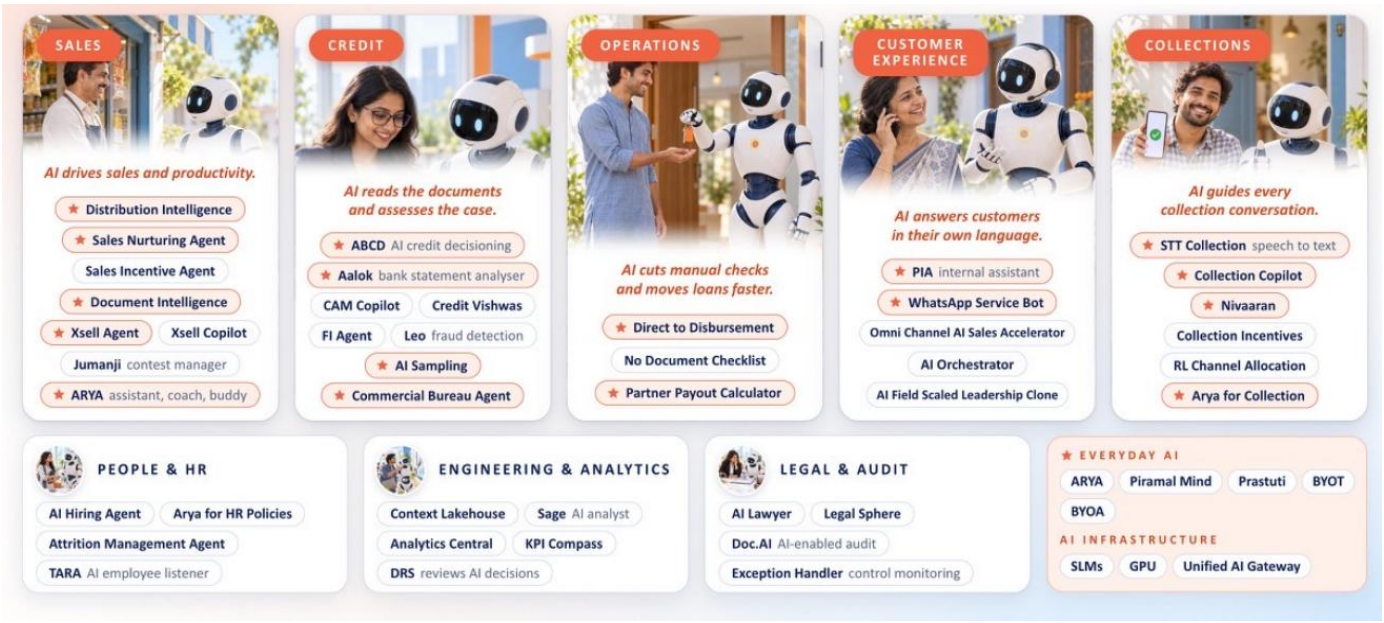


Source: Company, MOFSL

- This combination of proprietary data, models, and software creates a potentially compounding AI moat, with customer interactions, underwriting decisions, and collections outcomes continuously enriching its models and feature stores. Moving beyond standalone pilots, Piramal has deployed 623 digital agents across sales, credit, operations, and collections, supported by dedicated product engineering and data science teams, with human oversight embedded through continuous feedback and model corrections.

- More importantly, AI is beginning to deliver tangible operating benefits across productivity, portfolio quality, and business generation. Management estimates that AI has contributed to ~30% improvement in productivity, while overall employee productivity has increased by ~35%, of which ~15-17% is directly attributable to AI. Monthly disbursements per employee have reached ~INR2.75m (vs. ~INR2.1m YoY), while AUM per employee has scaled from ~INR40m to ~INR50m within the last one year.
- The 90+ DPD ratio in the retail unsecured portfolio has nearly halved from ~1.65% in 2QFY25 to 0.75% in 2QFY27, highlighting the benefits of more granular risk assessment and early collection interventions.
- Beyond productivity and risk optimization, AI is enabling incremental business generation through digital lending and cross-selling, which collectively contribute ~INR40b in business every quarter. Management believes these opportunities would not have been feasible in their current form without these capabilities. With annual AI investment of ~INR0.9-1.2b, the technology is increasingly evolving from an operational efficiency tool into a strategic growth enabler, allowing Piramal to scale its franchise with better risk selection, higher employee productivity, and improving operating leverage.

Exhibit 13: AI is now a part of every function, from sales to collections



Source: Company, MOFSL

Credit.AI: Transforming underwriting through superior risk differentiation

- Credit.AI is among the most important applications of Piramal's AI ecosystem, with the objective of transforming underwriting from a largely sequential, manual exercise into a simultaneous, data-driven decision-making process. Traditionally, credit managers independently assessed KYC documents, bank statements, ITRs, bureau information, property valuations and policy requirements, resulting in longer turnaround times (TATs), significant manual intervention, and a higher risk of inconsistent assessments.

- To address this, the company has developed ABCD (AI-Based Credit Decisioning), a proprietary master agent comprising 15 specialized agents that simultaneously assess different components of a loan application. These agents evaluate documentation, banking transactions, bureau information, financials, collateral, policy requirements and fraud indicators within an integrated process.

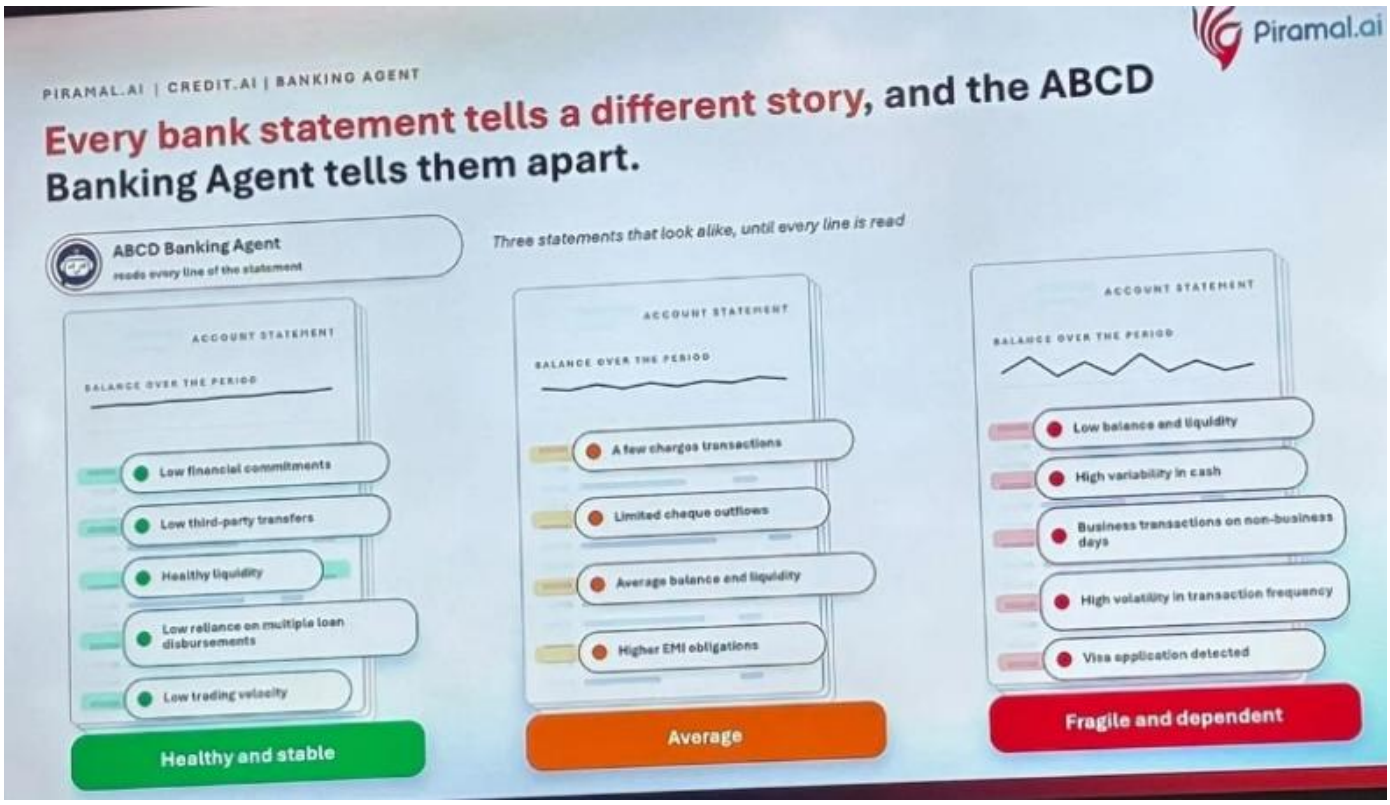
Exhibit 14: ABCD – Piramal's underwriting agent



Source: Company, MOFSL

- Arya further assists credit managers by providing policy-related information, customer profiles and relevant insights, while ABCD consolidates findings from the specialized agents to generate an indicative approve/decline recommendation, risk score and relevant flags. **Importantly, the final credit decision continues to rest with the human underwriter, who can incorporate additional information and exercise independent judgment before approving or rejecting the application.**
- One of the specialized agents is the Banking Agent, which goes beyond conventional bank statement summarization to build a detailed understanding of customer financial behavior. It analyzes transaction patterns, income stability, spending behavior, transaction velocity and account volatility. Generative AI is used to interpret transaction narrations and extract ~9k features, compared with ~100 features that conventional underwriting processes may identify manually.

Exhibit 15: Piramal's banking analyst



Source: Company, MOFSL

- These extracted features are subsequently fed into ML and neural network models, which assess the customer's financial profile and assign a risk score across 10 risk bands. The models identify differences in cash-flow stability, spending patterns and financial vulnerability, with management highlighting a 5x risk differential between customers in the lowest and highest risk categories. This enables more granular customer segmentation and potentially more accurate risk-based credit decisions.

Collections.AI: Improving recovery outcomes through predictive intelligence and automated resolution

- Collections.AI is a key pillar of Piramal's technology-led transformation, aimed at improving recovery efficiency while reducing dependence on manual customer outreach and case management. Through Nivaaran, its central collections agent, and Arya, which supports collection managers and field teams, the company is automating activities across customer engagement, disposition recording, case management and field allocation.
- The platform follows a graduated intervention model, under which routine cases are initially addressed through automated outreach, while unresolved accounts are progressively escalated to call centers and field collectors. This enables digital resolution of lower-complexity cases while allowing collection teams to concentrate on accounts requiring deeper intervention.

Exhibit 16: AI aiding in collection processes



Source: Company, MOFSL

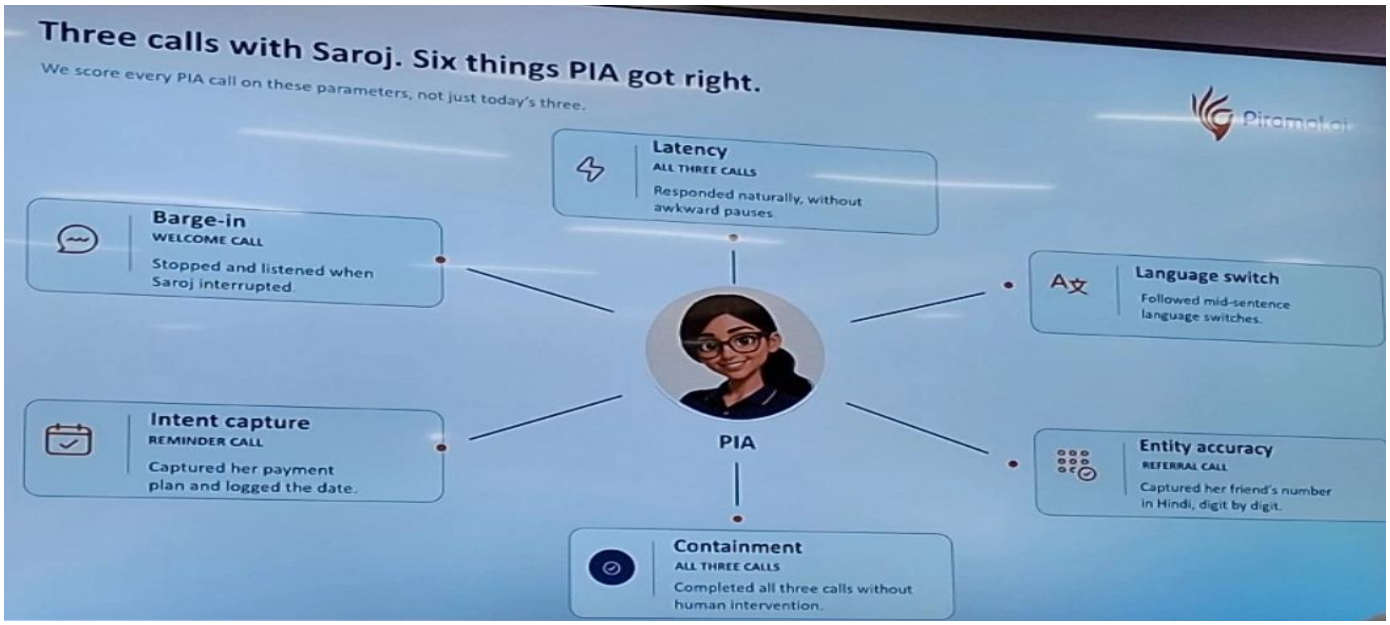
- A key differentiator is Nivaaran's ability to build a comprehensive customer profile using repayment history, bounce instances, live loan information, bureau insights and previous interactions. By analyzing bank statements and repayment patterns, it also determines the optimal timing and channel for engagement, aligning collection efforts with customer cash flows to improve recovery probabilities.
- AI is further being embedded into field collections, with collectors providing verbal updates rather than manually recording dispositions. Nivaaran uses speech-to-text and language models to capture interactions, identify reasons for non-payment and extract expected repayment dates. In addition to supporting 10-12 languages, the platform can also trigger relevant follow-up actions, including links to realign NACH repayment dates.
- Arya complements this process by helping collection managers prioritize accounts, optimize field visits and allocate resources based on recovery potential. Dynamic channel allocation, supported by reinforcement learning and real-time information, further enables the selection of the most effective collection strategy for individual borrowers.

CX.AI: Enhancing customer engagement and improving conversion across the lending journey

- Piramal's CX.AI platform acts as an integrated customer interaction engine across voice calls, chatbots, emails and other communication channels. It is designed to engage customers throughout the loan lifecycle, from initial product discovery and onboarding to documentation, disbursement, and servicing. By integrating multiple communication channels and internal teams, PIA (Piramal Instant Assistant) enables faster query resolution and reduces customer drop-offs during the lending process.
- The platform has evolved significantly beyond conventional scripted voicebots. Its conversational AI capabilities allow it to understand customer objections, maintain context, and respond in a more natural manner.

- A particularly relevant capability is its ability to engage customers in Hindi and regional languages without losing conversational context or unnecessarily switching to other languages. The company has trained its models extensively on local language patterns, making the platform more relevant for customers in smaller towns and rural markets, where language and communication barriers can otherwise affect customer acquisition and servicing.
- Beyond improving customer experience, PIA is also contributing directly to business generation. It independently initiates customer calls (sometimes even with pre-approved offers), shares relevant links through WhatsApp, follows up on documentation and disbursement requirements, and addresses potential drop-offs. Human sales executives intervene where required, allowing the platform to manage routine interactions at scale.

Exhibit 17: Top 5 outcomes of Piramal.ai



Source: Company, MOFSL

- PIA is currently generating more than ~INR1b of cross-sell business per quarter, demonstrating that AI is emerging as an incremental business-generation channel rather than merely a cost-reduction initiative. Its integration across customer onboarding, servicing, and cross-selling should improve conversion rates while reducing the manual effort required from frontline teams.

Growth.AI: Driving frontline productivity and accelerating business conversion

- Growth.AI is focused on improving the productivity of field sales officers through Arya, which acts as a digital assistant across five key responsibilities: identifying business opportunities, nurturing channel partners, planning daily activities, driving disbursements, and tracking incentives. The platform provides market intelligence on potential business opportunities, active channel partners and their estimated disbursement potential, helping sales teams prioritize high-value activities.

- Arya also identifies channel partners who have not submitted business over the preceding 1-2 weeks and provides historical sourcing information to facilitate targeted engagement. It consolidates the sales pipeline, including warm leads, pending credit appraisal cases, canceled applications that can be re-engaged and sanctioned but undisbursed loans. This helps sales officers identify opportunities that could otherwise be missed due to fragmented information across multiple systems.
- The platform also provides visibility into the undisbursed sanctioned pipeline and the associated employee incentives, helping frontline teams prioritize files with higher conversion potential. PIA complements this process by engaging customers directly, following up on pending documentation and keeping potential leads warm until the sales executive needs to intervene.
- AI is also accelerating the loan-processing cycle through the company's ***AI Expressway***, which deploys specialized agents across more than 80 document types, including KYC documents, financial statements, collateral documents, loan agreements and application forms. Multiple agents are triggered when a document is uploaded to perform classification, data extraction, validation and verification of stamps and signatures, thereby reducing manual intervention across the processing workflow.
- The impact is already visible in TAT, with ~40% of customers now receiving their loans within one day, compared with ~18% earlier. This improvement should support higher customer conversion, faster disbursement cycles and greater throughput from the existing distribution infrastructure.

Exhibit 18: These agents work in tandem across functions along with other tools



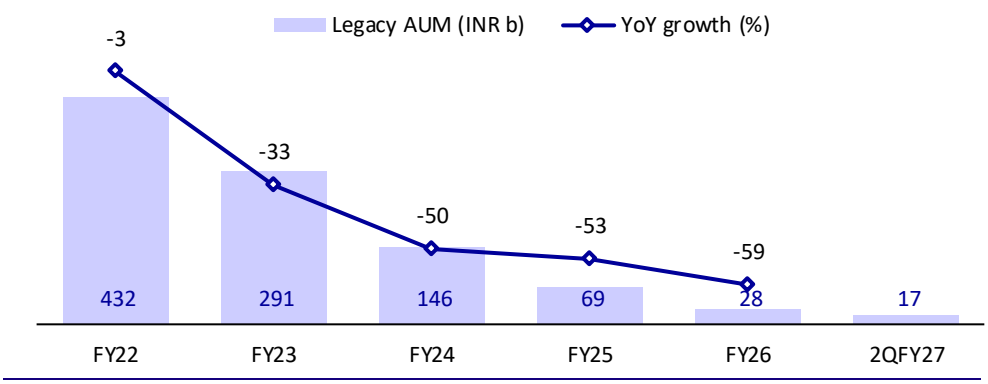
Source: Company, MOFSL

Embedding technology across the organization

- Beyond customer-facing and lending applications, Piramal is extending AI adoption across its internal operations through its Build Your Own Tech (BYOT) architecture. The objective is to enable employees without coding backgrounds to develop applications and automate workflows based on their day-to-day operational requirements, reducing dependence on conventional software development teams.
- The company has demonstrated meaningful improvements in internal processes through these initiatives. Prastuti enables employees to generate and customize content, including translating English training presentations into regional languages to improve accessibility for employees in smaller towns.
- Smart Help is another internal application that uses AI agents to resolve employee queries by referring to the company's established standard operating procedures. Around 15% of employee tickets are currently resolved without human intervention, reducing routine administrative workload and improving response times.
- At the enterprise level, ***Piramal Mind*** acts as the overarching AI architecture and connected organizational memory, integrating information generated across different business functions. Platforms such as PIA, Arya, ABCD, Nivaaran, and Prastuti operate within a common knowledge ecosystem, allowing agents to access relevant context and build upon information generated elsewhere. As the volume of proprietary data and organizational knowledge expands, this interconnected architecture should improve the effectiveness of individual agents and enable increasingly sophisticated applications.

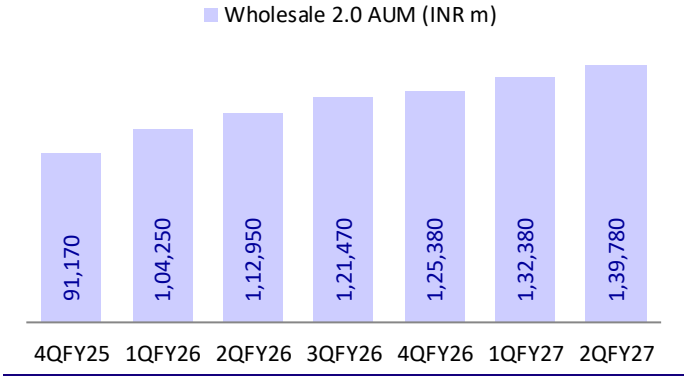
Legacy Wholesale and Wholesale 2.0: Story in charts

Exhibit 19: Accelerated rundown of Legacy AUM



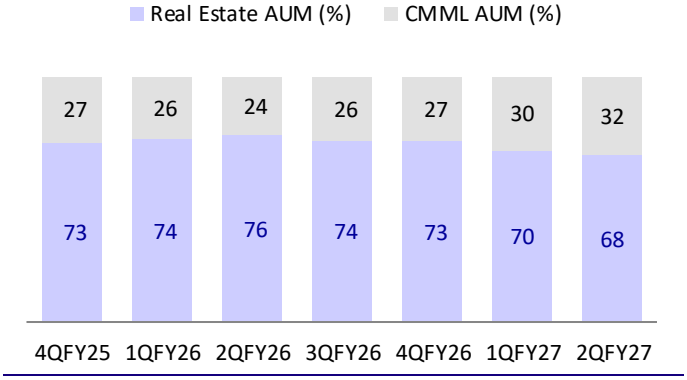
Source: MOFSL, Company

Exhibit 20: Wholesale 2.0 AUM stood at INR140b as of 2QFY27



Source: MOFSL, Company

Exhibit 21: Wholesale 2.0 AUM mix (%)

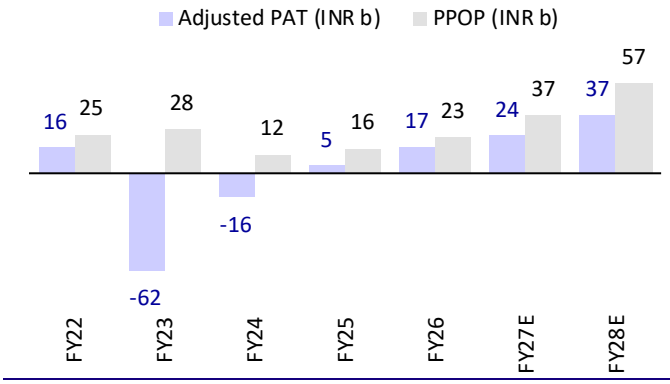


Source: MOFSL, Company

Valuation and view

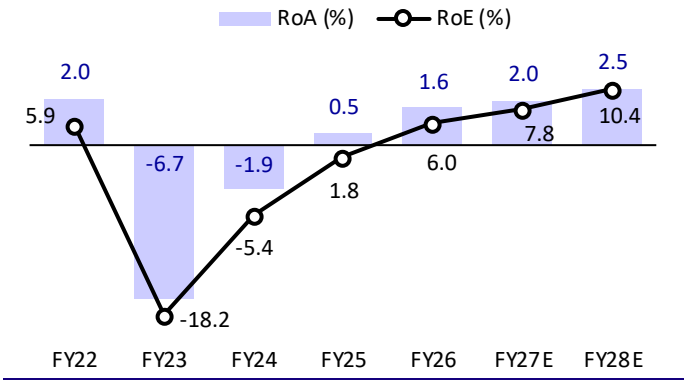
- Piramal's outlook is fortified by the completion of its legacy wholesale book clean-up, a stronger capital base and increasing confidence in scaling its retail franchise. The company is sharpening its focus on improving portfolio quality, capital productivity and operating efficiencies, with proprietary AI capabilities providing an additional lever through better risk selection, higher employee productivity and incremental business generation. Supported by management's confidence in the retail opportunity and its largely unchanged FY27 guidance of ~25% AUM growth and a 4QFY27 RoA target of 2.5%, the company is well positioned to deliver sustained improvement in profitability and long-term return accretion.
- We estimate an AUM CAGR of ~28% and a PAT CAGR of ~48% over FY26-FY28, with an RoA/RoE of 2.5%/10.4% in FY28E. **We reiterate our BUY rating on the stock with a TP of INR2,470 (based on Sep'28E SoTP).**

Exhibit 22: PAT likely to expand to ~INR37b by FY28E



Source: MOFSL, Company

Exhibit 23: RoA/RoE of 2.5%/10.4% in FY28E

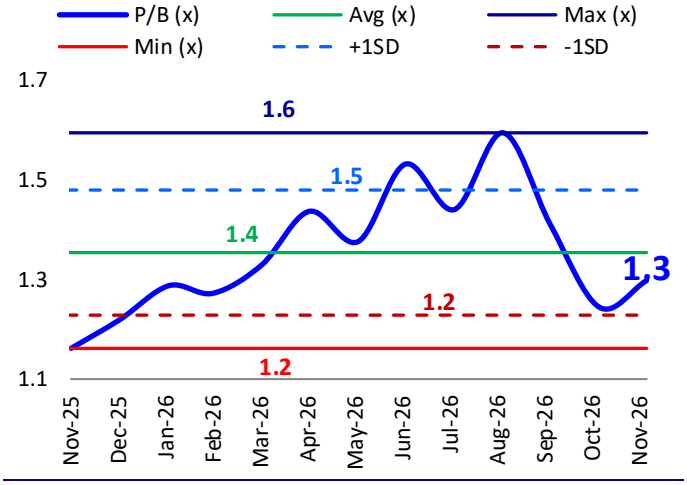


Source: MOFSL, Company;

Exhibit 24: SoTP – Sep'28

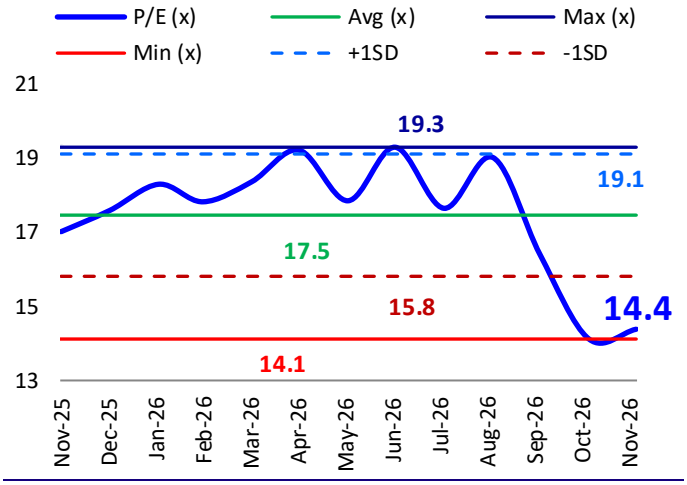
	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	518	5.4	2,289	93	❖ 1.5x Sep'28E PBV
Shriram Group	24	0.3	106	4	❖ Based on its stake in General Insurance Businesses
Life Insurance	8	0.1	34	1	
Alternatives	9	0.1	40	2	
Target Value	**559**	**5.8**	**2,470**	**100**	

Exhibit 25: One year forward P/BV



Source: MOFSL, Company

Exhibit 26: One year forward P/E



Source: MOFSL, Company

Financials and valuations

Income statement								INR m
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Interest Income	75,228	77,986	73,139	85,410	1,06,537	1,36,285	1,80,280	2,31,528
Interest Expended	42,817	40,412	44,004	53,174	63,902	75,709	97,984	1,25,864
Net Interest Income	**32,411**	**37,574**	**29,135**	**32,236**	**42,635**	**60,577**	**82,296**	**1,05,664**
Change (%)	17.1	15.9	-22.5	10.6	32.3	42.1	35.9	28.4
Other Income	3,881	12,881	10,561	13,726	13,379	13,956	16,737	17,999
Net Income	**36,292**	**50,455**	**39,695**	**45,962**	**56,013**	**74,533**	**99,033**	**1,23,663**
Change (%)	31.1	39.0	-21.3	15.8	21.9	33.1	32.9	24.9
Operating Expenses	11,718	22,148	27,740	30,143	33,078	37,391	41,955	48,112
PPoP	**24,574**	**28,307**	**11,955**	**15,820**	**22,936**	**37,142**	**57,078**	**75,551**
Change (%)	15.3	15.2	-57.8	32.3	45.0	61.9	53.7	32.4
Provisions/write offs	8,299	51,801	60,115	10,737	26,080	15,844	23,451	29,875
PBT	**16,275**	**-23,494**	**-48,160**	**5,083**	**-3,144**	**21,298**	**33,627**	**45,677**
Tax	4,062	-39,781	-15,949	1,594	-1,231	0	0	0
Tax Rate (%)	25.0	161.4	47.3	31.4	-9.7	0.0	0.0	0.0
PAT (before associate income)	**12,213**	**16,287**	**-32,211**	**3,488**	**-1,913**	**21,298**	**33,627**	**45,677**
Associate Income	5,939	3,886	1,537	1,366	1,889	2,456	2,947	2,947
PAT (before exceptional)	**18,152**	**20,173**	**-30,674**	**4,855**	**-24**	**23,754**	**36,575**	**48,624**
Exceptional items	-1,836	-81,813	15,116	0	16,705	0	0	0
PAT (after exceptional)	**16,316**	**-61,640**	**-15,558**	**4,855**	**16,681**	**23,754**	**36,575**	**48,624**
Change (%)	5.1	-477.8	-74.8	-131.2	243.6	42.4	54.0	32.9

Balance sheet							INR m	INR m
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Capital	477	477	449	451	452	476	489	489
Reserves & Surplus	3,54,414	3,10,114	2,65,121	2,70,509	2,81,034	3,27,652	3,71,639	4,12,948
Net Worth	**3,68,369**	**3,10,591**	**2,65,571**	**2,70,959**	**2,81,915**	**3,28,128**	**3,72,127**	**4,13,436**
Borrowings	5,54,510	4,95,828	5,34,020	6,54,840	7,99,892	9,81,490	12,45,425	15,82,983
Change (%)	48	-11	8	23	22	23	27	27
Other liabilities	39,549	23,891	24,274	20,681	20,975	16,780	13,424	10,739
Total Liabilities	**9,98,729**	**8,37,522**	**8,26,050**	**9,49,434**	**11,05,465**	**13,26,398**	**16,30,976**	**20,07,159**
Loans and advances	**4,93,180**	**4,63,946**	**5,49,434**	**6,57,918**	**8,48,380**	**10,78,560**	**13,83,806**	**17,53,027**
Change (%)	-2	-6	18	20	29	27	28	27
Investments	**2,48,565**	**2,23,318**	**1,25,130**	**1,25,387**	**98,138**	**88,324**	**79,492**	**71,543**
Net Fixed Assets	86,715	7,385	6,232	4,931	4,290	3,003	2,102	1,471
Cash and Cash equivalents	71,872	46,491	44,468	62,759	55,679	59,234	69,170	84,891
Deferred tax assets	13,679	18,472	28,756	27,404	27,674	27,674	27,674	27,674
Other assets	84,719	77,910	72,030	71,036	71,303	69,603	68,733	68,553
Total Assets	**9,98,729**	**8,37,522**	**8,26,050**	**9,49,434**	**11,05,465**	**13,26,398**	**16,30,976**	**20,07,159**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Spreads Analysis (%)								
Yield on loans	13.0	11.9	11.0	11.4	11.7	11.9	12.3	12.4
Cost of funds	9.2	7.7	8.5	8.9	8.8	8.5	8.8	8.9
Spread	3.8	4.2	2.5	2.5	2.9	3.4	3.5	3.5
Net Interest Margin	5.6	5.7	4.4	4.3	4.7	5.3	5.6	5.7
Profitability Ratios (%)								
RoE	5.9	-18.2	-5.4	1.8	6.0	7.8	10.4	12.4
RoA	2.0	-6.7	-1.9	0.5	1.6	2.0	2.5	2.7
C/I ratio	32.3	43.9	69.9	65.6	59.1	50.2	42.4	38.9
Opex/AUM ratio		3.4	4.2	4.0	3.6	3.3	2.9	2.6
Asset Quality (%)								
Gross NPA	22,270	20,550	14,300	19,510	19,700	23,934	29,245	35,196
Gross NPA (% of AUM)	3.6	3.3	2.2	2.7	2.2	2.1	2.0	1.9
Net NPA	9,980	10,380	4,960	12,540	13,870	16,754	20,179	23,933
Net NPA (% of AUM)	1.7	1.8	0.8	1.8	1.6	1.5	1.4	1.3
PCR (%)	55.2	49.5	65.3	35.7	29.6	30.0	31.0	32.0
Credit costs (%)	1.4	7.9	9.1	1.4	2.9	1.4	1.6	1.6

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY28E
AUM (INR m)	6,68,900	6,39,890	6,88,460	8,06,890	10,12,300	12,84,000	16,47,388	20,86,937
YoY growth (%)	37	-4	8	17	25	27	28	27
AUM Mix (%)								
Wholesale	67.8	49.8	30.4	19.9	15.2	12.4	11.2	10.3
Retail	32.2	50.2	69.6	80.1	84.8	87.6	88.8	89.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Wholesale Loans (INR m)	4,53,380	3,18,450	2,09,190	1,60,370	1,53,450	1,58,877	1,84,336	2,15,319
YoY growth (%)	4.0	-29.8	-34.3	-23.3	-4.3	3.5	16.0	16.8
Retail Loans (INR m)	2,15,520	3,21,440	4,79,270	6,46,520	8,58,850	11,25,124	14,63,051	18,71,618
YoY growth (%)	306.4	49.1	49.1	34.9	32.8	31.0	30.0	27.9
Total Loan Book	**6,68,900**	**6,39,890**	**6,88,460**	**8,06,890**	**10,12,300**	**12,84,000**	**16,47,388**	**20,86,937**
YoY growth (%)	36.8	-4.3	7.6	17.2	25.5	26.8	28.3	26.7

Valuation	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY28E
Book Value (INR)	1,544	1,301	1,182	1,202	1,247	1,378	1,523	1,692
Price-BV (x)	**1.3**	**1.5**	**1.7**	**1.7**	**1.6**	**1.5**	**1.3**	**1.2**
EPS (INR)	68.4	84.5	-69.3	21.5	73.8	99.8	149.7	199.0
EPS Growth YoY	-1	24	-182	-131	243	35	50	33
Price-Earnings (x)	**29.5**	**23.9**	**-29.1**	**93.6**	**27.3**	**20.2**	**13.5**	**10.1**
Dividend per share (INR)		31.0	10.0	11.0	11.0	23.9	29.9	39.8
Dividend yield (%)		**1.5**	**0.5**	**0.5**	**0.5**	**1.2**	**1.5**	**2.0**

E: MOFSL Estimates

Du-pont	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest income	9.4	8.5	8.8	9.6	10.4	11.2	12.2	12.7
Interest expense	5.3	4.4	5.3	6.0	6.2	6.2	6.6	6.9
NII	**4.0**	**4.1**	**3.5**	**3.6**	**4.1**	**5.0**	**5.6**	**5.8**
Fee and other income	0.5	1.4	1.3	1.5	1.3	1.1	1.1	1.0
Total income	**4.5**	**5.5**	**4.8**	**5.2**	**5.5**	**6.1**	**6.7**	**6.8**
Operating expense	1.5	2.4	3.3	3.4	3.2	3.1	2.8	2.6
PPOP	**3.1**	**3.1**	**1.4**	**1.8**	**2.2**	**3.1**	**3.9**	**4.2**
Provisions (annualized)	1.0	5.6	7.2	1.2	2.5	1.3	1.6	1.6
PBT	**2.0**	**-2.6**	**-5.8**	**0.6**	**-0.3**	**1.8**	**2.3**	**2.5**
Tax	0.5	-4.3	-1.9	0.2	-0.1	0.0	0.0	0.0
ROA (before associate and exceptional)	**1.5**	**1.8**	**-3.9**	**0.4**	**-0.2**	**1.8**	**2.3**	**2.5**
Consol RoA (including associate and exceptional)	**2.0**	**-6.7**	**-1.9**	**0.5**	**1.6**	**2.0**	**2.5**	**2.7**
Assets-to-equity	2.9	2.7	2.9	3.3	3.7	4.0	4.2	4.6
Consol ROE (PAT)	**5.9**	**-18.2**	**-5.4**	**1.8**	**6.0**	**7.8**	**10.4**	**12.4**

E: MOFSL Estimates

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