

# Aavas Financiers Ltd

Refer to important disclosures at the end of this report

## The affordable story; SUBSCRIBE

**Price Band**  
Rs818-821

**Rating**  
SUBSCRIBE

- Focus on low ticket individual housing - Present across various geographies:** Aavas Financiers (AAVAS) is engaged in affordable housing lending with average ticket size of Rs8.5L and spread across different geographies (eight states). The company managed to grow its advances by ~67.2% CAGR whereas disbursements grew by ~64.5% CAGR for FY14-18. The management of the company is risk averse and has conservatively built their existing portfolio with Zero exposure to developer finance, under construction properties else land financing. The company also has categorically avoided customers directly linked to Agriculture else dairy activities in order to avoid volatile revenue model.
- Adequate ALM match along with zero exposure towards capital market borrowings to support spreads in coming quarters:** The company management has stringent ALM maturity norms whereby average liability maturity is 136 months (11 years) whereas assets are being matured at an average duration of 8 years which provides consistency to spreads of the company. Also being exposed to bottom end of the customer profile, the company is able to command price which further safeguards margins. The company has loans at fixed rates of Rs15bn against fixed rate liabilities of Rs10bn which again safeguards margins.
- Asset quality profile stable – Checks and Balances in place:** Being engaged in mortgage finance business, the company has witnessed relatively stable asset quality trends in past. The management has team of 300 employees to undertake overall underwriting process for each individual case. They have also formed 300 employees team for collections and recoveries who have an adequate experience in the field. The company tracks delinquencies on ~1 day default and appropriate actions are initiated at very advance stages of default.
- Sufficient capital to fuel growth engine - Improvement in credit ratings to drive RoE outperformance:** AAVAS manages to have excessive capital adequacy with CAR at ~61.6% as on March 2018 and with fresh issues of Rs4bn, the same is expected to inch up further. The promoter of the company has been infusing capital on regular intervals in order to maintain low leverage. The move was intended to improve overall rating profile of the company. The management is expecting a further rating upgrade (from A+ to AA) post completion of equity listing which would allow the company to accelerate its overall leverage from ~3.8x in FY18 to an industry average of 8-10x. This may lead to an overall RoE improvement to ~20% in next 2-3 years.
- Robust business profile with high probability of RoE expansion; recommend SUBSCRIBE to IPO:** AAVAS has announced an IPO price band of Rs818-821. At an upper price band of Rs821, the stock is available at ~3.5x P/FY18 Book (post money) & ~56x P/FY18 earnings with ~10.2% FY18 ROEs (pre-dilution). As the company accelerates its overall leverage, the likely probability of achieving superior RoEs of ~20% remains fairly high. Also with sufficient capital already in place, further risk of dilution is also quite limited. We recommend SUBSCRIBE to the IPO.

### Issue Details

Price Band	Rs 818-821
Issue Open	September 25, 2018
Issue Closes	September 27, 2018
Issue Size (mn shares)	21.12-21.14
Issue Size (Rs bn)	17.28-17.34
No. of shares Pre-issue (mn)	73.7
No. of shares Post issue (mn)	78.60-78.61
Post issue mkt cap (Rs bn)	64.3-64.5

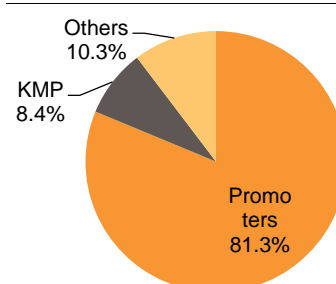
### Issue Structure (mn shares)

Fresh Issue of Rs4bn	4.87-4.89
OFS	16.25
<b>Total</b>	<b>21.12-21.14</b>

### Objects of the Issue

The objects of the issue are to achieve the benefits of listing on stock exchanges and to carry out the sale of equity shares offered for sale by the promoters. In addition, the company proposes to utilize the net proceeds from the fresh issue towards augmenting its capital base to meet future capital requirements.

### Shareholding Pattern (pre-issue)



Source: Company, Emkay Research

### Financial Snapshot (Standalone)

(Rs mn)	FY14	FY15	FY16	FY17	FY18
Net income	241	510	940	1,627	2,682
Net profit	63	191	328	571	929
EPS (Rs)	2.0	5.5	8.2	11.1	15.9
BVPS (Rs)	17.8	29.4	51.2	110.1	187.5
RoA (%)	1.5	3.0	2.6	2.7	3.0
RoE (%)	11.4	24.3	21.5	14.8	11.2
PE (x) – at issue price Rs821/share	402.5	148.2	99.6	74.0	51.7

Source: Company, Emkay Research

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

**Jignesh Shial**  
jignesh.shial@emkayglobal.com  
+91-22-66242468

**Kushan Parikh, CFA**  
kushan.parikh@emkayglobal.com  
+91-022-66242431

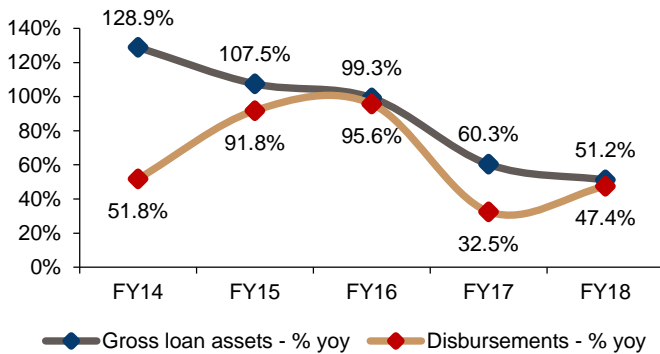
**Himanshu Taluja**  
himanshu.taluja@emkayglobal.com  
+91-022-66121248

## Investment Argument

### Focus on low ticket individual housing - Present across various geographies

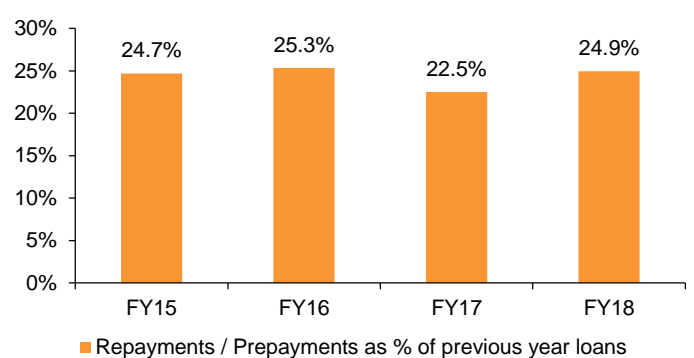
Aavas Financiers (AAVAS) is engaged in affordable housing lending with average ticket size of Rs8.5L and spread across different geographies (eight states). The company managed to grow its advances by ~67.2% CAGR whereas disbursements grew by ~64.5% CAGR for FY14-18. The company managed to maintain overall Repayment levels at ~24% annually of which ~12% pertains to balance transfer (Pre-payment) whereas balance are payments in normal course of business.

**Exhibit 1: AUM – Disbursement growth**



Source: Company, Emkay Research

**Exhibit 2: Trends in Loan Repayment**

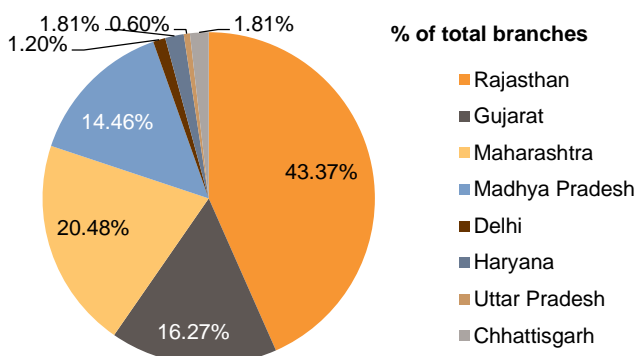


Source: Company, Emkay Research

The management of the company is risk averse and has conservatively built their existing portfolio with Zero exposure to developer finance, under construction properties else land financing. ~85% of house funded by the company are solo structure houses whereas balance are apartments. The company also has categorically avoided customers directly linked to Agriculture else dairy activities in order to avoid volatile revenue model.

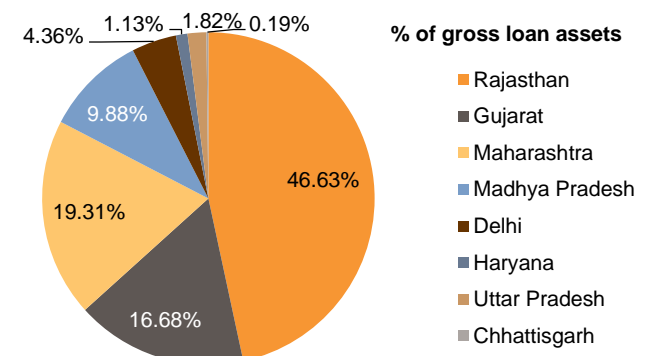
Rajasthan being the home state contributes ~46.6% of gross loans and ~43.4% of branches. Apart from this, the company is also present across eight different states. Interestingly, out of 165 branches at present, ~135 branches are located in towns with population of less than ~1mn.

**Exhibit 3: State wise distribution of branches**



Source: Company, Emkay Research

**Exhibit 4: State wise distribution of Loans book**

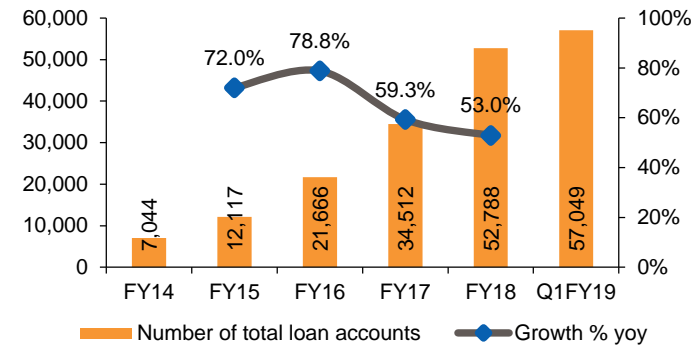


Source: Company, Emkay Research

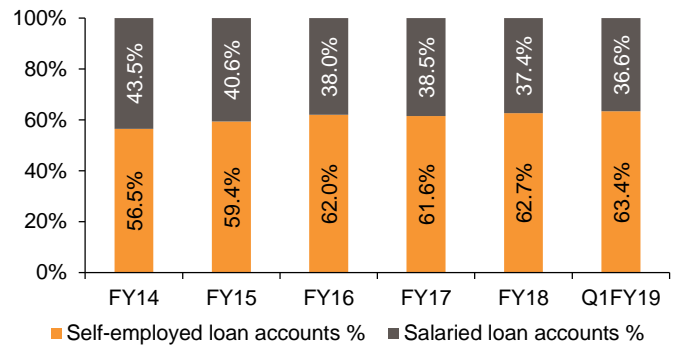
### Robust growth in customer count provides further granularity on loan book – Contribution from new to bank customer remains healthy

Aavas unlike other so called affordable housing finance companies has been least reliant on expansion of average ticket size to accelerate overall loan book growth. Rather the company has witnessed robust growth ~65.5% CAGR from FY14-18 in customer count over years with total customer base increasing to ~57,000 customers in Q1FY19.

Of the overall customers, ~63.4% are self-employed individuals whereas balance are salaried customer. The proportion has remained similar over past few years. The company has also witnessed steady average of ~40% customers being new to bank/organized credit customers which provides further diversification to book.

**Exhibit 5: Trend in No. of loan accounts along with growth**

Source: Company, Emkay Research

**Exhibit 6: Customer bifurcation – Self-employed – salaried**

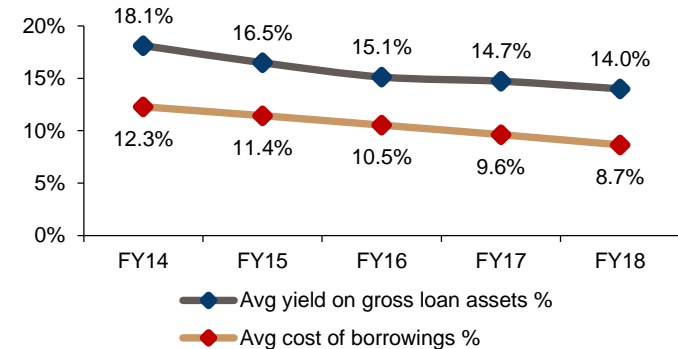
Source: Company, Emkay Research

**Self-created distribution model provides necessary edge over competition**

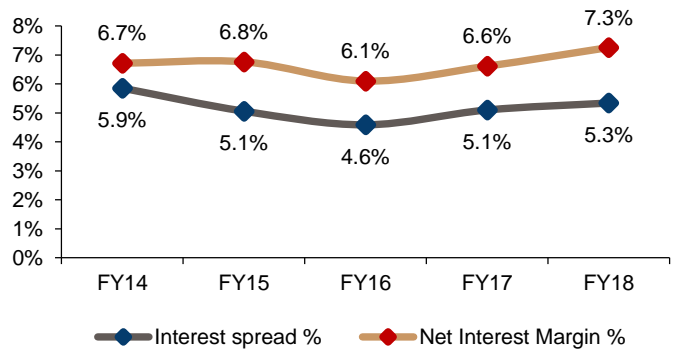
Interestingly AAVAS does not have chain of Direct Selling Agents (DSAs) to source their products to clients. The company manages its own sales force in order to maintain self-sustainability of loan growth as well as to reduce delinquencies by understanding the customer profile in greater details. The company also has unique tie up with various cement distributors, steel suppliers, contractors etc who provides lead to the company for new customer who is already in process of constructing new house.

**Adequate ALM match along with zero exposure towards capital market borrowings to support spreads in coming quarters**

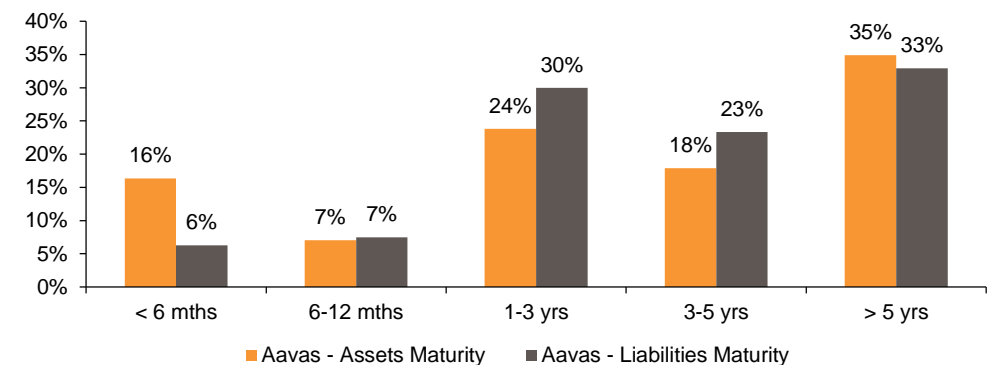
The company management has stringent ALM maturity norms whereby average liability maturity is 136 months (11 years) whereas assets are being matured at an average duration of 8 years which provides consistency to spreads of the company. Also being exposed to bottom end of the customer profile, the company is able to command price which further safeguards margins. The company has loans at fixed rates of Rs15bn against fixed rate liabilities of Rs10bn which again safeguards margins.

**Exhibit 7: Yields and Cost of Fund**

Source: Company, Emkay Research

**Exhibit 8: NIMs and Spreads**

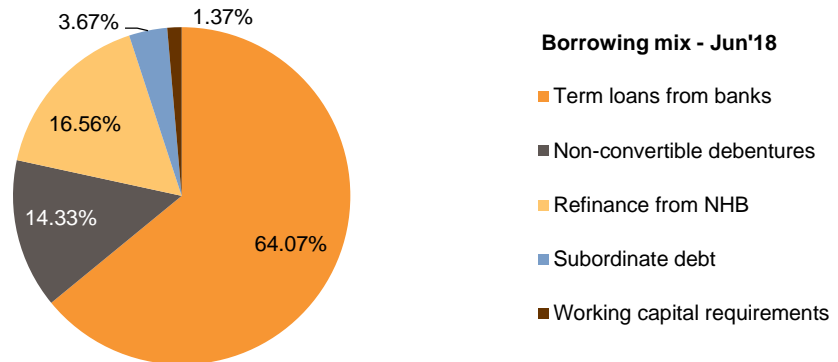
Source: Company, Emkay Research

**Exhibit 9: ALM Profile – as on Jun'18**

Source: Company, Emkay Research

AAVAS management has restrained itself from taking an exposure in capital market linked borrowings and has most reliance on bank borrowings which further eases volatility in cost of funds and allows the company to report steady margin trends. Also the company has witnessed gradual improvement in credit rating profile over years which would further keep overall cost of funds under check.

**Exhibit 10: Borrowing mix – Jun'18**

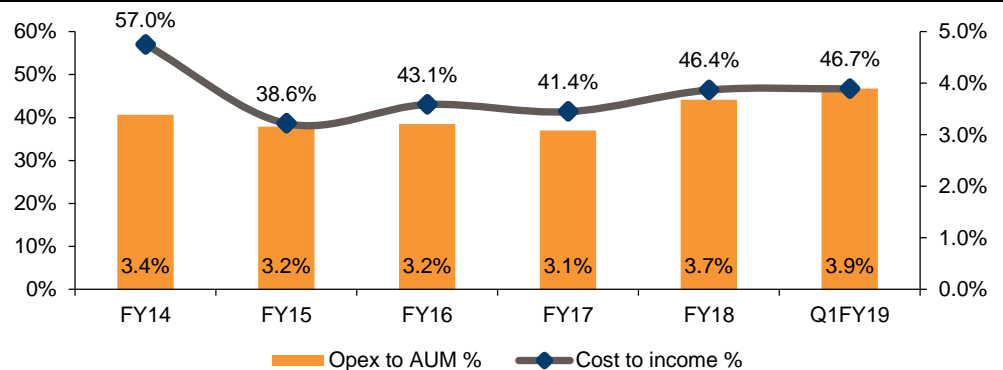


Source: Company, Emkay Research

### Being operated by direct employees, Cost to Income ratio remains elevated

The company being operating through direct employees for sourcing of business as well as underwriting and recoveries, overall operating cost for the company remains elevated. However with rise in business volumes and operational efficiencies, we expect C/I ratio to trend downwards.

**Exhibit 11: Cost to Income and Cost to Assets**

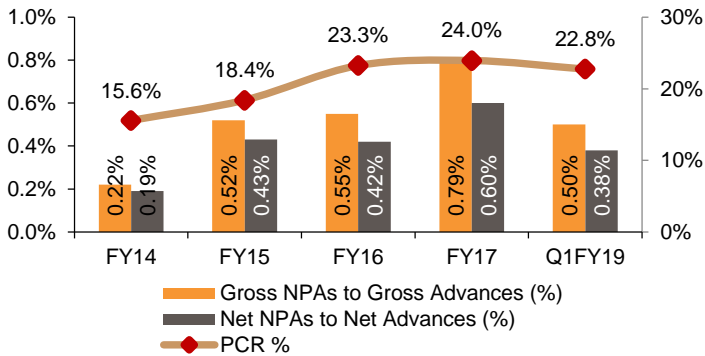


Source: Company, Emkay Research

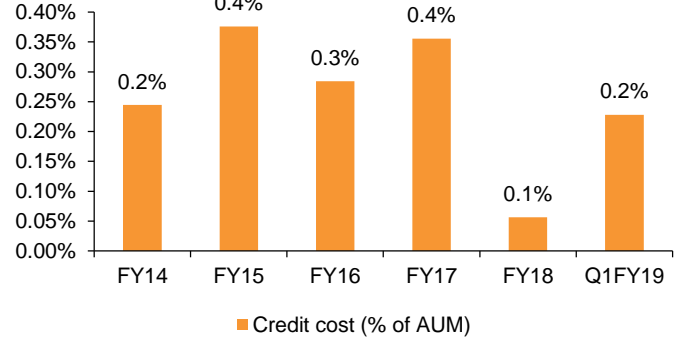
### Asset quality profile stable – Checks and Balances in place

Being engaged in mortgage finance business, the company has witnessed relatively stable asset quality trends in past. However considering the exposure to affordable housing segment and higher share of new to bank customers, the lending profile remains relatively vulnerable.

The management has team of 300 employees to undertake overall underwriting process for each individual case. They have also formed 300 employees team for collections and recoveries who have an adequate experience in the field. The company tracks delinquencies on ~1 day default and appropriate actions are initiated at very advance stages of default. Also on technology front, the company undertakes detailed data analytics and customer profile verification through CIBIL and other agencies and accordingly weak cases are being rejected as and when applied. The company also has successful track record of implementing SARFAESI for recoveries.

**Exhibit 12: GNPA- NNPA – Coverage**

Source: Company, Emkay Research

**Exhibit 13: Credit cost**

Source: Company, Emkay Research

### Sufficient capital to fuel growth engine - Improvement in credit ratings to drive RoE outperformance

AAVAS manages to have excessive capital adequacy with CAR at ~61.6% as on March 2018 and with fresh issues of Rs4bn, the same is expected to inch up further. The promoter of the company has been infusing capital on regular intervals in order to maintain low leverage. The move was intended to improve overall rating profile of the company. Similar experience has also been shared by REPCO home finance during their initial years of operation. Also being engaged in individual housing, overall risk weight for the company always remains low (~33%) which further increases adequacy.

**Exhibit 14: Trend in Ratings upgrade**

Rating Agency	Term	Initial Credit ratings	Current Credit ratings
CARE Ratings	Long Term	A+/Stable as of March 2017	A+/Positive
ICRA	Long Term	A/Stable as of March 2016	A+/Positive
CRISIL Ratings	Long Term	BBB+/Stable as of August 2012	A+/Stable

Source: Company, Emkay Research

The management is expecting a further rating upgrade (from A+ to AA) post completion of equity listing which would allow the company to accelerate its overall leverage from ~3.8x in FY18 to an industry average of 8-10x. This may lead to an overall RoE improvement to ~20% in next 2-3 years. Considering past track record of the company, ~20% RoE is an achievable target.

**Exhibit 15: High capital adequacy due to weak leverage results in low RoEs**

Company	CAR (%)			Leverage (x)			ROE (%)		
	FY16	FY17	FY18	FY16	FY17	FY18	FY16	FY17	FY18
Aavas Financiers	27.5	46.9	61.6	8.4	5.4	3.8	21.5	14.8	11.2
Gruh Finance	17.8	18.3	18.9	13.7	12.2	11.6	31.0	30.0	29.0
CanFin Homes	20.7	18.5	19.1	12.3	12.5	11.7	17.9	21.9	22.4
Repco Home Finance	20.7	20.8	23.0	8.1	8.0	7.5	17.7	18.2	17.6
PNB Housing	12.7	21.6	16.7	10.8	8.7	7.6	17.1	14.9	14.0

Source: Company, Emkay Research

## Valuation and Recommendation

### Robust business profile with high probability of RoE expansion; recommend SUBSCRIBE to IPO:

AAVAS has announced an IPO price band of Rs818-821. At an upper price band of Rs821, the stock is available at ~3.5x P/FY18 Book (post money) & ~56x P/FY18 earnings with ~10.2% FY18 ROEs (pre-dilution).

The company is on a stronger footing on growth and product profile with most of its asset portfolio categorized under Priority Sector Lending and is attracting lower risk weight. The company also has favorable ALM profile with low risk on margin profile. Also asset quality profile of the company is stable with steady trend in credit cost.

As the company accelerates its overall leverage, the likely probability of achieving superior RoEs of ~20% remains fairly high. Also with sufficient capital already in place, further risk of dilution is also quite limited.

### We recommend SUBSCRIBE to the IPO.

#### Exhibit 16: Valuation peer comparison

Company	ROE (%)			P/B
	FY16	FY17	FY18	FY18
Aavas Financiers	21.5	14.8	11.2	3.5
Gruh Finance	31.0	30.0	29.0	17.5
CanFin Homes	17.9	21.9	22.4	3.1
Repco Home Finance	17.7	18.2	17.6	2.4
PNB Housing	17.1	14.9	14.0	3.3

Source: Company, Emkay Research

## Key risks

Our thesis on AAWAS is based on continuation of robust growth mechanism with superior asset quality profile. In case company fails to accelerate its leverage and thus bring in higher RoEs else overall earnings prolife deteriorates due to rise in credit cost else decline in margins are key risk to our investment arguments.

## Peer Comparison

#### Exhibit 17: Key Parameters

Peer Comparison	AUM (Rs bn)			AUM	GNPA %			Avg yield on advances %			Avg cost of borrowing %		
	FY16	FY17	FY18	3 yr CAGR %	FY16	FY17	FY18	FY16	FY17	FY18	FY16	FY17	FY18
Aavas Financiers	17	27	41	69%	0.6%	0.8%	0.3%	15.0%	14.9%	14.4%	8.7%	8.7%	8.5%
Gruh Finance	111	132	156	20%	0.3%	0.3%	0.5%	12.0%	11.6%	11.1%	8.7%	8.2%	7.5%
Repco Home Finance	77	89	88	14%	1.3%	2.6%	3.4%	12.4%	12.1%	11.9%	9.4%	9.1%	8.3%
Aadhar Hsg Finance	33	46	79	51%	NA	1.3%	1.2%	12.6%	12.4%	11.7%	9.7%	9.4%	8.2%
Mahindra Rural Home Fin	33	48	63	44%	7.3%	9.7%	9.7%	16.8%	15.9%	NA	8.9%	8.3%	8.5%

Source: Company, Emkay Research

#### Exhibit 18: Key Parameters (...contd)

Peer Comparison	NIM %			Opex to assets %			Credit cost %			ROA %			ROE %		
	FY16	FY17	FY18	FY16	FY17	FY18	FY16	FY17	FY18	FY16	FY17	FY18	FY16	FY17	FY18
Aavas Financiers	7.1%	6.9%	6.9%	3.3%	3.1%	3.2%	0.3%	0.3%	0.0%	2.3%	2.3%	2.4%	21.1%	15.0%	11.2%
Gruh Finance	4.5%	4.5%	4.8%	0.8%	0.8%	0.7%	0.2%	0.2%	0.2%	2.4%	2.4%	2.5%	31.5%	30.4%	29.1%
Repco Home Finance	4.8%	4.8%	3.6%	1.0%	0.8%	0.9%	0.6%	0.6%	0.8%	2.2%	2.2%	2.1%	17.0%	17.4%	16.6%
Aadhar Hsg Finance	5.0%	5.2%	5.0%	2.4%	2.7%	2.3%	0.3%	0.3%	0.3%	1.5%	1.5%	1.5%	17.2%	19.4%	18.5%
Mahindra Rural Home Fin	10.4%	9.9%	10.9%	5.4%	5.0%	5.4%	1.4%	1.7%	1.6%	2.3%	2.0%	2.6%	27.9%	22.1%	24.0%

Source: Company, Emkay Research

## Company Background

Aavas Financiers Ltd. (Aavas), is a retail, affordable housing finance company, primarily serving low and middle income self-employed customers in semi-urban and rural areas in India. A majority of their customers have limited access to formal banking credit. Aavas is registered with the NHB as an HFC and commenced operations in Jaipur, Rajasthan in March 2012.

Aavas offers customers home loans for the purchase or construction of residential properties, and for the extension and repair of existing housing units. The majority of the home loans are disbursed for single-unit properties, almost all of which are to be occupied by the borrowers themselves. In addition to home loans, Aavas also offers its customers other mortgage loans including loans against property, which accounts for ~24% of Gross Loan Assets. About 61% of Gross Loan Assets are from customers who belonged to the economically weaker section and low income group, earning less than Rs50,000 per month and ~36% of Gross Loan Assets are from customers who were new to credit. About 64% of Gross Loan Assets are from self-employed customers. The average sanctioned amount of home loans and other mortgage loans is Rs0.87mn and Rs0.8mn, respectively. The average loan-to-value is ~50% at the time of the sanctioning of the loan.

Aavas has adopted a strategy of contiguous on-ground expansion across regions and conducts its operations through 166 branches covering 95 districts in eight states with a significant presence in the states of Rajasthan, Gujarat, Maharashtra and Madhya Pradesh. Almost all customers are sourced directly. Aavas employs 1,996 personnel and has 57,049 loan accounts including securitized and assigned cases. Aavas is a highly technology driven company and leverages information technology and data analytics for onboarding customers, underwriting analysis, loan monitoring, risk management and collection functions.

### About the promoters

Aavas Financiers Ltd. was initially promoted by Au Financiers (India) Limited, (now known as AU Small Finance Bank Limited), which sold 90.10% of the outstanding equity interest of the company in connection with its conversion to a small finance bank, to Lake District Holdings Limited (a subsidiary of Kedaara Capital I Limited), Kedaara Capital Alternative Investment Fund - Kedaara Capital AIF 1, Partners Group ESCL Limited and Partners Group Private Equity Master Fund LLC in June, 2016. The name of our Company was changed from 'AU Housing Finance Limited' to 'Aavas Financiers Limited' in March 2017. The company is led by a professional management team and the Key Managerial Personnel and Directors hold 8.4% stake in the company's equity, as of the date of filing the Red Herring Prospectus.

#### Exhibit 19: Management background

##### Management Team

##### Sushil Kumar Agarwal Whole-time Director and CEO

He has been associated with Aavas since its incorporation in 2011. Sushil Kumar Agarwal is a qualified chartered accountant and had secured the tenth rank in his final examination. Further, he is a qualified company secretary. He was previously associated with AuSFB as its Business Head – SME & Mortgages. Mr. Agarwal has previously worked with ICICI Bank Ltd as its chief manager and with Kotak Mahindra Primus Limited as an assistant manager. He has more than 17 years of experience in the field of retail financial services.

##### Ghanshyam Rawat Chief Financial Officer

He joined Aavas with effect from February 14, 2013 and was appointed as the Chief Financial Officer with effect from June 1, 2014. He presently heads finance and treasury; accounts; internal audit; compliance; budget and analytics departments. He holds a bachelor's degree in commerce from the Rajasthan University and is a fellow member of the Institute of Chartered Accountants of India. He has been previously associated with First Blue Home Finance Ltd, Accenture India Private Ltd and Deutsche Postbank Home Finance Ltd. Further, Mr. Rawat has also worked with Pan Asia Industries Limited and Indo Rama Synthetics (I) Ltd.

##### Sharad Pathak Company Secretary and Compliance Officer

He joined Aavas with effect from May 28, 2012 and was appointed as whole time company secretary with effect from September 3, 2012. He is responsible for the secretarial functions in our Company. Sharad Pathak holds a bachelor's degree in commerce from the Rajasthan University and is a qualified company secretary. He has been previously associated with Star Agriwarehousing & Collateral Management Limited as its company secretary.

Source: Company, Emkay Research

## Issue Details

### Objects of the issue

The objects of the issue are to achieve the benefits of listing on stock exchanges and to carry out the sale of equity shares offered for sale by the promoters. In addition, the company proposes to utilize the net proceeds from the fresh issue towards augmenting its capital base to meet future capital requirements.

#### Exhibit 20: Issue Details

Issue Details	
Price Band (Rs)	818 - 821
Issue Opens	September 25, 2018
Issue Closes	September 27, 2018
Issue Size (in mn Shares)	21.12 – 21.14
Issue Size (in Rs bn)	17.28 - 17.34
Shares o/s pre-issue (mn)	73.7
Shares o/s post-issue (mn)	78.60 – 78.61
Post issue market cap (in Rs bn)	64.3 – 64.5

Source: Company, Emkay Research

#### Exhibit 21: Issue details

The Offer	At Rs821 per share		At Rs818 per share	
	Size (mn shares)	Size (Rs m)	Size (mn shares)	Size (Rs m)
Fresh issue	4.87	4,000.0	4.89	4,000.0
Offer for sale	16.25	13,340.7	16.25	13,292.0
Promoters	14.98		14.98	
Others	1.27		1.27	
<b>Total</b>	<b>21.12</b>	<b>17,340.7</b>	<b>21.14</b>	<b>17,292.0</b>

Source: Company, Emkay Research

#### Exhibit 22: Sellers shareholding pre and post issue

Name of the Selling Shareholder	No. of Equity Shares held (Pre-Offer) (mn)	% holding of the pre-Offer capital	No. of Offered Equity Shares (mn)	No. of Equity Shares held (Post-Offer) (mn)	% holding of the post-Offer capital – at Rs821/share	% holding of the post-Offer capital – at Rs818/share
Lake District (Promoter)	35.3	47.8%	8.8	26.4	33.6%	33.6%
ESCL (Promoter)	17.1	23.2%	4.3	12.8	16.3%	16.3%
Master Fund (Promoter Group)	7.5	10.2%	1.9	5.6	7.2%	7.2%
Kedaara AIF-1	0.9	1.3%	0.2	0.7	0.9%	0.9%
Sushil Kumar Agarwal	4.1	5.6%	0.9	3.2	4.1%	4.1%
Vivek Vig	0.7	1.0%	0.1	0.6	0.8%	0.8%

Source: Company, Emkay Research

#### Exhibit 23: Top 10 shareholders

Name of shareholder	No. of Equity Shares (in mn)	% of pre-Offer equity share capital
Lake District (Promoter)	35.26	47.8%
ESCL (Promoter)	17.13	23.2%
Master Fund (Promoter Group)	7.52	10.2%
AuSFB	5.01	6.8%
Sushil Kumar Agarwal	4.10	5.6%
Ghanshyam Rawat	1.18	1.6%
Kedaara AIF-1	0.95	1.3%
Vivek Vig	0.73	1.0%
Sunku Ram Naresh	0.71	1.0%
Ashutosh Atre	0.20	0.3%

Source: Company, Emkay Research

## Key Financials (Standalone)

### Income Statement

Y/E Mar (Rs mn)	FY14	FY15	FY16	FY17	FY18
Net interest income	203	429	756	1,275	2,044
Other income	39	81	184	352	638
Fee income	38	80	184	348	629
Net income	241	510	940	1,627	2,682
Operating expenses	138	197	405	673	1,245
Pre provision profit	104	313	535	953	1,437
PPP excl treasury	104	313	535	953	1,437
Provisions	10	23	36	78	19
Profit before tax	94	290	500	876	1,418
Tax	31	99	172	304	488
Tax rate	32.5	34.1	34.4	34.7	34.4
Profit after tax	63	191	328	571	929

### Balance Sheet

Y/E Year End (Rs mn)	FY14	FY15	FY16	FY17	FY18
Equity	299	329	384	582	692
Reserves	255	685	1,654	5,082	10,293
Net worth	554	1,014	2,038	5,663	10,985
Deposits	0	1	2	3	4
Borrowings	3,544	7,042	14,468	17,934	25,958
Total liabilities	4,098	8,057	16,506	23,597	36,943
Cash and bank	23	111	2,349	2,758	5,650
Investments	0	0	0	8	141
Loans	4,062	8,283	14,545	21,328	31,724
Others	13	-337	-388	-496	-571
Total assets	4,098	8,057	16,506	23,597	36,943

### Key Ratios (%)

Y/E Year End	FY14	FY15	FY16	FY17	FY18
NIM	6.7	6.8	6.1	6.6	7.3
RoA	1.5	3.0	2.6	2.7	3.0
RoAE	11.4	24.3	21.5	14.8	11.2
GNPA (%)	0.22	0.52	0.55	0.79	0.34
NNPA (%)	0.19	0.43	0.42	0.60	0.26

Per Share Data (Rs)	FY14	FY15	FY16	FY17	FY18
EPS	2.0	5.5	8.2	11.1	15.9
BVPS	17.8	29.4	51.2	110.1	187.5
ABVPS	17.6	28.4	49.7	107.6	186.1
DPS	0.0	0.0	0.0	0.0	0.0

Valuations (x) – at issue price Rs821/share	FY14	FY15	FY16	FY17	FY18
PER	402.5	148.2	99.6	74.0	51.7
P/BV	46.0	27.9	16.0	7.5	4.4
P/ABV	46.7	28.9	16.5	7.6	4.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

**Note:** FY18 valuation is pre-money

Growth (%)	FY14	FY15	FY16	FY17	FY18
NII	NA	111.4	76.2	68.7	60.3
PPOP	NA	201.6	71.0	78.1	50.7
PAT	NA	208.5	72.5	75.3	61.9
Loans	NA	107.5	99.3	60.3	51.2

Source: Company, Emkay Research

## Emkay Rating Distribution

BUY	Expected total return (%) (Stock price appreciation and dividend yield) of over 25% within the next 12-18 months.
ACCUMULATE	Expected total return (%) (Stock price appreciation and dividend yield) of over 10% within the next 12-18 months.
HOLD	Expected total return (%) (Stock price appreciation and dividend yield) of upto 10% within the next 12-18 months.
REDUCE	Expected total return (%) (Stock price depreciation) of upto (-) 10% within the next 12-18 months.
SELL	The stock is believed to underperform the broad market indices or its related universe within the next 12-18 months.

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### Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: [www.emkayglobal.com](http://www.emkayglobal.com)

**SINGAPORE****DBS Bank Ltd**

Contact: Janice Chua

12 Marina Boulevard, Marina Bay Financial Centre Tower 3

Singapore 018982

Tel. 65-6878 8888

Fax: 65 65353 418

e-mail: equityresearch@dbs.com

Company Regn. No. 196800306E

---

**THAILAND****DBS Vickers Securities (Thailand) Co Ltd**

Contact: Chanpen Sirithanarattanakul

989 Siam Piwat Tower Building,

9<sup>th</sup>, 14<sup>th</sup>-15<sup>th</sup> Floor

Rama 1 Road, Pathumwan,

Nagkok Thailand 10330

Tel. 66 2 857 7831

Fax: 66 2 658 1269

e-mail: research@th.dbs.com

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand

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**INDONESIA****PT DBS Vickers Sekuritas (Indonesia)**

Contact: Maynard Priajaya Arif

DBS Bank Tower

Ciputra World 1, 32/F

Jl. Prof. Dr. Satrio Kav. 3-5

Jakarta 12940, Indonesia

Tel. 62 21 3003 4900

Fax: 62 21 3003 4943

e-mail: research@id.dbsvickers.com

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Jignesh Shial, CA  
jignesh.shial@emkayglobal.com  
+91-22-66242468