

## Results Preview



### Company name

Bajaj Finance  
Chola. Inv & Fin.  
HDFC  
Indiabulls Housing  
L&T Finance  
LIC Housing Fin  
M & M Financial  
MAS Financial  
Muthoot Finance  
PNB Housing  
Repc Home Fin  
Shriram City Union  
Shriram Transport Fin.

Full year numbers may not match quarterly numbers in tables below, due to difference in accounting standards in quarterly v/s full year financials; Full year nos are also likely to be restated due to IND AS

## Liquidity improves, but normalcy a while away

### Moderation in growth across segments

- In recent times, 4QFY19 was one of the toughest quarters (although tad better than 3Q) for most NBFCs under our coverage. While liquidity started improving towards end-3QFY19, a number of events (Cobrapost, Essel Group related, etc.) led to it tightening once again. While short-term money has been more easily available, long-term money access from the capital markets has shrunk significantly. Also, with the pick-up in credit growth and increase in risk aversion towards NBFCs, bank funding was also slow during the quarter.
- We analyzed the borrowing trends from the capital markets (NCDs and CPs) for NBFCs. The NCD market has still not recovered fully due to mutual funds reducing their NBFC exposure significantly. In this space, companies with strong parentage have benefitted disproportionately compared to others. On the other hand, the CP market has been more active, money has, by and large, been available to all players. However, cost of capital from this source has been very divergent across players – those with higher share of wholesale lending continue to witness much higher incremental cost of funds compared to others.
- The quarter has been tough for vehicle financiers due to slowdown in auto sales and impact of the high base of 4QFY18. We expect disbursements for vehicle financiers under our coverage to remain stable at best, on a YoY basis. Margins should be largely stable as companies were able to pass on most of the cost of funds' increase to their customers. We also expect incremental migration towards used vehicle financing for most players.
- HFCs with good parentage are likely to witness healthy retail growth (reduction in prepayment rates) despite strong competition from banks. However, the non-retail segment would see some moderation due to funding constraints. For some HFCs, access to credit is still limited. Overall, we expect HFCs to lose market share to banks in the core home loan segment. Also, the quantum of direct assignments is likely to reduce on a sequential basis. This could impact the upfront assignment income. We remain selective in the NBFC space and prefer companies with good parentage. Our top picks are HDFC and LICHF.

### Housing Finance – Divergent performance across companies

We expect HFCs to report divergent performance in 4QFY19. **In our view, HDFC and LICHF will be the biggest beneficiaries of a tight liquidity environment, resulting in some market share gains. AUM growth for these two HFCs would be 15-18%.** Spreads are likely to be sequentially stable as both these players have hiked home loan rates in 2HFY19. Asset quality performance of LICHF will be a key monitorable. We expect PNBHF to report largely stable sequential disbursements, resulting in 35% AUM growth. **However, lower-than-average direct assignments would result in lower upfront assignment income QoQ.** We expect other HFCs to report subdued performance in the quarter.

### Vehicle Finance – Players to witness a slowdown

Vehicle financiers are likely to face challenges on the growth front. While disbursements are likely to improve sequentially, they would be lower on a YoY basis due to the high base. **We also expect two key trends emerging from these NBFCs – (a) less focus on HCVs given the intense pricing pressure from banks, and (b) incremental migration towards financing of used vehicles.** On the margin front, we expect largely stable margins as the companies have been able to pass on bulk of the cost of funds increase to their borrowers. We expect CIFC and MMFS to report 18%+ AUM growth, while SHTF should report high single-digit growth.

### Diversified financiers and others – BAF, LTFH to outperform

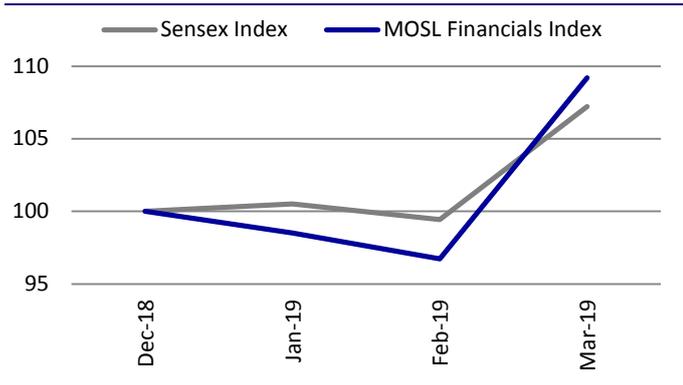
**BAF and LTFH are likely to have a strong quarter and report numbers in line with past trends. We expect LTFH to continue its trend of balance sheet retailization coupled with improvement in asset quality.** The company has been making floating provisions to the tune of ~INR1b every quarter – we expect this trend to continue. **SCUF is expected to have a muted quarter with disbursements down 18% YoY, driven by decline in MSME and 2W disbursements.** Margins should be stable. However, credit costs during the quarter will be the key monitorable – SCUF has reported INR1.3b credit costs in 3Q v/s the quarterly average of INR2.3b in 1HFY19. We believe the provisioning number during the quarter would have a big impact on PAT.

**Exhibit 1: Expected quarterly performance summary (INR m)**

Sector	CMP		Sales (INR M)			EBDITA (INR M)			Net Profit (INR M)		
	(INR)	RECO	Mar-19	Var % YoY	Var % QoQ	Mar-19	Var % YoY	Var % QoQ	Mar-19	Var % YoY	Var % QoQ
Bajaj Finance	3,050	Neutral	32,707	44.4	2.6	21,276	54.7	1.8	10,620	42.1	0.2
Chola. Inv & Fin.	1,483	UR	9,021	7.1	3.2	5,730	23.3	2.5	3,070	2.3	0.9
HDFC	1,993	Buy	29,003	-9.7	-10.2	25,953	-14.7	-9.1	23,740	-10.8	12.3
Indiabulls Housing	841	Buy	15,915	-0.3	-11.0	14,350	15.5	3.4	10,800	4.8	9.6
L&T Fin.Holdings	151	Buy	14,940	13.9	8.3	12,489	20.8	4.8	5,940	46.3	2.2
LIC Housing Fin	549	Buy	10,801	7.6	3.6	10,578	22.0	6.6	6,718	24.6	12.7
M & M Financial	416	Buy	12,512	-4.1	3.9	7,990	-3.3	7.3	3,650	-14.0	14.5
MAS Financial	586	Buy	1,042	33.1	-2.2	801	32.7	-4.9	432	44.6	-6.3
Muthoot Finance	616	Neutral	11,071	3.2	1.2	7,753	-2.1	-1.1	5,025	11.3	3.6
PNB Housing	920	Buy	3,662	-24.3	3.5	4,806	24.2	-5.9	2,781	26.1	-8.0
Repco Home Fin	465	Buy	1,164	0.0	1.1	951	-5.8	1.2	573	1.1	2.9
Shriram City Union	1,796	Buy	8,832	8.8	0.0	5,425	11.2	1.2	2,122	351.2	-18.0
Shriram Transport Fin.	1,200	Buy	20,378	22.6	0.5	15,891	12.3	-1.9	6,268	81.9	-1.4
<b>Sector Aggregate</b>			<b>171,049</b>	<b>8.5</b>	<b>-1.0</b>	<b>133,993</b>	<b>10.8</b>	<b>-0.4</b>	<b>81,740</b>	<b>12.6</b>	<b>5.6</b>

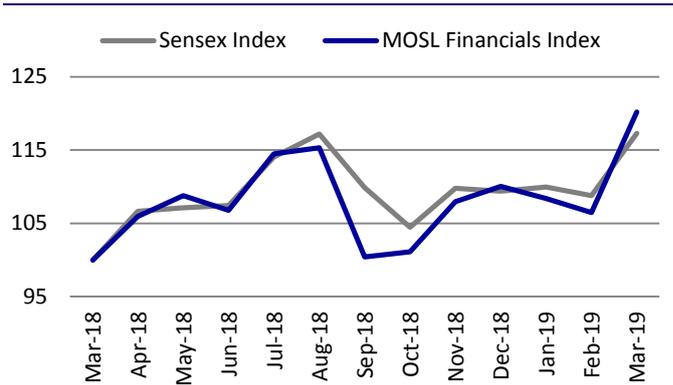
E: MOFSL Estimates; Note: FY19 numbers as of Ind-AS; UR: Under Review; Source: MOFSL

Exhibit 2: Relative performance—3 months (%)



Source: Bloomberg, MOFSL

Exhibit 3: Relative performance—1 year (%)



Source: Bloomberg, MOFSL

Exhibit 4: Comparative valuation

Sector / Companies	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			RoE (%)		
			FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
<b>NBFC</b>														
Aditya Birla Cap	103	Buy	3.5	5.5	6.3	29.4	18.8	16.2	2.4	2.1	1.8	8.9	12.4	12.5
Bajaj Finance	3,050	Neutral	67.5	86.2	109.2	45.2	35.4	27.9	9.3	7.5	6.1	22.6	23.5	24.1
Chola. Inv & Fin.	1,483	UR	76.8	88.6	101.1	19.3	16.7	14.7	3.8	3.1	2.6	21.4	20.5	19.5
HDFC	1,993	Buy	42.9	50.7	57.9	46.5	39.3	34.4	4.6	4.3	3.8	14.9	14.9	15.3
Indiabulls Housing	841	Buy	97.6	107.9	123.3	8.6	7.8	6.8	2.1	1.9	1.7	26.1	25.6	26.0
L&T Fin.Holdings	151	Buy	11.4	13.3	16.2	13.2	11.4	9.3	2.3	1.9	1.6	18.7	18.5	19.0
LIC Housing Fin	549	Buy	47.7	56.1	65.2	11.5	9.8	8.4	1.7	1.5	1.3	15.7	16.2	16.4
M & M Financial	416	Buy	21.7	26.1	31.1	19.2	15.9	13.4	2.4	2.2	2.0	13.2	14.4	15.4
MAS Financial	586	Buy	28.4	32.6	39.1	20.7	18.0	15.0	3.8	3.3	2.8	19.8	19.6	20.3
Muthoot Finance	616	Neutral	49.1	55.2	63.2	12.6	11.2	9.7	2.7	2.3	2.0	23.2	22.3	21.9
PNB Housing	920	Buy	65.0	75.3	85.8	14.1	12.2	10.7	2.1	1.9	1.6	15.9	16.3	16.3
Repco Home Fin	465	Buy	38.4	43.3	49.9	12.1	10.7	9.3	1.9	1.6	1.4	17.1	16.5	16.3
Shriram City Union	1,796	Buy	145.9	162.2	184.3	12.3	11.1	9.7	1.9	1.6	1.4	16.5	15.9	15.7
Shriram Transport Fin.	1,200	Buy	107.7	130.1	149.8	11.1	9.2	8.0	1.7	1.5	1.3	16.7	17.4	17.2
<b>NBFC Aggregate</b>						<b>25.1</b>	<b>21.1</b>	<b>17.9</b>	<b>3.7</b>	<b>3.3</b>	<b>2.8</b>	<b>14.8</b>	<b>15.5</b>	<b>15.8</b>

# Bajaj Finance

Bloomberg	BAF IN
Equity Shares (m)	575.2
M. Cap. (INR b)/(USD b)	1754 / 26
52-Week Range (INR)	3070 / 1770
1,6,12 Rel Perf. (%)	6 / 31 / 50

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
Total Income	81.5	118.1	151.6	193.4
PPP	48.8	75.9	98.3	125.8
PAT	25.0	38.8	49.6	62.8
EPS (INR)	43.4	67.5	86.2	109.2
EPS Gr. (%)	35.9	55.5	27.7	26.8
BV/Sh. (INR)	269	329	405	501
RoA (%)	3.3	3.8	3.7	3.7
RoE (%)	20.4	22.6	23.5	24.1
Payout (%)	10.1	10.0	10.0	10.0
<b>Valuations</b>				
P/E (x)	70.3	45.2	35.4	27.9
P/BV (x)	11.3	9.3	7.5	6.1
Div. Yield (%)	0.1	0.2	0.3	0.4

**CMP: INR3,050 TP: INR2,760 (-10%) Neutral**

- BAF will continue its robust growth trajectory on the assets front. The incremental cost of funds has also declined from the peak in 3QFY19.
- AUM is expected to grow 5% QoQ/ 37% YoY. Margins are expected to be largely stable at 11.6%.
- With prudent cost management, C/I ratio is expected to be 35%. The YoY comparison would be inaccurate due to migration to Ind-AS.
- We expect provisions of INR4.9b in 4QFY19, as against INR4.5b in 3QFY19 and INR2.3b in 4QFY18.
- The stock trades at 7.5x FY20E BV. We maintain a **Neutral** rating, given the rich valuations.

## Key issues to watch for

- Trend in disbursement growth
- Incremental cost of funds and borrowing mix
- Asset quality trends, especially in LAP and 2W/3W businesses
- Traction in the cross-sell franchise

## Quarterly Performance

Y/E March	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Revenue from operations</b>	<b>28,329</b>	<b>30,507</b>	<b>33,714</b>	<b>34,931</b>	<b>39,365</b>	<b>42,559</b>	<b>49,747</b>	<b>50,950</b>	<b>127,480</b>	<b>182,620</b>
YoY Growth (%)	23.9	30.6	25.2	31.1	39.0	39.5	47.6	45.9	37.5	43.3
Interest expenses	10,729	11,414	11,788	12,286	13,636	15,673	17,861	18,242	46,216	65,413
<b>Total Income</b>	<b>17,600</b>	<b>19,093</b>	<b>21,927</b>	<b>22,645</b>	<b>25,728</b>	<b>26,886</b>	<b>31,886</b>	<b>32,707</b>	<b>81,264</b>	<b>117,207</b>
YoY Growth (%)	25.4	38.4	28.0	34.7	46.2	40.8	45.4	44.4	48.6	44.2
Other income	10	153	27	48	49	404	206	242	239	900
<b>NII</b>	<b>17,610</b>	<b>19,246</b>	<b>21,953</b>	<b>22,693</b>	<b>25,777</b>	<b>27,290</b>	<b>32,092</b>	<b>32,949</b>	<b>81,503</b>	<b>118,107</b>
Operating Expenses	7,433	7,812	8,534	8,940	9,536	9,799	11,197	11,673	32,719	42,205
<b>Operating Profit</b>	<b>10,177</b>	<b>11,434</b>	<b>13,420</b>	<b>13,753</b>	<b>16,241</b>	<b>17,491</b>	<b>20,894</b>	<b>21,276</b>	<b>48,783</b>	<b>75,902</b>
YoY Growth (%)	22.4	44.4	30.3	40.4	59.6	53.0	55.7	54.7	67.9	55.6
Provisions and Cont.	3,051	2,205	2,782	2,311	3,268	3,146	4,538	4,875	10,349	15,825
<b>Profit before Tax</b>	<b>7,126</b>	<b>9,229</b>	<b>10,638</b>	<b>11,442</b>	<b>12,973</b>	<b>14,345</b>	<b>16,357</b>	<b>16,402</b>	<b>38,434</b>	<b>60,077</b>
Tax Provisions	2,517	3,250	3,737	3,966	4,615	5,110	5,761	5,781	13,471	21,267
<b>Net Profit</b>	<b>4,609</b>	<b>5,979</b>	<b>6,900</b>	<b>7,476</b>	<b>8,359</b>	<b>9,235</b>	<b>10,596</b>	<b>10,620</b>	<b>24,963</b>	<b>38,810</b>
YoY Growth (%)	8.7	46.6	24.2	66.4	81.3	54.5	53.6	42.1	35.9	55.5
Loan Growth (%)	39.0	38.9	35.5	39.6	35.3	37.9	40.9	37.5	40.7	37.5
Borrowings Growth (%)	33.4	22.6	30.0	25.0	25.9	54.7	60.4	48.2	30.9	41.5
Cost to Income Ratio (%)	42.2	40.6	38.9	39.4	37.0	35.9	34.9	35.4	40.3	36.0
Tax Rate (%)	35.3	35.2	35.1	34.7	35.6	35.6	35.2	35.2	35.1	35.1

E: MOFSL Estimates

# Cholamandalam Inv & Fin

Bloomberg	CIFC IN
Equity Shares (m)	156.4
M. Cap. (INR b)/(USD b)	232 / 3
52-Week Range (INR)	1761 / 1039
1,6,12 Rel Perf. (%)	9 / 13 / -17

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
Total Income	31.2	34.1	39.7	44.7
PPP	18.3	21.9	25.9	29.5
Adj. PAT	9.7	12.0	13.9	15.8
EPS (INR)	62.3	76.8	88.6	101.1
EPS Gr. (%)	35.5	23.3	15.4	14.0
BV (INR)	324	392	472	564
BVPS Gr. (%)	19	21	20	19
RoAA (%)	2.7	2.4	2.3	2.2
RoE (%)	20.9	21.4	20.5	19.5

## Valuations

P/E (x)	23.8	19.3	16.7	14.7
P/BV (x)	4.6	3.8	3.1	2.6
Div. Yield (%)	0.4	0.5	0.5	0.5

## CMP: INR1,483

Under Review

- The vehicle finance business is likely to witness a severe moderation in disbursement growth due to (a) high base, and (b) slowdown in OEM sales across CVs and cars. We estimate total disbursements to be largely stable on a YoY basis.
- As a result, we expect a decline in AUM growth from 29% YoY in 3QFY19 to 24% YoY in 4QFY19.
- The company has managed its treasury well. As it has passed on incremental increase in CoF to its borrowers, we expect margins to be largely stable at 7%.
- Trend in asset quality, especially LAP, would be a key monitorable. We expect provisions of INR1b v/s INR953m in 3QFY19.
- The stock trades at 3.8x FY19E and 3.1x FY20E BV. **Under Review.**

## Key issues to watch for

- Disbursement growth and product mix in the vehicle finance segment
- Traction in home loans
- Management expectation of incremental cost of funds
- Trend in opex, given management's intent to reduce expense ratio to 2.5% by FY20.

## Quarterly Performance

(INR M)

Y/E March	FY18				FY19				FY2018	FY2019E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Income from Operations	12,962	13,503	13,894	15,622	16,174	16,716	18,307	19,227	53,953	70,424
Interest Expenses	6,326	6,562	6,730	7,198	7,989	8,609	9,561	10,206	23,079	36,366
<b>Net Interest Income</b>	<b>6,636</b>	<b>6,942</b>	<b>7,164</b>	<b>8,424</b>	<b>8,185</b>	<b>8,107</b>	<b>8,746</b>	<b>9,021</b>	<b>30,875</b>	<b>34,058</b>
YoY Growth (%)	19.9	18.4	18.6	27.8	23.3	16.8	22.1	7.1	28.5	10.3
Other Op. and Other Income	1	1	1	2	2	1	1	0	304	4
<b>Net Operating Income</b>	<b>6,637</b>	<b>6,942</b>	<b>7,165</b>	<b>8,427</b>	<b>8,187</b>	<b>8,108</b>	<b>8,747</b>	<b>9,021</b>	<b>31,179</b>	<b>34,062</b>
YoY Growth (%)	18.4	17.0	17.5	26.5	23.4	16.8	22.1	7.1	28.3	9.2
Operating Expenses	2,315	2,706	2,820	3,779	2,816	2,901	3,158	3,291	12,895	12,167
<b>Operating Profit</b>	<b>4,322</b>	<b>4,236</b>	<b>4,345</b>	<b>4,647</b>	<b>5,370</b>	<b>5,207</b>	<b>5,588</b>	<b>5,730</b>	<b>18,284</b>	<b>21,896</b>
YoY Growth (%)	29.4	24.4	23.7	19.0	24.3	22.9	28.6	23.3	29.1	19.8
Provisions & Loan Losses	1,080	1,135	969	116	983	612	953	1,007	3,451	3,555
<b>Profit before Tax</b>	<b>3,242</b>	<b>3,102</b>	<b>3,376</b>	<b>4,532</b>	<b>4,388</b>	<b>4,595</b>	<b>4,635</b>	<b>4,723</b>	<b>14,833</b>	<b>18,341</b>
Tax Provisions	1,145	1,062	1,182	1,531	1,535	1,549	1,591	1,652	5,092	6,328
<b>Net Profit</b>	<b>2,097</b>	<b>2,040</b>	<b>2,194</b>	<b>3,001</b>	<b>2,853</b>	<b>3,047</b>	<b>3,044</b>	<b>3,070</b>	<b>9,741</b>	<b>12,013</b>
YoY Growth (%)	26.5	19.3	35.0	36.7	36.0	49.4	38.7	2.3	35.5	23.3
AUM Growth (%)	13.5	14.3	19.3	25.5	29.5	30.9	29.3	24.1	25.5	24.1
NIM on AUM (%)	7.7	7.8	7.6	8.2	7.4	7.0	7.1	7.0	8.1	6.9
Cost to Income Ratio (%)	34.9	39.0	39.4	44.8	34.4	35.8	36.1	36.5	41.4	35.7
Tax Rate (%)	35.3	34.2	35.0	33.8	35.0	33.7	34.3	35.0	34.3	34.5

E: MOFSL Estimates; \* Quarterly nos and full year nos will not tally due to different way of reporting financial nos; FY19 numbers under Ind-AS

**HDFC**

Bloomberg	HDFC IN
Equity Shares (m)	1675.9
M. Cap. (INR b)/(USD b)	3339 / 49
52-Week Range (INR)	2051 / 1646
1,6,12 Rel Perf. (%)	-1 / 4 / -9

**Financial Snapshot (INR b)**

Y/E March	2018	2019E	2020E	2021E
NII	113.1	120.1	141.1	161.3
PAT	121.6	91.4	101.0	115.7
Adj. EPS (INR)	38.7	40.9	48.4	55.3
EPS Gr. (%)	8.9	5.7	18.2	14.3
BV/Sh. (INR)	374	431	466	527
ABV/Sh. (INR)	247	307	342	383
RoAA (%)	1.9	1.7	1.8	1.8
Core RoE (%)	17.7	14.9	14.9	15.3
Payout (%)	32.0	46.4	46.4	46.4

**Valuation**

AP/E (x)	33.2	26.8	19.8	17.3
P/BV (x)	5.3	4.6	4.3	3.8
AP/ABV (x)	5.2	3.6	2.8	2.5
Div. Yield (%)	1.0	0.9	1.0	1.2

**CMP: INR1,993 TP: INR2,365 (+19%)****Buy**

- HDFC was able to manage the liquidity situation well this quarter. It assigned loans worth INR24b in 4QFY19 vs INR70b in 3QFY19.
- We expect 3% QoQ/ 14% YoY AUM growth. The mix of retail and corporate lending will remain largely stable on a sequential basis.
- Profit on sale of investments amounted to INR3.14b in 4Q
- Asset quality has remained healthy over past several quarters, and the trend is likely to continue. Asset quality in the corporate loan book would be a key monitorable.
- We estimate provisions at INR1.9b (after factoring in one off provision of INR1b (30% of profit on sale of investment) in 4QFY19 vs INR1.2b in 3QFY19.
- We expect reported PAT of INR23.7b in the quarter v/s INR21.1b in 3QFY19.
- The stock trades at 3.6x FY19E AP/ABV and 2.8x FY20E AP/ABV (price adjusted for value of other businesses and book value adjusted for investments made in those businesses). **Buy.**

**Key issues to watch for**

- Loan growth trend in corporate loans.
- Movement in spreads and margins (on individual loans).
- Asset quality in corporate lending

**Quarterly Performance****(INR M)**

Y/E March	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Interest Income</b>	<b>24,117</b>	<b>24,616</b>	<b>25,643</b>	<b>32,110</b>	<b>28,904</b>	<b>29,911</b>	<b>32,299</b>	<b>29,003</b>	<b>113,127</b>	<b>120,116</b>
YoY Change (%)	8.2	7.2	-0.4	12.6	19.8	21.5	26.0	-9.7	13.6	6.2
Gross fee income	1,279	1,928	1,701	2,378	1,420	1,994	1,583	2,228	8,148	7,893
<b>Core Income</b>	<b>25,396</b>	<b>26,545</b>	<b>27,344</b>	<b>34,487</b>	<b>30,324</b>	<b>31,905</b>	<b>33,882</b>	<b>31,231</b>	<b>121,275</b>	<b>128,009</b>
YoY Change (%)	5.0	6.4	-1.3	10.5	19.4	20.2	23.9	-9.4	12.3	5.6
Operating Expenses	3,497	5,093	5,293	2,321	5,096	3,221	3,261	3,335	9,578	14,912
% of core income	13.8	19.2	19.4	6.7	16.8	10.1	9.6	10.7	7.9	11.6
Comission expenses	1,024	1,256	1,588	1,729	1,205	1,139	2,079	1,943	6,700	6,365
% of core income	4.0	4.7	5.8	5.0	4.0	3.6	6.1	6.2	5.5	5.0
<b>Core Operating profits</b>	<b>20,875</b>	<b>20,196</b>	<b>20,464</b>	<b>30,438</b>	<b>24,023</b>	<b>27,546</b>	<b>28,543</b>	<b>25,953</b>	<b>104,997</b>	<b>106,732</b>
YoY Change (%)	1.7	-6.3	-16.6	8.7	15.1	36.4	39.5	-14.7	10.9	1.7
Provisions	1,636	-616	1,900	1,000	197	1,313	1,160	980	3,750	3,650
<b>Core PBT</b>	<b>19,238</b>	<b>20,812</b>	<b>18,564</b>	<b>29,438</b>	<b>23,826</b>	<b>26,233</b>	<b>27,383</b>	<b>24,973</b>	<b>101,247</b>	<b>103,082</b>
YoY Change (%)	-3.3	1.0	-20.6	11.0	23.8	26.0	47.5	-15.2	12.0	1.8
Profit on Sale of Inv.	193	781	53,973	3,006	570	11,011	1,052	3,167	56,347	15,800
Dividend inc. and other op inc.	749	5,512	1,602	3,411	6,258	233	115	4,728	11,146	11,333
One off expense/Prov			-15,750	-800		-2,700		-950	-16,550	-3,650
Other Income	43	42	117	117	46	114	139	148	447	447
<b>PBT</b>	<b>20,224</b>	<b>27,147</b>	<b>58,506</b>	<b>35,172</b>	<b>30,700</b>	<b>34,891</b>	<b>28,688</b>	<b>32,066</b>	<b>152,637</b>	<b>127,012</b>
YoY Change (%)	-25.1	6.1	131.1	19.7	51.8	28.5	-51.0	-8.8	42.3	-16.8
Provision for Tax	5,979	7,365	5,506	6,710	8,800	10,220	7,550	8,993	31,000	35,563
<b>PAT</b>	<b>14,245</b>	<b>19,782</b>	<b>53,000</b>	<b>28,462</b>	<b>21,900</b>	<b>24,671</b>	<b>21,138</b>	<b>23,072</b>	<b>121,637</b>	<b>91,449</b>
YoY Change (%)	-23.9	8.3	211.5	39.2	53.7	24.7	-60.1	-18.9	63.4	-24.8

E: MOFSL Estimates; FY19 estimates are under Ind-AS

# Indiabulls Housing

Bloomberg	IHFL IN
Equity Shares (m)	426.6
M. Cap. (INR b)/(USD b)	359 / 5
52-Week Range (INR)	1397 / 576
1,6,12 Rel Perf. (%)	17 / -14 / -50

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
Net Fin inc	54.1	61.2	66.3	74.6
PPP	61.0	61.1	65.5	73.8
PAT	38.5	41.6	46.0	52.6
EPS (INR)	90.2	97.6	107.9	123.3
EPS Gr. (%)	31.5	8.2	10.6	14.3
BV/Sh. (INR)	352	396	446	503
RoA on AUM (%)	3.4	3.3	3.5	3.6
RoE (%)	27.9	26.1	25.6	26.0
Payout (%)	46.6	45.0	45.0	45.0

## Valuations

P/E (x)	9.3	8.6	7.8	6.8
P/BV (x)	2.4	2.1	1.9	1.7
P/ABV (x)	2.4	2.1	1.9	1.7
Div. Yield (%)	5.0	5.2	5.8	6.6

**CMP: INR841 TP: INR1,000 (+19%) Buy**

- Albeit a sequential improvement, we expect this quarter to be tepid for Indiabulls. Disbursements should improve from INR39b in 3Q to INR87b in 4Q. This would result in 1% QoQ growth in AUM to INR1.26t.
- Quantum of sell-downs will be a key monitorable. In 3QFY19, IHFL recorded INR5b+ upfront income from direct assignments. We estimate lower upfront income in 4Q, resulting in total income declining sequentially from INR20.3b to INR18.2b.
- Opex is expected to decline sequentially as the company upfronted INR500m+ of CSR in 3Q itself. We estimate INR3.0b opex in 4Q v/s INR3.35b in 3Q.
- We expect provisions of INR832m in 4QFY19 v/s INR1.7b in 3QFY19 (one-off provisions made). Asset quality trends would be a key monitorable.
- The stock trades at 2.1x FY19E and 1.9x FY20E BV. Maintain **Buy**.

## Key issues to watch for

- Asset quality trends in the corporate segment
- Quantum of sell-downs in the quarter
- Movement in incremental spreads and margins
- AUM growth trend and guidance

## Quarterly Performance

Y/E March	(INR M)								FY18	FY19E
	FY18				FY19					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Income from operations	30,165	31,557	34,197	36,897	38,903	39,804	42,368	40,932	132,816	162,007
Other Income	2,718	2,968	7,593	2,775	1,811	2,749	2,434	2,257	16,053	9,250
<b>Total income</b>	<b>32,882</b>	<b>34,525</b>	<b>41,790</b>	<b>39,672</b>	<b>40,713</b>	<b>42,553</b>	<b>44,802</b>	<b>43,189</b>	<b>148,869</b>	<b>171,257</b>
Y-o-Y Growth (%)	26.6	20.1	39.1	23.0	23.8	23.3	7.2	8.9	27.2	15.0
Interest expenses	18,408	19,113	20,737	20,930	23,351	25,564	24,492	25,017	79,188	98,424
<b>Net Income</b>	<b>14,475</b>	<b>15,412</b>	<b>21,053</b>	<b>18,742</b>	<b>17,362</b>	<b>16,989</b>	<b>20,310</b>	<b>18,172</b>	<b>69,681</b>	<b>72,833</b>
Y-o-Y Growth (%)	22.0	23.6	53.5	26.1	19.9	10.2	-3.5	-3.0	31.7	4.5
Operating Exp (Incl Prov)	3,856	4,332	6,161	6,315	3,337	3,123	6,435	3,822	20,663	16,718
<b>Profit before tax</b>	<b>10,619</b>	<b>11,080</b>	<b>14,892</b>	<b>12,427</b>	<b>14,024</b>	<b>13,866</b>	<b>13,875</b>	<b>14,350</b>	<b>49,019</b>	<b>56,115</b>
Y-o-Y Growth (%)	21.4	20.3	48.1	28.1	32.1	25.1	-6.8	15.5	30.0	14.5
Tax Provisions	2,571	2,557	3,492	2,182	3,538	3,516	4,147	3,669	10,802	14,870
<b>Net Profit</b>	<b>8,049</b>	<b>8,523</b>	<b>11,401</b>	<b>10,245</b>	<b>10,487</b>	<b>10,349</b>	<b>9,728</b>	<b>10,680</b>	<b>38,217</b>	<b>41,244</b>
Minority Int/Profit from associates	46	91	23	59	60	92	127	120	219	400
<b>Net Profit after MI</b>	<b>8,095</b>	<b>8,614</b>	<b>11,423</b>	<b>10,304</b>	<b>10,547</b>	<b>10,442</b>	<b>9,855</b>	<b>10,800</b>	<b>38,435</b>	<b>41,644</b>
Y-o-Y Growth (%)	28.5	25.9	52.0	22.6	30.3	21.2	-13.7	4.8	32.2	8.3
AUM Growth (%)	33.0	33.1	31.4	34.3	33.4	28.6	16.2	2.4	34.3	2.4
C/I Ratio (%)	13.9	16.0	13.7	11.7	15.5	16.0	16.5	16.5	12.7	16.1
Tax Rate (%)	24.2	23.1	23.4	17.6	25.2	25.4	29.9	25.6	23.1	26.5

E: MOFSL Estimates; Note: FY19 numbers as of Ind-AS

# L&T Finance

Bloomberg	LTFH IN
Equity Shares (m)	1988.1
M. Cap. (INR b)/(USD b)	300 / 4
52-Week Range (INR)	190 / 111
1,6,12 Rel Perf. (%)	9 / 8 / -23

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
Total Income	51.7	67.4	83.5	99.9
PPP	36.4	47.7	59.3	70.9
PAT	13.5	22.7	26.4	32.1
EPS (INR)	6.8	11.4	13.3	16.2
BV/Sh. (INR)	56.2	66.1	77.8	92.1
RoAA (%)	1.7	2.3	2.2	2.3
RoE (%)	14.2	18.7	18.5	19.0
Payout (%)	17.1	13.9	11.6	11.6
<b>Valuation</b>				
P/E (x)	22.3	13.2	11.4	9.3
P/BV (x)	2.7	2.3	1.9	1.6
Div. Yield (%)	0.7	0.9	0.9	1.1

**CMP: INR151**

**TP: INR185 (+23%)**

**Buy**

- With a strong parentage, LTFH has been able to raise adequate capital at competitive rates. This has helped it maintain growth momentum.
- The company is likely to report strong numbers in the rural and housing finance segments. Performance in the wholesale finance and builder finance segments is a key monitorable. We expect total AUM to grow 19% YoY growth to INR991b.
- We expect total income to be at INR17.4b, with margins largely stable sequentially.
- Operating profit should be at INR12.5b vs. INR 11.9b in 3QFY19.
- Asset quality is expected to remain stable. We factor in provisions of INR4.4b v/s INR4.2b in the prior quarter. Note that the company has been making floating provisions of INR1b every quarter.
- PAT is likely to be at INR5.9b in the quarter.
- The stock trades at 2.3x FY19E and 1.9x FY20E BV. Maintain **Buy**.

### Key issues to watch for

- Asset quality outlook in the builder loan book
- Commentary on outlook for rural and housing finance segments
- Competition in the wholesale finance segment, especially renewables

## Quarterly performance

Y/E March	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	23,010	25,967	25,433	27,483	30,410	31,532	32,440	33,813	101,894	128,195
Interest Expenses	12,703	13,137	14,022	14,373	15,132	16,497	18,647	18,873	54,234	69,148
<b>Net Interest Income</b>	<b>10,307</b>	<b>12,831</b>	<b>11,411</b>	<b>13,111</b>	<b>15,279</b>	<b>15,035</b>	<b>13,793</b>	<b>14,940</b>	<b>47,660</b>	<b>59,047</b>
YoY Growth (%)	22.6	37.3	22.2	30.5	48.2	17.2	20.9	13.9	28.3	23.9
Other income	1,262	129	513	1,901	1,375	1,870	2,724	2,422	3,805	8,391
<b>Total Income</b>	<b>11,570</b>	<b>12,960</b>	<b>11,924</b>	<b>15,012</b>	<b>16,653</b>	<b>16,905</b>	<b>16,517</b>	<b>17,362</b>	<b>51,466</b>	<b>67,438</b>
YoY Growth (%)	32.2	31.1	19.0	39.0	43.9	30.4	38.5	15.7	30.4	31.0
Operating Expenses	3,565	4,313	3,600	4,671	5,003	5,256	4,599	4,873	16,149	19,731
YoY Growth (%)	10.7	29.7	14.1	52.5	40.3	21.9	27.8	4.3	26.5	22.2
<b>Operating Profits</b>	<b>8,005</b>	<b>8,647</b>	<b>8,325</b>	<b>10,341</b>	<b>11,650</b>	<b>11,649</b>	<b>11,918</b>	<b>12,489</b>	<b>35,317</b>	<b>47,706</b>
YoY Growth (%)	44.8	31.9	21.3	33.6	45.5	34.7	43.2	20.8	32.3	35.1
Provisions	4,433	5,180	4,567	4,746	4,359	3,673	4,160	4,367	18,926	16,558
<b>Profit before Tax</b>	<b>3,571</b>	<b>3,467</b>	<b>3,758</b>	<b>5,595</b>	<b>7,292</b>	<b>7,976</b>	<b>7,758</b>	<b>8,122</b>	<b>16,391</b>	<b>31,149</b>
Tax Provisions	204	14	503	1,504	1,894	2,385	1,949	2,183	2,225	8,410
<b>Profit after tax</b>	<b>3,143</b>	<b>3,447</b>	<b>3,267</b>	<b>4,060</b>	<b>5,398</b>	<b>5,591</b>	<b>5,810</b>	<b>5,940</b>	<b>14,415</b>	<b>22,739</b>
YoY Growth (%)	51.5	38.9	20.6	28.5	71.8	62.2	77.8	46.3	38.2	57.7
Loan growth (%)	19.7	20.7	25.5	25.4	24.3	24.1	21.8	18.6	27.3	19.9
Cost to Income Ratio (%)	30.8	33.3	30.2	31.1	30.0	31.1	27.8	28.1	31.4	29.3
Tax Rate (%)	5.7	0.4	13.4	26.9	26.0	29.9	25.1	26.9	13.6	27.0

E: MOFSL Estimates

# LIC Housing Finance

Bloomberg	LICHF IN
Equity Shares (m)	505.0
M. Cap. (INR b)/(USD b)	277 / 4
52-Week Range (INR)	583 / 388
1,6,12 Rel Perf. (%)	7 / 24 / -16

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
NII	37.0	41.5	48.6	56.2
PPP	33.0	39.6	46.2	53.5
PAT	19.9	24.1	28.3	32.9
EPS (INR)	39.4	47.7	56.1	65.2
EPS Gr. (%)	3.0	21.1	17.7	16.2
BV/Sh (INR)	285	324	370	424
RoAA (%)	1.3	1.4	1.5	1.5
RoE (%)	15.6	15.7	16.2	16.4
Payout (%)	20.1	17.5	17.5	17.5

## Valuations

P/E (x)	11.6	9.6	8.2	7.0
P/BV (x)	1.6	1.4	1.2	1.1
Div. Yield (%)	1.5	1.6	1.8	2.1

FY18 numbers are per IGAAP

**CMP: INR549**

**TP: INR640 (+17%)**

**Buy**

- The company has been regularly tapping the NCD and CP markets over the past three months. Incremental cost of NCD borrowings is 8.3-8.7% (3-10 years) while that of CPs is 7.0-7.5%.
- We expect loan growth of 14% YoY, driven primarily by the LAP /developer loans segment. The share of builder loans is likely to marginally increase from ~6% of the overall book driven by market share gains. Growth in the retail home loan book would be a key monitorable.
- The company hiked home loan rates by 20bp in 2HFY19, the impact of which will be seen in the 4Q. Hence, calculated margins are likely to be stable to improving QoQ, despite the increase in cost of funds.
- Operating expenses to come in at INR1.2b, with the C/I ratio expected at ~10%.
- Asset quality is likely to remain stable. We model provisions of INR1.3b (flat QoQ).
- The stock trades at 1.7x FY19E and 1.5x FY20E BV. **Buy.**

## Key issues to watch for

- Growth in the core home loan book
- Trend in incremental CoF and spreads
- Performance of corporate loan book and loans against property
- Management commentary on increasing competitive intensity and margin trends

## Quarterly Performance

(INR M)

Y/E March	FY18				FY19				FY18	FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	36,176	36,499	35,606	38,467	40,050	41,859	43,722	46,269	146,748	171,900
Interest Expenses	26,982	27,804	28,231	28,431	30,252	31,383	33,299	35,468	111,447	130,403
<b>Net Interest Income</b>	<b>9,194</b>	<b>8,696</b>	<b>7,375</b>	<b>10,036</b>	<b>9,797</b>	<b>10,476</b>	<b>10,423</b>	<b>10,801</b>	<b>35,301</b>	<b>41,497</b>
YoY Growth (%)	11.5	0.4	-19.4	-3.5	6.6	20.5	41.3	7.6	-3.2	17.6
Fees and other income	214	1,093	654	874	543	222	670	957	2,835	2,392
<b>Net Income</b>	<b>9,408</b>	<b>9,789</b>	<b>8,028</b>	<b>10,911</b>	<b>10,340</b>	<b>10,698</b>	<b>11,093</b>	<b>11,758</b>	<b>38,136</b>	<b>43,889</b>
YoY Growth (%)	7.1	5.6	-15.6	-0.1	9.9	9.3	38.2	7.8	-0.9	15.1
Operating Expenses	915	1,139	928	2,242	847	1,051	1,173	1,180	5,224	4,250
<b>Operating Profit</b>	<b>8,493</b>	<b>8,650</b>	<b>7,100</b>	<b>8,669</b>	<b>9,493</b>	<b>9,647</b>	<b>9,921</b>	<b>10,578</b>	<b>32,911</b>	<b>39,640</b>
YoY Growth (%)	14.8	9.4	-12.4	-3.2	11.8	11.5	39.7	22.0	1.7	20.4
Provisions and Cont.	2,040	2,252	-80	281	1,610	2,194	1,325	1,281	4,493	6,409
<b>Profit before Tax</b>	<b>6,453</b>	<b>6,397</b>	<b>7,180</b>	<b>8,387</b>	<b>7,884</b>	<b>7,454</b>	<b>8,596</b>	<b>9,297</b>	<b>28,418</b>	<b>33,231</b>
Tax Provisions	1,749	1,259	2,429	2,994	2,205	1,722	2,633	2,579	8,431	9,138
<b>Net Profit</b>	<b>4,704</b>	<b>5,139</b>	<b>4,751</b>	<b>5,393</b>	<b>5,679</b>	<b>5,732</b>	<b>5,963</b>	<b>6,718</b>	<b>19,987</b>	<b>24,092</b>
YoY Growth (%)	15.3	3.9	-4.8	1.9	20.7	11.5	25.5	24.6	3.5	20.5
Loan Growth (%)	15.4	15.5	15.5	15.1	14.7	16.2	16.3	14.7	15.1	14.7
Cost to Income Ratio (%)	9.7	11.6	11.6	20.5	8.2	9.8	10.6	10.0	13.7	9.7
Tax Rate (%)	27.1	19.7	33.8	35.7	28.0	23.1	30.6	27.7	29.7	27.5

E: MOFSL Estimates; Numbers as per Ind-AS except 4QFY18

# Mahindra Financial Services

**CMP: INR416**
**TP: INR530 (+27%)**
**Buy**

Bloomberg	MMFS IN
Equity Shares (m)	614.5
M. Cap. (INR b)/(USD b)	256 / 4
52-Week Range (INR)	538 / 351
1,6,12 Rel Perf. (%)	-7 / -6 / -29

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
NII	35.3	47.0	55.2	65.1
PPP	21.7	30.4	35.6	42.6
PAT	10.1	13.3	16.1	19.1
EPS (INR)	17.4	21.7	26.1	31.1
BV/Sh.(INR)	156.6	172.0	190.5	212.6
ABV/Sh (INR)	134.1	139.2	154.6	172.2
RoA on AUM (%)	2.3	2.4	2.4	2.4
RoE (%)	12.5	13.2	14.4	15.4
Payout (%)	32.1	29.3	29.3	29.3

## Valuations

P/E (x)	23.8	19.2	15.9	13.4
P/BV (x)	2.7	2.4	2.2	2.0
P/ABV (x)	3.1	3.0	2.7	2.4
Div. Yield (%)	1.0	1.3	1.6	1.9

- Given the slowdown in growth for key auto OEMs, we expect AUM growth to slow down to 18% YoY in the quarter. Further company has also moderated growth towards SME and Smaller NBFCs considering the liquidity situation which would have temporary issues in growth.
- Given the strong parentage, MMFS has been able to raise money from multiple sources at attractive rates. It's 90-day CPs are raised at sub-7.5% levels – lower than the pre-crisis levels. Hence, margins are expected to be sequentially stable at 8.0%.
- With operating expenses expected at INR4.8b, operating profit should improve to INR7.8b.
- We factor in INR2.3b provisions in 4QFY19 v/s INR2.2b in 3QFY19 and INR1.6b in 4QFY18.
- The stock trades at 2.4x FY19E and 2.2x FY20E BV. Maintain **Buy**.

## Key issues to watch for

- Management commentary on performance of rural areas
- Potential for further market share gains
- Margin and growth trends
- Performance of subsidiaries

## Quarterly Performance

**(INR M)**

Y/E March	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Operating Income	14,980	15,174	18,186	20,600	19,258	21,033	22,225	23,168	66,295	85,684
Other Income	107	221	125	138	138	451	237	274	592	1,100
<b>Total income</b>	<b>15,087</b>	<b>15,395</b>	<b>18,311</b>	<b>20,738</b>	<b>19,397</b>	<b>21,484</b>	<b>22,462</b>	<b>23,441</b>	<b>66,887</b>	<b>86,784</b>
YoY Growth (%)	9.7	1.6	21.8	12.5	28.6	39.5	22.7	13.0	7.2	29.7
Interest Expenses	7,553	7,344	8,159	7,550	8,488	9,367	10,185	10,655	30,995	38,695
<b>Total income</b>	<b>7,534</b>	<b>8,051</b>	<b>10,153</b>	<b>13,188</b>	<b>10,909</b>	<b>12,117</b>	<b>12,277</b>	<b>12,786</b>	<b>35,892</b>	<b>48,089</b>
YoY Growth (%)	10.0	-0.3	33.7	16.8	44.8	50.5	20.9	-3.0	6.2	34.0
Operating Expenses	3,274	3,309	3,531	4,927	3,849	4,248	4,833	4,795	14,233	17,725
<b>Operating Profit</b>	<b>4,260</b>	<b>4,742</b>	<b>6,622</b>	<b>8,261</b>	<b>7,060</b>	<b>7,869</b>	<b>7,444</b>	<b>7,990</b>	<b>21,659</b>	<b>30,364</b>
YoY Growth (%)	18.8	5.3	67.7	13.9	65.8	65.9	12.4	-3.3	12.3	40.2
Provisions	1,269	2,237	1,228	1,572	2,938	2,311	2,247	2,343	5,681	9,840
<b>Profit before Tax</b>	<b>2,991</b>	<b>2,506</b>	<b>5,394</b>	<b>6,688</b>	<b>4,122</b>	<b>5,558</b>	<b>5,197</b>	<b>5,647</b>	<b>15,979</b>	<b>20,525</b>
Tax Provisions	977	866	2,081	2,443	1,432	1,744	2,010	1,997	5,907	7,183
<b>Net Profit</b>	<b>2,014</b>	<b>1,640</b>	<b>3,314</b>	<b>4,245</b>	<b>2,691</b>	<b>3,814</b>	<b>3,187</b>	<b>3,650</b>	<b>10,072</b>	<b>13,342</b>
YoY Growth (%)	131.5	73.0	-2,219.0	81.4	33.6	132.5	-3.8	-14.0	151.6	32.5
AUM growth (%)	16.2	7.2	5.3	19.5	21.9	26.8	31.5	18.5	19.6	18.2
Borrowings growth (%)	17.8	16.1	8.8	14.1	19.9	22.9	29.7	16.2	8.0	9.7
Cost to Income Ratio (%)	43.5	41.1	34.8	37.4	35.3	35.1	39.4	37.5	39.7	36.9
Tax Rate (%)	32.7	34.5	38.6	36.5	34.7	31.4	38.7	35.4	37.0	35.0

E: MOFSL Estimates

# MAS Financial

Bloomberg	MASFIN IN
Equity Shares (m)	54.7
M. Cap. (INR b)/(USD b)	32 / 0
52-Week Range (INR)	635 / 365
1,6,12 Rel Perf. (%)	-1 / 12 / -22

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
NII	2.5	3.4	4.0	5.0
PPP	2.1	2.9	3.5	4.3
PAT	1.0	1.5	1.8	2.1
EPS (INR)	19.2	28.4	32.6	39.1
BV/Sh. (INR)	132.8	154.0	178.5	207.9
RoA on AUM (%)	2.7	3.1	2.9	2.7
RoE (%)	20.7	19.8	19.6	20.3
<b>Valuations</b>				
P/E (x)	30.6	20.7	18.0	15.0
P/BV (x)	4.4	3.8	3.3	2.8

**CMP: INR586**
**TP: INR705 (+20%)**
**Buy**

- The company is likely to have a stable quarter. We expect consolidated AUM growth to slow down from 34% in the prior quarter to 29% in 4QFY19.
- Margins are expected to contract QoQ due to re-pricing of borrowings and build-up of excess liquidity in the balance sheet. We estimate margins of 7.8% v/s 8.5% QoQ.
- With stable asset quality, we estimate provisions of INR140m (unchanged QoQ).
- The stock trades at 3.8x FY19E and 3.3x FY20E BV. Maintain **Buy**.

### Key issues to watch for

- Guidance on growth trends and loan mix
- Asset quality performance
- Management commentary on increasing competitive intensity and margin trends

## Quarterly Performance

Y/E March	FY18				FY19				FY18	FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Income	1,041	1,239	1,247	1,135	1,288	1,421	1,705	1,701	4,662	6,114
Interest expenses	489	518	448	352	468	528	639	658	1,807	2,293
<b>Net Income</b>	<b>552</b>	<b>721</b>	<b>799</b>	<b>783</b>	<b>820</b>	<b>893</b>	<b>1,066</b>	<b>1,042</b>	<b>2,855</b>	<b>3,821</b>
<i>Growth Y-o-Y (%)</i>	24.0	49.5	63.4	61.3	48.5	23.9	33.4	33.1	50.1	33.9
Operating Expenses	175	195	244	179	203	219	223	241	794	886
<b>Operating Profits</b>	<b>377</b>	<b>525</b>	<b>555</b>	<b>604</b>	<b>617</b>	<b>674</b>	<b>843</b>	<b>801</b>	<b>2,061</b>	<b>2,936</b>
<i>Growth Y-o-Y (%)</i>	24.4	54.7	68.5	85.2	63.7	28.4	51.8	32.7	58.8	42.4
Provisions	76	121	86	148	137	126	141	139	429	543
<b>Profit before tax</b>	<b>301</b>	<b>405</b>	<b>469</b>	<b>456</b>	<b>480</b>	<b>548</b>	<b>702</b>	<b>663</b>	<b>1,632</b>	<b>2,393</b>
<i>Growth Y-o-Y (%)</i>	29.4	41.4	66.3	98.8	59.4	35.5	49.5	45.3	58.3	46.7
Tax Provisions	127	159	163	157	167	193	240	230	606	830
<b>Net Profit</b>	<b>174</b>	<b>246</b>	<b>306</b>	<b>299</b>	<b>313</b>	<b>355</b>	<b>461</b>	<b>432</b>	<b>1,025</b>	<b>1,563</b>
<i>Growth Y-o-Y (%)</i>	16.8	29.1	65.5	100.6	79.6	44.7	50.7	44.6	52.2	52.4
Int. Exp/Int. Income %	47.0	41.8	35.9	31.0	36.3	37.1	37.5	38.7	38.8	37.5
Cost to Income Ratio %	31.7	27.1	30.5	22.9	24.7	24.5	20.9	23.1	27.8	23.2
Prov to Operating Profits %	20.1	22.9	15.4	24.4	22.2	18.7	16.7	17.3	20.8	18.5
Tax Rate %	42.1	39.3	34.8	34.5	34.7	35.2	34.3	34.8	37.2	34.7

E: MOFSL Estimates; FY18 annual number taken as sum of 4 quarters

# Muthoot Finance

Bloomberg	MUTH IN
Equity Shares (m)	400.0
M. Cap. (INR b)/(USD b)	246 / 4
52-Week Range (INR)	625 / 357
1,6,12 Rel Perf. (%)	8 / 38 / 32

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
NII	41.0	44.1	49.2	56.1
PPP	30.0	30.7	34.2	39.3
PAT	17.2	19.6	22.1	25.3
EPS (INR)	43.0	49.1	55.2	63.2
BV/Sh.(INR)	194	228	267	311
RoA on AUM (%)	6.1	6.3	6.2	6.4
RoE (%)	24.1	23.2	22.3	21.9

## Valuations

Div. Yld. (%)	1.6	2.0	2.2	2.6
P/E (x)	14.3	12.6	11.2	9.7
P/BV (x)	3.2	2.7	2.3	2.0

**CMP: INR616 TP: INR560 (-9%) Neutral**

- While the company maintained a conservative stance in 3Q, we expect it to be a bit more aggressive in 4Q. AUM is expected to grow 3% QoQ/ 15% YoY to INR334b. We believe this growth will be led by both volume and pricing gains.
- Incremental cost of funds remains high for MUTH. We see spreads remaining sequentially stable at 11.6%.
- Opex, which dropped in 3Q, would pick up to a run-rate of INR3.65b in the quarter.
- We expect gross stage 3 loans to remain stable or even decline further. Hence, credit costs are likely to be subdued at INR24m.
- The stock trades at 2.7x FY19E and 2.3x FY20E BV. Maintain **Neutral**.

## Key issues to watch for

- Management commentary on business growth and steps taken to sustain AUM growth
- Plan of branch expansion
- Movement in yields and margins, with declining cost of funds
- Progress in gold auctions

## Quarterly Performance

Y/E March	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Income from operations	13,599	16,431	15,652	15,223	16,108	16,316	16,827	17,207	60,905	66,459
Other operating income	173	186	150	287	215	181	338	327	796	1,061
<b>Total Operating income</b>	<b>13,773</b>	<b>16,616</b>	<b>15,802</b>	<b>15,510</b>	<b>16,323</b>	<b>16,496</b>	<b>17,165</b>	<b>17,535</b>	<b>61,701</b>	<b>67,519</b>
YoY Growth (%)	6.2	20.3	17.9	-9.3	18.5	-0.7	8.6	13.1	7.7	9.4
Other income	1	2	112	571	6	5	6	8	685	25
<b>Total Income</b>	<b>13,773</b>	<b>16,619</b>	<b>15,914</b>	<b>16,080</b>	<b>16,330</b>	<b>16,501</b>	<b>17,171</b>	<b>17,542</b>	<b>62,387</b>	<b>67,544</b>
YoY Growth (%)	5.9	19.9	18.2	-6.1	18.6	-0.7	7.9	9.1	8.6	8.3
Interest Expenses	5,121	4,933	4,725	4,495	5,016	5,354	5,889	6,137	19,274	22,395
<b>Net Income</b>	<b>8,652</b>	<b>11,686</b>	<b>11,190</b>	<b>11,585</b>	<b>11,314</b>	<b>11,148</b>	<b>11,282</b>	<b>11,406</b>	<b>43,112</b>	<b>45,150</b>
Operating Expenses	3,103	3,119	3,254	3,664	3,738	3,669	3,440	3,653	13,139	14,500
<b>Operating Profit</b>	<b>5,550</b>	<b>8,567</b>	<b>7,936</b>	<b>7,921</b>	<b>7,577</b>	<b>7,478</b>	<b>7,842</b>	<b>7,753</b>	<b>29,973</b>	<b>30,650</b>
YoY Growth (%)	25.8	78.7	76.6	-4.8	36.5	-12.7	-1.2	-2.1	36.1	2.3
Provisions	126	1,170	505	596	27	25	19	24	2,397	95
<b>Profit before Tax</b>	<b>5,424</b>	<b>7,397</b>	<b>7,431</b>	<b>7,324</b>	<b>7,550</b>	<b>7,453</b>	<b>7,823</b>	<b>7,729</b>	<b>27,578</b>	<b>30,556</b>
Tax Provisions	1,975	2,940	2,645	2,810	2,634	2,615	2,971	2,704	10,370	10,924
<b>Net Profit</b>	<b>3,449</b>	<b>4,457</b>	<b>4,787</b>	<b>4,514</b>	<b>4,916</b>	<b>4,838</b>	<b>4,852</b>	<b>5,025</b>	<b>17,208</b>	<b>19,633</b>
YoY Growth (%)	27.6	50.2	64.5	40.3	42.5	8.6	1.4	11.3	45.8	14.1

E: MOFSL Estimates; Note 1HFY18 and FY19 numbers as per Ind-AS

# PNB Housing Finance

Bloomberg	PNBHOU5I IN
Equity Shares (m)	167.5
M. Cap. (INR b)/(USD b)	154 / 2
52-Week Range (INR)	1444 / 694
1,6,12 Rel Perf. (%)	-7 / -10 / -44

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
NII	15.5	15.3	18.4	22.0
PPP	14.8	18.5	21.9	25.8
PAT	8.3	10.9	12.6	14.4
EPS (INR)	49.6	65.0	75.3	85.8
BV/Sh. (INR)	383	434	493	560
RoAA (%)	1.6	1.5	1.3	1.3
RoE (%)	14.0	15.9	16.3	16.3
Payout (%)	21.7	21.6	21.6	21.6

## Valuations

P/E (x)	18.5	14.1	12.2	10.7
P/BV (x)	2.4	2.1	1.9	1.6
Div. Yield (%)	1.0	1.3	1.5	1.7

**CMP: INR920 TP: INR1,100 (+20%) Buy**

- PNBHF has had a stable quarter – growth remained strong in retail lending, while the company scaled back a bit in corporate lending. We estimate disbursements of INR89b leading to 36% YoY growth in AUM.
- The company has demonstrated its ability to raise money from multiple sources including banks, ECBs, NCDs and CPs. We expect 5bp QoQ margin compression to 1.8%.
- However, loan assignments in 4QFY19 have not been as robust as the prior quarters. Hence, there could be lower upfronting of assignment related income in the quarter.
- We estimate provisions of INR723m, as against INR701m in 3QFY19.
- The stock trades at 2.1x FY19E and 1.9x FY20E BV. Maintain **Buy**.

## Key issues to watch for

- Disbursement trend in corporate lending
- Management commentary on incremental cost of funds
- Upfront assignment related income recognized in the quarter
- Plans of branch expansion
- Movement in yields and margins, with declining cost of funds

## Quarterly performance

	(INR M)									
	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	10,898	11,972	13,356	15,008	15,238	16,121	17,641	19,120	51,234	68,120
Interest Expenses	7,505	8,348	9,257	10,168	10,998	12,289	14,103	15,458	35,277	52,846
<b>Net Interest Income</b>	<b>3,394</b>	<b>3,624</b>	<b>4,099</b>	<b>4,840</b>	<b>4,241</b>	<b>3,832</b>	<b>3,538</b>	<b>3,662</b>	<b>15,957</b>	<b>15,273</b>
YoY Growth (%)	62.2	58.7	55.0	45.5	25.0	5.8	-13.7	-24.3	54.2	-4.3
Other income	704	773	806	694	1,245	1,962	3,137	2,810	2,977	9,153
<b>Total Income</b>	<b>4,097</b>	<b>4,396</b>	<b>4,906</b>	<b>5,534</b>	<b>5,486</b>	<b>5,794</b>	<b>6,675</b>	<b>6,472</b>	<b>18,933</b>	<b>24,427</b>
YoY Growth (%)	60.8	53.9	50.6	39.0	33.9	31.8	36.1	17.0	49.8	29.0
Operating Expenses	962	881	1,066	1,663	1,293	1,422	1,565	1,666	4,572	5,946
YoY Growth (%)	20.6	-12.6	22.6	85.2	34.4	61.5	46.8	0.2	28.0	30.1
<b>Operating Profits</b>	<b>3,136</b>	<b>3,516</b>	<b>3,840</b>	<b>3,871</b>	<b>4,193</b>	<b>4,372</b>	<b>5,110</b>	<b>4,806</b>	<b>14,362</b>	<b>18,481</b>
YoY Growth (%)	79.0	90.3	60.8	25.6	33.7	24.4	33.1	24.2	58.4	28.7
Provisions	681	756	482	444	440	647	701	723	2,363	2,511
<b>Profit before Tax</b>	<b>2,454</b>	<b>2,760</b>	<b>3,358</b>	<b>3,427</b>	<b>3,753</b>	<b>3,725</b>	<b>4,409</b>	<b>4,083</b>	<b>11,999</b>	<b>15,969</b>
Tax Provisions	754	859	1,064	1,223	1,195	1,195	1,386	1,303	3,899	5,078
<b>Profit after tax</b>	<b>1,701</b>	<b>1,901</b>	<b>2,295</b>	<b>2,205</b>	<b>2,558</b>	<b>2,530</b>	<b>3,023</b>	<b>2,781</b>	<b>8,100</b>	<b>10,891</b>
YoY Growth (%)	77.3	38.1	66.5	44.7	50.4	33.1	31.7	26.1	54.7	34.5
Loans growth (%)	42.4	51.2	61.1	48.0	45.2	37.0	27.9	31.8	48.0	45.2
Cost to Income Ratio (%)	23.5	20.0	21.7	30.0	23.6	24.5	23.4	25.7	24.1	24.3
Tax Rate (%)	30.7	31.1	31.7	35.7	31.8	32.1	31.4	31.9	32.5	31.8

E: MOFSL Estimates; Note: FY19 numbers as of Ind-AS

# Repc Home Finance

Bloomberg	REPCO IN
Equity Shares (m)	62.6
M. Cap. (INR b)/(USD b)	29 / 0
52-Week Range (INR)	653 / 293
1,6,12 Rel Perf. (%)	23 / 2 / -36

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
NII	4.3	4.6	5.1	5.9
PPP	3.8	3.8	4.3	5.0
PAT	2.1	2.4	2.7	3.1
EPS (INR)	32.9	38.4	43.3	49.9
BV/Sh. (INR)	207	243	284	330
RoAA (%)	2.2	2.3	2.3	2.3
RoE (%)	16.9	17.1	16.5	16.3
Payout (%)	8.0	7.0	7.0	7.0
<b>Valuation</b>				
P/E (x)	14.1	12.1	10.7	9.3
P/BV (x)	2.2	1.9	1.6	1.4
Div. Yield (%)	0.5	0.5	0.6	0.6

**CMP: INR465 TP: INR550 (+18%) Buy**

- Our interactions at the ground level suggest that the lack of sand availability still remains an issue. Hence, disbursements are expected to grow 3% YoY to INR8.7b. As a result, we expect loan growth to remain largely unchanged at 12% YoY in 4QFY19.
- We expect a modest 20bp QoQ spread compression to 2.8% in 4Q. Hence, NII is expected to be largely stable on a QoQ and YoY basis at INR1.2b.
- C/I ratio is expected to be 21.1%, with opex at INR254m.
- Credit costs would be a key monitorable. Provisions are expected to be INR73m v/s INR182m in 3QFY19.
- The stock trades at 1.9x FY19E and 1.6x FY20E BV. Maintain **Buy**.

### Key issues to watch for

- Competitive environment and prepayments by borrowers
- Business outlook, loan growth, and share of home loans and LAP
- Trend in credit costs under Ind-AS
- Movement in borrowing costs and margins

## Quarterly performance

Y/E March									(INR M)	
	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	2,686	2,843	2,686	2,774	2,827	2,870	3,000	3,120	10,988	11,816
Interest Expenses	1,630	1,626	1,621	1,610	1,684	1,755	1,848	1,956	6,487	7,242
<b>Net Interest Income</b>	<b>1,056</b>	<b>1,217</b>	<b>1,065</b>	<b>1,164</b>	<b>1,143</b>	<b>1,115</b>	<b>1,152</b>	<b>1,164</b>	<b>4,502</b>	<b>4,574</b>
YoY Growth (%)	25.7	34.9	17.4	13.2	8.2	-8.4	8.2	0.0	22.4	1.6
Other income	55	22	60	59	45	90	40	40	196	215
<b>Total income</b>	<b>1,111</b>	<b>1,238</b>	<b>1,125</b>	<b>1,223</b>	<b>1,188</b>	<b>1,205</b>	<b>1,192</b>	<b>1,205</b>	<b>4,697</b>	<b>4,790</b>
YoY Growth (%)	20.8	23.8	15.5	11.0	6.9	-2.7	5.9	-1.5	17.6	2.0
Operating Expenses	168	187	218	214	219	236	253	254	787	962
YoY Growth (%)	13.0	14.8	33.4	6.9	30.3	25.7	16.0	18.8	16.5	22.1
<b>Operating Profits</b>	<b>943</b>	<b>1,051</b>	<b>907</b>	<b>1,009</b>	<b>969</b>	<b>970</b>	<b>939</b>	<b>951</b>	<b>3,910</b>	<b>3,828</b>
YoY Growth (%)	22.3	25.5	11.9	12.0	2.8	-7.7	3.5	-5.8	17.8	-2.1
Provisions	88	-8	265	143	47	-35	182	73	488	267
<b>Profit before Tax</b>	<b>855</b>	<b>1,059</b>	<b>642</b>	<b>866</b>	<b>923</b>	<b>1,004</b>	<b>757</b>	<b>878</b>	<b>3,422</b>	<b>3,561</b>
Tax Provisions	296	358	218	300	314	338	201	305	1,172	1,157
<b>Profit after tax</b>	<b>560</b>	<b>700</b>	<b>424</b>	<b>566</b>	<b>609</b>	<b>666</b>	<b>556</b>	<b>573</b>	<b>2,250</b>	<b>2,404</b>
YoY Growth (%)	41.6	53.3	-8.7	11.9	8.8	-4.9	31.2	1.1	23.5	6.8
Loan growth (%)	13.1	10.1	9.6	10.3	11.9	11.4	12.4	11.9	10.1	11.8
Cost to Income Ratio (%)	15.1	15.1	19.4	17.5	18.4	19.6	21.2	21.1	16.8	20.1
Tax Rate (%)	34.6	33.8	34.0	34.6	34.0	33.7	26.5	34.7	34.2	32.5

E: MOFSL Estimates; Note: FY19 numbers are based on Ind-AS accounting

# Shriram City Union Finance

Bloomberg	SCUF IN
Equity Shares (m)	66.0
M. Cap. (INR b)/(USD b)	118 / 2
52-Week Range (INR)	2454 / 1480
1,6,12 Rel Perf. (%)	1 / 2 / -36

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
NII	33.7	36.7	40.5	45.8
PPP	20.7	22.8	25.2	28.7
PAT	6.6	9.6	10.7	12.2
EPS (INR)	100.8	145.9	162.2	184.3
EPS Gr. (%)	19.5	44.8	11.2	13.6
BV/Sh. (INR)	822	950	1,094	1,257
RoA (%)	2.8	3.5	3.7	3.9
RoE (%)	12.7	16.5	15.9	15.7
Payout (%)	21.5	12.4	11.1	11.7

## Valuations

P/E (x)	17.8	12.3	11.1	9.7
P/BV (x)	2.2	1.9	1.6	1.4
Div. Yield (%)	1.0	0.8	0.8	1.0

**CMP: INR1,796 TP: INR2,100 (+17%) Buy**

- While business conditions have improved since 3QFY19, yet, SCUF is expected to have a tough quarter. On account of liquidity tightness, disbursements are expected to be 18% lower YoY to INR55b. The decline would be broad-based across segments.
- Hence, we expect AUM to be sequentially stable at INR288b. The company has been securitizing assets more intensively, though.
- We expect margins to be largely stable at 12.3%, resulting in NII of INR8.8b.
- We expect asset quality to remain largely stable. We factor in provisions of INR2.15b, as against INR1.34b in 3QFY19 and INR4.12b in 4QFY18.
- The stock trades at 1.9x FY19E and 1.6x FY20E BVPS. **Buy**.

## Key issues to watch for

- Trends in asset quality in each segment.
- Business growth and momentum, and management commentary on the same.
- Impact of GST.
- Performance of the housing finance subsidiary.

## Quarterly performance

Y/E MARCH	(INR m)									
	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	12,274	12,790	13,384	12,428	13,893	14,721	14,131	14,205	50,358	56,950
Interest expenses	4,040	4,152	4,242	4,310	4,640	4,952	5,302	5,373	16,677	20,267
<b>Net Interest Income</b>	<b>8,234</b>	<b>8,638</b>	<b>9,142</b>	<b>8,118</b>	<b>9,253</b>	<b>9,769</b>	<b>8,829</b>	<b>8,832</b>	<b>33,681</b>	<b>36,683</b>
Y-o-Y Growth (%)	20.0	17.5	19.9	13.8	12.4	13.1	-3.4	8.8	18.4	8.9
Fees and Other Income	16	113	399	10	109	437	271	432	658	1,250
<b>Net Operating Income</b>	<b>8,250</b>	<b>8,751</b>	<b>9,541</b>	<b>8,128</b>	<b>9,362</b>	<b>10,206</b>	<b>9,100</b>	<b>9,265</b>	<b>34,339</b>	<b>37,933</b>
Y-o-Y Growth (%)	20.0	19.0	25.0	13.9	13.5	16.6	-4.6	14.0	18.4	10.5
Operating Expenses	3,209	3,433	3,878	3,251	3,677	3,963	3,740	3,840	13,624	15,094
<b>Operating Profit</b>	<b>5,041</b>	<b>5,318</b>	<b>5,664</b>	<b>4,877</b>	<b>5,685</b>	<b>6,243</b>	<b>5,361</b>	<b>5,425</b>	<b>20,715</b>	<b>22,839</b>
Y-o-Y Growth (%)	21.8	17.5	21.7	12.8	12.8	17.4	-5.3	11.2	17.4	10.3
Provisions	1,968	1,718	1,825	4,122	2,154	2,506	1,335	2,153	10,537	8,148
<b>Profit before Tax</b>	<b>3,073</b>	<b>3,600</b>	<b>3,838</b>	<b>756</b>	<b>3,532</b>	<b>3,737</b>	<b>4,025</b>	<b>3,272</b>	<b>10,178</b>	<b>14,691</b>
Tax Provisions	1,072	1,251	1,299	285	1,236	1,244	1,438	1,150	3,531	5,068
<b>Net Profit</b>	<b>2,001</b>	<b>2,349</b>	<b>2,540</b>	<b>470</b>	<b>2,296</b>	<b>2,493</b>	<b>2,588</b>	<b>2,122</b>	<b>6,647</b>	<b>9,622</b>
Y-o-Y Growth (%)	10.0	14.9	61.0	291.5	14.8	6.1	1.9	351.2	19.5	44.8
Int Exp/ Int Earned (%)	32.9	32.5	31.7	34.7	33.4	33.6	37.5	37.8	33.1	35.6
Cost to Income Ratio (%)	38.9	39.2	40.6	40.0	39.3	38.8	41.1	41.4	39.7	39.8
Tax Rate (%)	34.9	34.8	33.8	37.8	35.0	33.3	35.7	35.2	34.7	34.5

E: MOFSL Estimates; \*Quarterly nos and full year nos will not tally due to different way of reporting financial nos; Note: FY19 numbers on Ind-AS basis

# Shriram Transport Finance

Bloomberg	SHTF IN
Equity Shares (m)	226.9
M. Cap. (INR b)/(USD b)	272 / 4
52-Week Range (INR)	1671 / 904
1,6,12 Rel Perf. (%)	-5 / -1 / -36

## Financial Snapshot (INR b)

Y/E March	2018	2019E	2020E	2021E
Net Inc.	67.3	79.4	89.7	100.3
PPP	54.9	62.4	70.3	78.1
PAT	15.7	24.4	29.5	34.0
EPS (INR)	69.1	107.7	130.1	149.8
EPS Gr. (%)	24.7	55.9	20.8	15.1
BV/Sh (INR)	600	693	804	933
RoA on AUM (%)	1.9	2.4	2.6	2.6
RoE (%)	12.7	16.7	17.4	17.2
Payout (%)	16.8	13.9	13.9	13.9

## Valuations

P/E (x)	17.4	11.1	9.2	8.0
P/BV (x)	2.0	1.7	1.5	1.3
Div. Yield (%)	0.8	1.1	1.3	1.5

**CMP: INR1,200 TP: INR1,450 (+21%) Buy**

- SHTF is likely to have a slightly tough quarter with respect to growth. While disbursements are expected to improve from INR94b to INR125b QoQ, they would still be 18% below 4QFY18 levels.
- Hence, SHTF is expected to deliver 1% QoQ/ 9% YoY AUM growth in the quarter. We also expect share of used vehicles to increase sequentially.
- We expect calc. NIMs to be sequentially stable at 7.8%.
- We factor in INR6.2b NPL provisions v/s INR6.4b in 3QFY19 and INR13.2b in 4QFY18. We expect stable to improving asset quality trends.
- The stock trades at 1.7x FY19E and 1.5x FY20E BVPS. Maintain **Buy**.

## Key issues to watch for

- Disbursements in used and new vehicle segments
- CV demand in FY19, volume gain on BS4 switch to BS6
- Movement in borrowing costs and margins
- Asset quality trends, given impact of GST

## Quarterly Performance

Y/E March	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	31,028	32,326	33,615	29,502	37,107	39,173	39,682	40,427	126,471	156,389
Interest expenses	15,692	15,835	16,160	14,633	18,888	18,675	19,413	20,049	62,320	77,024
<b>Net Interest Income</b>	<b>15,336</b>	<b>16,491</b>	<b>17,455</b>	<b>14,869</b>	<b>18,220</b>	<b>20,498</b>	<b>20,269</b>	<b>20,378</b>	<b>64,151</b>	<b>79,365</b>
YoY Growth (%)	32.2	46.4	50.3	30.0	18.8	24.3	16.1	37.0	39.7	23.7
Securitization income	0	0	0	3,206	0	0	0	0	3,206	0
<b>Net Income (Incl. Securitization)</b>	<b>15,336</b>	<b>16,491</b>	<b>17,455</b>	<b>18,076</b>	<b>18,220</b>	<b>20,498</b>	<b>20,269</b>	<b>20,378</b>	<b>67,357</b>	<b>79,365</b>
YoY Growth (%)	13.8	21.9	23.6	28.3	18.8	24.3	16.1	12.7	22.0	17.8
Fees and Other Income	154	270	167	1,717	186	244	261	310	2,307	1,000
<b>Net Operating Income</b>	<b>15,490</b>	<b>16,761</b>	<b>17,622</b>	<b>19,792</b>	<b>18,406</b>	<b>20,742</b>	<b>20,530</b>	<b>20,687</b>	<b>69,665</b>	<b>80,365</b>
YoY Growth (%)	13.6	22.4	23.2	38.1	18.8	23.8	16.5	4.5	24.5	15.4
Operating Expenses	3,342	3,531	3,812	4,193	4,348	4,516	4,328	4,797	14,878	17,989
<b>Operating Profit</b>	<b>12,148</b>	<b>13,230</b>	<b>13,810</b>	<b>15,599</b>	<b>14,057</b>	<b>16,226</b>	<b>16,202</b>	<b>15,891</b>	<b>54,787</b>	<b>62,375</b>
YoY Growth (%)	17.9	25.3	21.2	36.6	15.7	22.6	17.3	1.9	25.4	13.9
Provisions	5,107	5,669	5,475	13,666	5,227	6,836	6,362	6,223	29,917	24,647
<b>Profit before Tax</b>	<b>7,041</b>	<b>7,560</b>	<b>8,335</b>	<b>1,934</b>	<b>8,831</b>	<b>9,390</b>	<b>9,839</b>	<b>9,668</b>	<b>24,869</b>	<b>37,728</b>
Tax Provisions	2,442	2,588	2,919	488	3,101	3,295	3,485	3,399	8,437	13,280
<b>Net Profit</b>	<b>4,599</b>	<b>4,972</b>	<b>5,415</b>	<b>1,446</b>	<b>5,729</b>	<b>6,096</b>	<b>6,355</b>	<b>6,268</b>	<b>16,432</b>	<b>24,448</b>
YoY Growth (%)	22.9	28.3	56.5	-3.4	24.6	22.6	17.3	333.5	30.7	48.8
AUM Growth (%)	10.4	14.6	19.2	22.2	21.7	20.9	14.1	9.0	22.2	9.0
Cost to Income Ratio (%)	21.6	21.1	21.6	21.2	23.6	21.8	21.1	23.2	21.4	22.4
Tax Rate (%)	34.7	34.2	35.0	25.2	35.1	35.1	35.4	35.2	33.9	35.2

E: MOFSL Estimates; \* Quarterly nos and full-year nos will not tally due to different way of reporting financial nos

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