

# Muthoot Finance

Estimate change	↑
TP change	↕
Rating change	↔

Bloomberg	MUTH IN
Equity Shares (m)	401
M.Cap.(INRb)/(USDb)	477.4 / 6.7
52-Week Range (INR)	1405 / 478
1, 6, 12 Rel. Per (%)	-1/18/68
12M Avg Val (INR M)	2471

## Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
NII	57.7	64.0	74.5
PPP	41.5	48.5	56.8
PAT	30.2	35.0	41.0
EPS (INR)	75.3	87.3	102.2
EPS Gr. (%)	52.9	16.0	17.1
BV/Sh.(INR)	289	358	439

## Ratios

NIM (%)	14.9	13.7	13.6
C/I ratio (%)	30.0	27.5	27.1
RoA (%)	6.8	6.6	6.8
RoE (%)	29.0	27.0	25.6
Payout (%)	19.9	17.0	17.0

## Valuations

P/E (x)	15.8	13.6	11.6
P/BV (x)	4.1	3.3	2.7
Div. Yld. (%)	1.3	1.2	1.5

## Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	73.4	73.4	73.5
DII	7.7	7.3	7.5
FII	13.9	14.6	15.0
Others	5.0	4.7	4.0

FII Includes depository receipts

**CMP: INR1,190 TP: INR1,460 (+23%) Buy**

## Highest sequential AUM growth in a decade

- Muthoot Finance's (MUTH) 2QFY21 PAT increased 4% YoY to INR8.9b (4% beat). The quarter was characterized by best sequential loan growth of 14% (since FY12), stable spreads and sharp improvement in asset quality. With the help of refinancing and strong QoQ growth, GS3% declined 130bp QoQ to 1.26%.
- In 1HFY21, net income/PAT increased 18%/25% YoY to INR31.7b/INR17.4b.
- **From an average monthly rate of INR69b in 1QFY21, disbursements spiked to INR167b in 2QFY21, which drove strong loan growth. We estimate 17% loan CAGR over FY20-23E and increase our FY21/22E est. by 2-3%. Buy with TP of INR1,460 (3x Sep'22E BVPS).**

## AUM growth robust; Margins stable

- MUTH disbursed fresh loans to over 1.4m customers in 2QFY21 (v/s 0.7m/1.5m customers QoQ/YoY. Note that these loans are in addition to renewals for existing customers or top-up loans.
- Standalone AUM jumped 14%/32% QoQ/YoY to INR470b. However, bulk of this growth was driven by rise in gold prices (4% QoQ) and increase in LTV to 61% (v/s 55% a quarter ago). **The number of customers grew only 2% QoQ while tonnage declined from 165t to 163t QoQ.**
- Yields remained stable, ranging between 23-24% for the past 4-5 quarters. Cost of funds declined 10bp/40bp QoQ/YoY to 9.1%.

## Toning down excess liquidity; Asset quality improves

- Total borrowings grew 9%/48% QoQ/YoY to INR422b. The borrowing mix was largely stable sequentially. **The company reduced balance sheet liquidity from INR85b to INR79b QoQ.**
- GS3% declined to 1.26% (v/s 2.56% a quarter ago). ECL provisions are largely steady at 1.2% of loans.

## Highlights from management commentary

- Reiterate loan growth guidance of 15%+ YoY for FY21 despite greater competition. Expect cost of funds to decline 3QFY21 onwards.

## Subsidiary performance

- **Muthoot Homefin:** AUM stood at INR19.4b (flat QoQ). The company took COVID provisions of INR170m. GNPL ratio was flat QoQ at 1.71%.
- **Belstar Investment and Finance:** Loan book grew 4% QoQ to INR27b. GNPL ratio declined 50bp QoQ to 0.6%.

## Valuation and view

After muted performance in 1QFY21, AUM growth rebounded sharply in 2QFY21 as loan demand remained high. While such high level of growth is not sustainable, we expect MUTH to deliver 20% YoY AUM growth in FY21 and 15% CAGR thereafter. RoA/RoE is likely to remain robust at 6.8%/25% over the medium term. We increase our FY21/22E EPS estimates by 2-3% to factor in stronger growth. Maintain Buy with TP of INR1,460 (3.0x Sep'22E BVPS).

Quarterly Performance												(INR M)
Y/E March	FY20				FY21				FY20	FY21	2QFY21E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Income from operations	18,274	21,057	22,806	23,506	23,160	25,066	26,006	26,995	85,644	1,01,228	24,318	3
Other operating income	294	312	399	497	691	768	625	696	1,502	2,779	470	63
<b>Total Operating income</b>	<b>18,568</b>	<b>21,369</b>	<b>23,206</b>	<b>24,004</b>	<b>23,851</b>	<b>25,834</b>	<b>26,631</b>	<b>27,691</b>	<b>87,146</b>	<b>1,04,007</b>	<b>24,788</b>	<b>4</b>
YoY Growth (%)	13.8	29.5	35.2	27.7	28.4	20.9	14.8	15.4	26.7	19.3	16.0	31
<b>Total Income</b>	<b>18,587</b>	<b>21,405</b>	<b>23,209</b>	<b>24,026</b>	<b>23,854</b>	<b>25,845</b>	<b>26,656</b>	<b>27,728</b>	<b>87,228</b>	<b>1,04,082</b>	<b>24,808</b>	<b>4</b>
YoY Growth (%)	13.8	29.7	35.2	27.8	28.3	20.7	14.9	15.4	26.8	19.3	15.9	30
Interest Expenses	6,416	6,699	7,094	7,700	8,715	9,241	9,519	9,712	27,909	37,187	8,889	4
<b>Net Income</b>	<b>12,171</b>	<b>14,707</b>	<b>16,115</b>	<b>16,326</b>	<b>15,139</b>	<b>16,603</b>	<b>17,138</b>	<b>18,015</b>	<b>59,319</b>	<b>66,895</b>	<b>15,919</b>	<b>4</b>
Operating Expenses	3,972	3,969	4,542	5,304	3,738	4,496	4,724	5,436	17,787	18,394	4,068	11
<b>Operating Profit</b>	<b>8,199</b>	<b>10,738</b>	<b>11,573</b>	<b>11,021</b>	<b>11,400</b>	<b>12,107</b>	<b>12,414</b>	<b>12,579</b>	<b>41,531</b>	<b>48,501</b>	<b>11,851</b>	<b>2</b>
YoY Growth (%)	8.2	43.6	47.6	35.3	39.0	12.8	7.3	14.1	33.8	16.8	10.4	23
Provisions	33	265	612	48	146	107	600	787	957	1,640	300	-64
<b>Profit before Tax</b>	<b>8,166</b>	<b>10,473</b>	<b>10,961</b>	<b>10,974</b>	<b>11,255</b>	<b>12,000</b>	<b>11,814</b>	<b>11,792</b>	<b>40,574</b>	<b>46,860</b>	<b>11,551</b>	<b>4</b>
Tax Provisions	2,866	1,894	2,809	2,822	2,847	3,056	2,989	2,964	10,391	11,856	2,922	5
<b>Net Profit</b>	<b>5,300</b>	<b>8,579</b>	<b>8,152</b>	<b>8,151</b>	<b>8,408</b>	<b>8,944</b>	<b>8,825</b>	<b>8,828</b>	<b>30,183</b>	<b>35,005</b>	<b>8,628</b>	<b>4</b>
YoY Growth (%)	7.8	77.3	68.0	59.4	58.6	4.3	8.3	8.3	53.0	16.0	0.6	641
<b>Key Operating Parameters (%)</b>												
Yield on loans (Cal)	21.2	23.9	25.0	24.0	23.0	23.4	22.2	22.1	22.1	21.6		
Cost of funds (Cal)	9.3	9.5	9.3	8.8	9.2	9.1			8.7	9.7		
Spreads (Cal)	11.9	14.4	15.7	15.1	13.9	14.3			13.4	12.0		
NIMs (Cal)	13.9	16.4	17.4	16.3	14.6	15.0	14.3	14.4	14.9	13.7		
Credit Cost	0.0	0.3	0.7	0.0	0.1	0.1	0.5	0.6	0.2	0.4		
Cost to Income Ratio	32.6	27.0	28.2	32.5	24.7	27.1	27.6	30.2	30.0	27.5		
Tax Rate	35.1	18.1	25.6	25.7	25.3	25.5	25.3	25.1	25.6	25.3		
<b>Balance Sheet Parameters</b>												
<b>AUM (INR b)</b>	358	357	385	416	413	470	491	511	426	511		
Change YoY (%)	15.5	10.6	18.6	21.5	15.3	31.6	27.6	22.9	22.0	20.0		
<b>Gold loans (INR b)</b>	352	349	377	408	405	462						
Change YoY (%)	15.1	9.1	18.7	21.4	15.1	32.3						
Gold Stock Holding (In tonnes)	176	171	173	176	165	163						
Avg gold loans per branch (INR m)	78	77	83	89	89	100						
<b>Borrowings (INR b)</b>	281	285	326	372	389	422			371	399		
Change YoY (%)	21.1	17.0	29.2	38.3	38.2	48.4			38.4	7.6		
<b>Borrowings Mix (%)</b>												
Listed secured NCDs	28.1	30.4	31.9	26.0	23.2	25.6						
Term loans	49.0	47.0	39.6	39.2	40.3	42.0						
Commercial Paper	17.1	17.2	14.1	9.7	12.7	11.2						
Others	5.8	5.4	4.5	4.8	4.4	3.7						
Debt/Equity (x)	2.9	2.6	2.7	2.9	2.6	2.7						
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	11,474	12,267	9,769	8,992	10,553	5,920			8,992	8,566		
Gross Stage 3 (% on Assets)	3.2	3.4	2.5	2.2	2.6	1.3			2.11	1.68		
Total Provisions (INR m)	8,095	8,213	8,377	8,381	8,492	8,590						
<b>Return Ratios (%)</b>												
RoAUM (Rep)	6.1	9.6	8.8	8.1	8.1	8.1			6.8	6.6		
RoE (Rep)	21.7	33.7	29.6	28.4	28.2	28.1			29.0	27.0		

E: MOFSL estimates



## Highlights from management commentary

### Business Updates

- 50% QoQ growth in mobile app transactions in the quarter.
- **Reiterated loan growth guidance of 15%+ YoY for FY21.**
- 61% outstanding LTV as of end-Sep'20.
- Will open 100-150 branches per year.
- Penal interest amount in the quarter is minimal.
- **Competitive intensity from banks has increased post-COVID. However, this has helped expand the overall market size.**
- Incremental LTV is 70%.
- Expect expense ratio of 4-4.5%. Not much gains expected on this front hereon.

### Subsidiaries

- **HFC** – Focusing more on collections rather than growth. Loan book should be flat YoY in FY21. Collection efficiency (CE) was 84% in Sep'20.
- **MFI** – Started fresh lending. Expect INR5b YoY increase in loan book in FY21. CE was 86% in Sep'20.
- CE in Sep'20: 93% in personal loans and 82% in vehicle finance.

### Funding

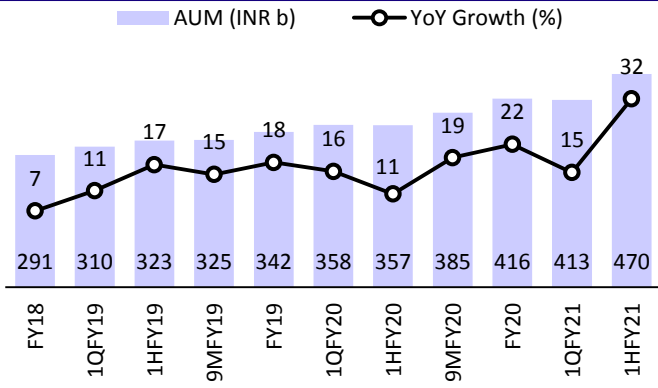
- **INR20b public NCD issue has been subscribed fully. Average interest rate was 7.6%.**
- Receiving new credit lines from banks.
- CoF should decline 3QFY21 onwards.
- Raised INR41.33b fresh funding in 2QFY21, excluding roll-overs and CP issuances.

### Others

- HNI loans above INR1m have grown 230% QoQ. INR1b 'Loan at Home' disbursed in 2QFY21.
- Minimal auctions have been done this quarter.
- Opex is up QoQ as the company got rental waivers in Apr'20.
- As mentioned in MUTH's presentation, 'inactive' customers are those that had a loan earlier but were not current customers at start of the quarter.
- In hedge accounting, all MTM gains/losses are kept outside the P&L and appear in assets/liabilities. Fair value on investments is accounted for in OCI.
- The largest branches would have INR250-300m loans outstanding.
- Interest rate in online loans is the same as offline loans. However, they waive some small fees/charges.

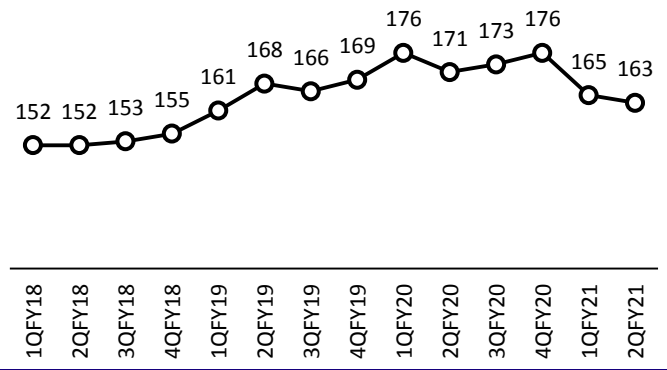
## Key Exhibits

**Exhibit 1: AUM growth picks up sharply... (%)**



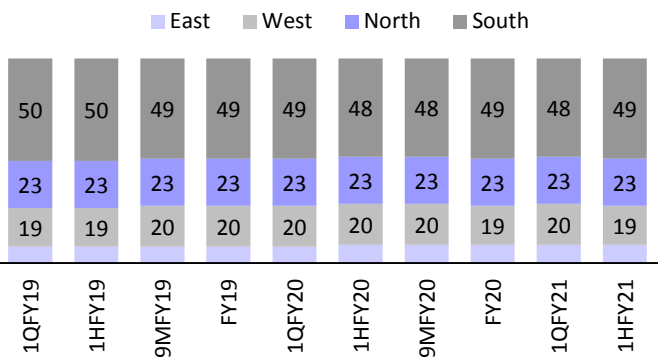
Source: MOFSL, Company

**Exhibit 2: ...but gold tonnage declines sequentially (ton)**



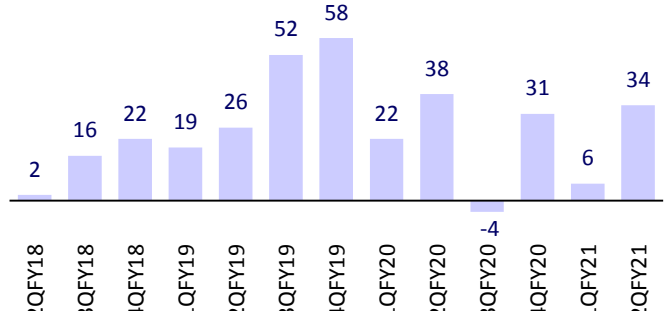
Source: MOFSL, Company

**Exhibit 3: South dominates the mix at ~50%**



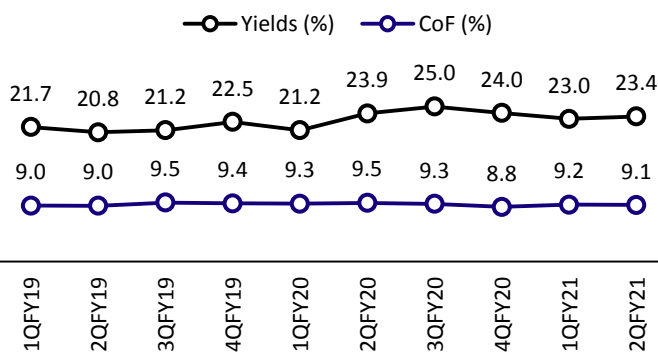
Source: MOFSL, Company, Gold loan portfolio mix

**Exhibit 4: Branch openings remain muted**



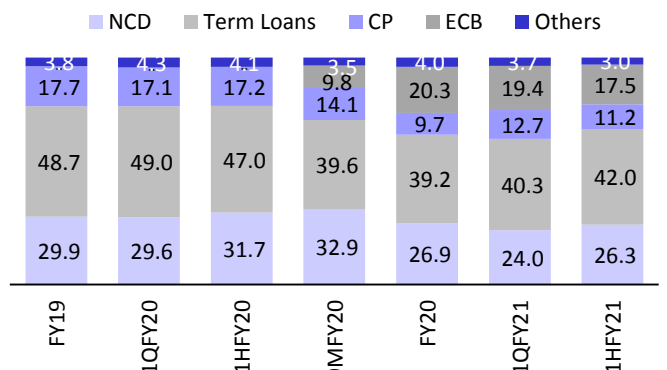
Source: MOFSL, Company

**Exhibit 5: Spreads improved 50bp sequentially (%)**



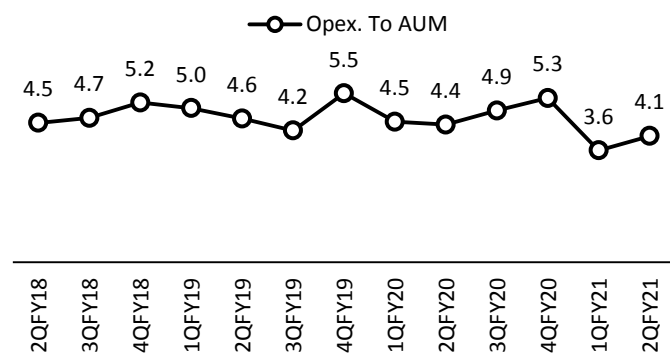
Source: MOFSL, Company

**Exhibit 6: Borrowing mix trend (%)**



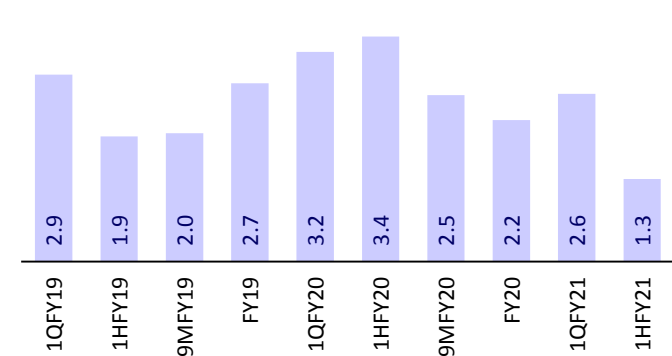
Source: MOFSL, Company

Exhibit 7: Expense ratio down 30bp YoY (%)



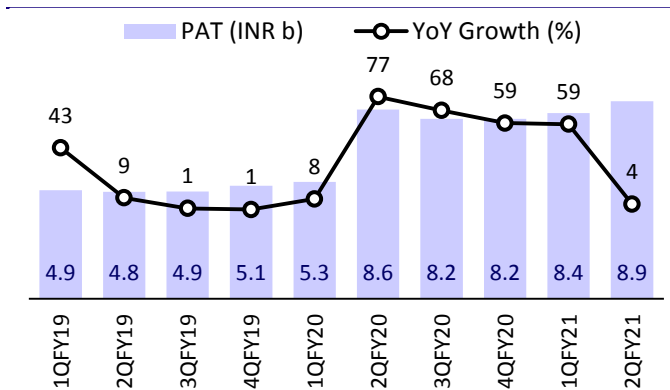
Source: MOFSL, Company

Exhibit 8: GNPL ratio halves QoQ (%)



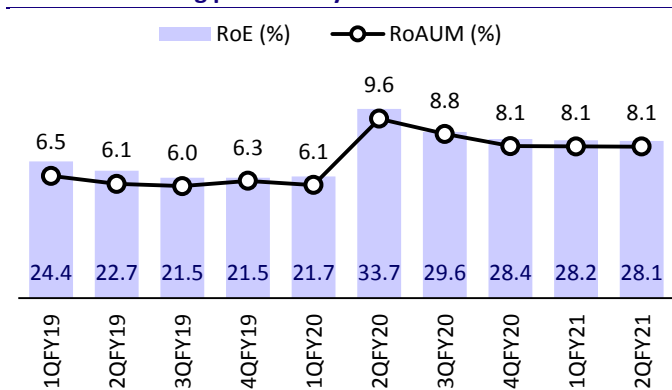
Source: MOFSL, Company

Exhibit 9: Trend in PAT



Source: MOFSL, Company

Exhibit 10: Strong profitability continues



Source: MOFSL, Company, Reported

### Valuation and view

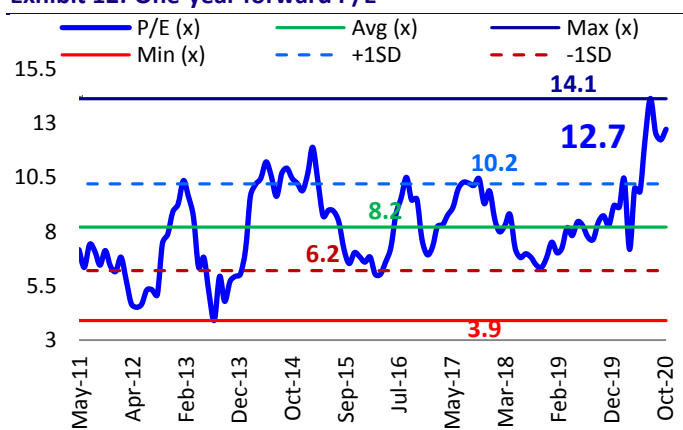
- Over the past few quarters, there have been tailwinds to growth from increasing gold prices and stronger demand. We expect this to continue over the near-to-medium term given (a) elevated gold prices, and (b) higher gold loan demand due to the lockdown impact on customers. **However, the sluggish performance on number of customers/loans remains a worry.**
- Positive ALM (due to short loan tenure of up to 12 months) and adequate balance sheet liquidity have helped MUTH access debt capital with relative ease. Over the past year, MUTH raised USD1b from ECBs – this liability diversification will be helpful going ahead. Spreads have sustained at ~14%, though we expect some compression due to lower penal interest income/costlier forex funding.
- The company is well capitalized with Tier I ratio of ~25% – we do not foresee any dilution in the medium term even if AUM growth continues at 20% YoY.
- We estimate loan growth of 20% YoY for FY21, followed by moderation to 15% for FY22/23E. We forecast 17% PAT CAGR over FY20-23E. We have increased our EPS estimates by 2-3% for FY21/FY22E on the back of stronger loan growth.
- Given the improvement in overall economic environment, the asset quality impact on subsidiaries would not be as bad as earlier anticipated. Maintain **Buy** with TP of INR1,460 (3x Sep'22E BVPS).

Exhibit 11: We increase our FY21/FY22E EPS estimates by 2-3%

INR B	Old Est			New Est			% Change		
	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
NII	63.4	73.7	86.1	64.0	74.5	87.6	1.1	1.1	1.8
Other Income	2.2	2.6	3.0	2.9	3.4	4.0			
<b>Net Income</b>	<b>65.5</b>	<b>76.3</b>	<b>89.1</b>	<b>66.9</b>	<b>77.9</b>	<b>91.6</b>	<b>2.1</b>	<b>2.1</b>	<b>2.8</b>
<b>Operating Profits</b>	<b>47.3</b>	<b>55.4</b>	<b>65.0</b>	<b>48.5</b>	<b>56.8</b>	<b>67.3</b>	<b>2.5</b>	<b>2.6</b>	<b>3.5</b>
Provisions	1.6	1.8	2.1	1.6	1.9	2.2	3.5	6.7	6.7
<b>PBT</b>	<b>45.7</b>	<b>53.6</b>	<b>62.9</b>	<b>46.9</b>	<b>54.9</b>	<b>65.1</b>	<b>2.5</b>	<b>2.4</b>	<b>3.4</b>
Tax	11.6	13.6	15.9	11.9	13.9	16.5	2.5	2.4	3.4
<b>PAT</b>	<b>34.1</b>	<b>40.0</b>	<b>47.0</b>	<b>35.0</b>	<b>41.0</b>	<b>48.6</b>	<b>2.5</b>	<b>2.4</b>	<b>3.4</b>
Loans	479	551	634	511	588	676	6.7	6.7	6.7
Borrowings	383	424	470	399	442	490			
Spread (%)	12.4	12.3	12.3	12.0	11.4	11.5			
<b>RoA (%)</b>	<b>6.5</b>	<b>6.9</b>	<b>7.1</b>	<b>6.6</b>	<b>6.8</b>	<b>7.1</b>			
<b>RoE (%)</b>	<b>26.4</b>	<b>25.2</b>	<b>24.3</b>	<b>27.0</b>	<b>25.6</b>	<b>24.9</b>			

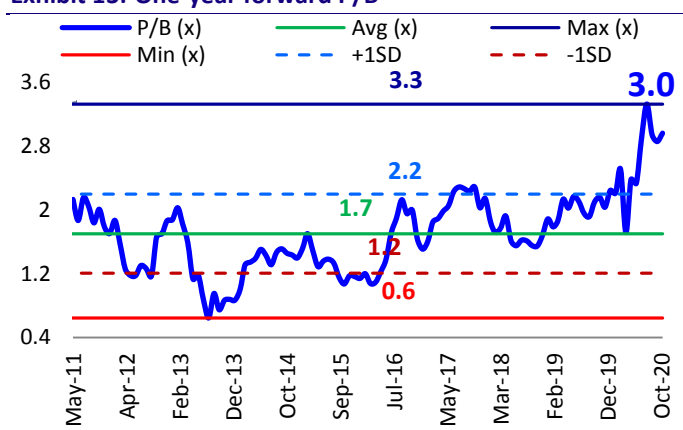
Source: MOFSL, Company

Exhibit 12: One-year forward P/E



Source: MOFSL, Company

Exhibit 13: One-year forward P/B



Source: MOFSL, Company

## Valuation Matrix

	Rating	CMP (INR)	Mcap (USD <b>b</b> )	P/E (x)		P/BV (x)		RoA (%)		RoE (%)	
				FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
<b>HFCs</b>											
HDFC*	Buy	2,131	47.3	34.7	30.1	3.8	3.4	1.8	1.8	12.3	11.9
LICHF	Buy	302	2.0	5.5	5.7	0.8	0.7	1.2	1.1	14.7	12.6
PNBHF	Neutral	361	0.8	6.3	5.4	0.7	0.6	1.2	1.4	11.4	12.2
<b>Vehicle fin.</b>											
SHTF	Buy	763	2.3	7.6	6.6	0.9	0.8	2.1	2.4	12.7	12.6
MMFS	Buy	126	1.0	15.8	13.9	1.0	1.0	1.3	1.4	7.3	7.0
CIFC	Buy	297	3.2	14.9	12.8	2.6	2.2	2.4	2.5	18.7	18.4
<b>Diversified</b>											
BAF	Neutral	3,491	27.5	48.4	26.4	5.8	4.8	2.6	4.2	12.6	19.9
SCUF	Buy	860	0.7	7.6	6.0	0.7	0.6	2.4	3.0	9.9	11.4
LTFH	Buy	65	1.8	13.9	6.0	0.9	0.8	0.8	1.9	6.4	13.4
MUTH	Buy	1,190	6.7	14.0	11.9	3.3	2.7	6.5	6.9	26.4	25.2
MAS	Buy	831	0.6	27.0	22.6	4.1	3.6	3.7	4.0	16.0	16.9
<b>Wholesale</b>											
PIEL	Buy	1,299	3.7	11.8	10.1	1.0	0.9	0.0	0.0	8.4	9.4
ABCL	Buy	68	2.2	10.2	6.5	0.7	0.5	1.2	1.4	7.2	8.3

## Financials and Valuations

INCOME STATEMENT								(INR M)
Y/E MARCH	2016	2017	2018	2019	2020	2021E	2022E	2023E
Interest Income	47,995	56,369	62,021	67,570	85,644	1,01,228	1,14,041	1,29,567
Interest Expense	22,577	22,938	19,314	22,368	27,909	37,187	39,549	41,940
<b>Net Interest Income</b>	<b>25,418</b>	<b>33,431</b>	<b>42,707</b>	<b>45,202</b>	<b>57,735</b>	<b>64,041</b>	<b>74,492</b>	<b>87,626</b>
Change (%)	17.9	31.5	27.7	5.8	27.7	10.9	16.3	17.6
Other income	755	1,098	1,310	1,236	1,584	2,854	3,435	3,961
<b>Net Income</b>	<b>26,173</b>	<b>34,529</b>	<b>44,017</b>	<b>46,438</b>	<b>59,319</b>	<b>66,895</b>	<b>77,927</b>	<b>91,587</b>
Change (%)	18.0	31.9	27.5	5.5	27.7	12.8	16.5	17.5
Operating Expenses	11,381	12,503	13,174	15,394	17,787	18,394	21,136	24,282
<b>Pre Provision Profits</b>	<b>14,792</b>	<b>22,026</b>	<b>30,843</b>	<b>31,044</b>	<b>41,531</b>	<b>48,501</b>	<b>56,791</b>	<b>67,306</b>
Change (%)	38.9	48.9	40.0	0.6	33.8	16.8	17.1	18.5
Provisions	1,624	2,816	2,397	275	957	1,640	1,924	2,212
<b>PBT</b>	<b>13,168</b>	<b>19,210</b>	<b>28,447</b>	<b>30,768</b>	<b>40,574</b>	<b>46,860</b>	<b>54,867</b>	<b>65,093</b>
Tax	5,072	7,411	10,671	11,047	10,391	11,856	13,881	16,469
Tax Rate (%)	38.5	38.6	37.5	35.9	25.6	25.3	25.3	25.3
<b>PAT</b>	<b>8,096</b>	<b>11,799</b>	<b>17,776</b>	<b>19,721</b>	<b>30,183</b>	<b>35,005</b>	<b>40,986</b>	<b>48,625</b>
Change (%)	20.7	45.7	50.7	10.9	53.0	16.0	17.1	18.6
Proposed Dividend	2,393	2,397	4,010	4,812	6,016	5,951	6,968	8,266

BALANCE SHEET								(INR M)
Y/E MARCH	2016	2017	2018	2019	2020	2021E	2022E	2023E
Equity Share Capital	3,990	3,995	4,000	4,007	4,010	4,010	4,010	4,010
Reserves & Surplus	52,202	61,170	74,120	88,151	1,11,708	1,39,512	1,72,067	2,10,690
<b>Networth</b>	<b>56,192</b>	<b>65,164</b>	<b>78,120</b>	<b>92,158</b>	<b>1,15,718</b>	<b>1,43,522</b>	<b>1,76,077</b>	<b>2,14,700</b>
<b>Borrowings</b>	<b>1,85,670</b>	<b>2,09,855</b>	<b>2,11,670</b>	<b>2,68,332</b>	<b>3,71,300</b>	<b>3,99,414</b>	<b>4,42,058</b>	<b>4,89,948</b>
Change (%)	-4.5	13.0	0.9	26.8	38.4	7.6	10.7	10.8
<b>Other liabilities</b>	<b>28,625</b>	<b>32,112</b>	<b>18,132</b>	<b>20,198</b>	<b>17,578</b>	<b>20,215</b>	<b>23,247</b>	<b>26,734</b>
Change (%)	27.2	12.2	-43.5	11.4	-13.0	15.0	15.0	15.0
<b>Total Liabilities</b>	<b>2,70,487</b>	<b>3,07,131</b>	<b>3,07,923</b>	<b>3,80,687</b>	<b>5,04,597</b>	<b>5,63,151</b>	<b>6,41,383</b>	<b>7,31,382</b>
<b>Loans</b>	<b>2,45,241</b>	<b>2,74,242</b>	<b>2,95,068</b>	<b>3,49,329</b>	<b>4,26,042</b>	<b>5,11,250</b>	<b>5,87,938</b>	<b>6,76,128</b>
Change (%)	4.2	11.8	7.6	18.4	22.0	20.0	15.0	15.0
<b>Investments</b>	<b>983</b>	<b>2,091</b>	<b>3,954</b>	<b>9,826</b>	<b>14,383</b>	<b>15,462</b>	<b>17,008</b>	<b>18,709</b>
Net Fixed Assets	2,274	2,182	1,922	1,867	2,227	2,450	2,695	2,965
Other assets	21,990	28,615	6,978	19,666	61,944	33,989	33,741	33,580
<b>Total Assets</b>	<b>2,70,487</b>	<b>3,07,131</b>	<b>3,07,923</b>	<b>3,80,687</b>	<b>5,04,597</b>	<b>5,63,151</b>	<b>6,41,383</b>	<b>7,31,382</b>

E: MOFSL Estimates

## Financials and Valuations

<b>RATIOS</b>	<b>(%)</b>							
<b>Y/E MARCH</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
<b>Spreads Analysis (%)</b>								
Avg Yield on loans	20.1	21.8	21.8	21.0	22.1	21.6	20.8	20.5
Avg Cost of funds	11.9	11.6	9.2	9.3	8.7	9.7	9.4	9.0
Spreads on loans	8.2	10.2	12.7	11.7	13.4	12.0	11.4	11.5
NIMs on AUM	10.6	12.9	15.0	14.0	14.9	13.7	13.6	13.9
<b>Profitability Ratios (%)</b>								
RoE	15.1	19.4	24.8	23.2	29.0	27.0	25.6	24.9
RoA	3.0	4.1	5.8	5.7	6.8	6.6	6.8	7.1
Cost to Income	43.5	36.2	29.9	33.2	30.0	27.5	27.1	26.5
Empl. Cost/Op. Exps.	56.4	61.1	59.4	58.3	57.8	58.2	58.2	58.3
<b>Asset-Liability Profile (%)</b>								
GNPL ratio (%)	2.2	2.8	4.4	2.7	2.2	1.7	1.6	1.6
Debt/Equity (x)	3.3	3.2	2.7	2.9	3.2	2.8	2.5	2.3
Average leverage	3.6	3.3	2.9	2.8	3.1	3.0	2.6	2.4
<b>Valuations</b>								
Book Value (INR)	140.8	163.1	195.3	230.0	288.5	357.9	439.1	535.4
<b>Price-BV (x)</b>					<b>4.1</b>	<b>3.3</b>	<b>2.7</b>	<b>2.2</b>
EPS (INR)	20.3	29.5	44.4	49.2	75.3	87.3	102.2	121.2
EPS Growth (%)	20.4	45.6	50.4	10.8	52.9	16.0	17.1	18.6
<b>Price-Earnings (x)</b>					<b>15.8</b>	<b>13.6</b>	<b>11.6</b>	<b>9.8</b>
Dividend	6.0	6.0	10.0	12.0	15.0	14.8	17.4	20.6
<b>Dividend Yield (%)</b>					<b>1.3</b>	<b>1.2</b>	<b>1.5</b>	<b>1.7</b>

E: MOFSL Estimates



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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