

Shriram Transport Finance

Estimate change



TP change



Rating change



Bloomberg	SHTF IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	326.9 / 3.9
52-Week Range (INR)	1332 / 429
1, 6, 12 Rel. Per (%)	28/57/7
12M Avg Val (INR M)	3977

Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
Net Inc.	83.1	84.5	95.6
PPP	62.3	64.5	72.8
PAT	25.0	26.2	33.2
EPS (INR)	110	104	131
EPS Gr. (%)	-2.4	-6.0	26.6
BV/Sh (INR)	794	872	990

Ratios

NIM (%)	8.0	7.9	8.3
C/I ratio (%)	25.0	23.7	23.9
RoA (%)	2.3	2.2	2.7
RoE (%)	14.9	13.2	14.2
Payout (%)	5.4	12.0	12.0

Valuations

P/E (x)	11.7	12.5	9.8
P/BV (x)	1.6	1.5	1.3
Div. Yield (%)	0.4	0.8	1.0

Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	26.5	26.5	26.3
DII	5.4	4.4	3.1
FII	61.7	60.5	64.3
Others	6.4	8.6	6.4

FII Includes depository receipts

CMP: INR1,292
TP: INR1,575 (+22%)
Buy

Steady quarter; asset quality performance healthy

- SHTF's PAT declined 17% YoY to INR7.3b (8% miss) in 3QFY21. In 9MFY21, NII and PPOP were largely flat on a YoY basis, while PAT declined 24% due to elevated credit costs.
- We increase our FY22E/FY23E EPS estimate by ~7%/~5% to factor in higher AUM and lower opex. Our FY21E/FY22E/FY23E credit cost estimate stands at 2.8%/2.4%/2.5%. **Buy with a TP of INR1,575/share at 1.4x FY23E P/BV.**

Sharp improvement in disbursements; spreads up 35bp YoY

- Disbursements improved 110% YoY to INR126b in 3Q from 50% YoY in 2QFY21. Around 97% disbursements were in the Used Vehicle segment.
- As a result, AUM grew 1% QoQ/5% YoY to INR1.15t.** Note that the drag on AUM growth stems from the New Vehicles and Business Loans segments. The Used Vehicle Financing segment grew 3% QoQ/9% YoY to INR1.01t. **The share of Used Vehicle Financing in total AUM has increased 500bp to 88% over the past two years.**
- Spreads (calculated) increased 35bp YoY to 7.4%, led by higher yield. NIM on AUM was down 25bp due to the drag from higher liquidity. **SHTF has INR134b liquidity on its balance Sheet (14% of borrowings). Reported margin on AUM increased 22bp QoQ to 6.88%.**

Healthy collection efficiency; GS3 ratio improves sequentially

- In the three months post the moratorium (Sep-Nov'20), collection efficiency stood at 95-97%. This improved to 104% in Dec'20.
- Given the healthy collection trends, GS3 ratio improved 15bp to 7.1% (excluding SC's dispensation). The company shored up its ECL provisions by INR2.2b, taking the total buffer to INR25b. At 4.1%, SHTF carries the highest Stage 1 and 2 provisions in our coverage universe. The company looks to restructure loans worth ~INR22.7b (2% of the loan book).

Key highlights from the management commentary

- It sees 6% AUM growth in FY21 and double-digit growth in FY22.
- Only 9,600 borrowers (INR1.12b loans) have not paid a single instalment till date.

Valuation and view

Since the IL&FS crisis, SHTF has diversified into newer borrowing sources like retail NCDs and ECBs. The share of ECBs in total borrowings has increased meaningfully to 17% YoY from 10%. It has also increased liquidity on the Balance Sheet to 11-12%. AUM growth has been weak for the past several quarters. We expect this trend to change in ensuing quarters. On the asset quality front, SHTF has done a good job of reducing its GNPL ratio over the past the past year. We upgrade our FY22E/FY23E EPS estimates by ~7%/~5% on the back of better loan book growth and lower opex. Maintain **Buy with a TP of INR1,575 per share at 1.4x P/BV (FY23E).**

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

Exhibit 1: Quarterly performance (INR m)

Y/E March	FY20				FY21				FY20	FY21E	3QFY21E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest Income	39,721	41,099	41,154	40,922	41,026	42,997	43,815	44,115	1,62,675	1,71,952	43,212	1
Interest expenses	20,112	21,134	21,193	21,589	22,672	22,629	22,363	22,086	82,703	89,750	22,290	0
Net Interest Income	19,609	19,965	19,961	19,333	18,354	20,368	21,452	22,029	79,972	82,203	20,922	3
Change YoY (%)	6.1	-3.3	-1.7	0.1	-6.4	2.0	7.5	13.9	1.6	2.8	3.9	
Other Operating Income	502	1,077	1,035	762	383	480	569	631	2,949	1,445	500	14
Other Income	89	23	33	46	38	35	48	82	203	2,267	55	-14
Net Income	20,200	21,064	21,029	20,142	18,775	20,883	22,069	22,743	83,124	85,915	21,477	3
Change YoY (%)	7.6	0.4	1.4	1.1	-7.1	-0.9	4.9	12.9	3.5	3.4	-1.0	
Operating Expenses	4,772	5,189	4,722	5,416	3,823	5,125	5,432	5,625	20,788	20,004	5,307	2
Operating Profit	15,428	15,875	16,307	14,726	14,952	15,759	16,637	17,118	62,336	65,911	16,170	3
Change YoY (%)	9.8	-2.2	0.7	-2.6	-3.1	-0.7	2.0	16.2	1.2	5.7	-0.8	
Provisions	5,612	6,607	4,444	11,287	10,646	6,555	6,747	5,094	27,949	29,041	5,500	23
Profit before Tax	9,816	9,269	11,863	3,439	4,306	9,204	9,890	12,024	34,387	36,870	10,670	-7
Tax Provisions	3,473	1,618	3,072	1,205	1,105	2,359	2,613	3,098	9,360	9,175	2,732	-4
Net Profit	6,343	7,651	8,792	2,234	3,201	6,846	7,277	8,926	25,027	27,695	7,939	-8
Change YoY (%)	10.7	25.5	38.4	-70.1	-49.5	-10.5	-17.2	299.6	-2.4	10.7	-9.7	
Key Operating Parameters (%)												
Yield on loans (Cal.)	16.2	16.5	16.3	16.0	16.0	16.6	16.7	16.6	16.0	16.1		
Cost of funds (Cal.)	9.0	9.3	9.3	9.3	9.6	9.5	9.3	9.1	9.1	9.4		
Spreads (Cal.)	7.2	7.1	6.9	6.8	6.4	7.1	7.4	7.5	6.9	6.8		
NIMs (Reported)	7.2	7.2	7.3	6.8	6.4	6.7						
Credit Cost	2.1	2.5	1.6	4.1	3.8	2.3	2.4	1.8	2.8	2.8		
Cost-to-Income Ratio	23.6	24.6	22.5	26.9	20.4	24.5	24.6	24.7	25.0	23.3		
Tax Rate	35.4	17.5	25.9	35.0	25.7	25.6	26.4	25.8	27.2	24.9		
Balance Sheet Parameters												
AUM (INR b)	1,063	1,081	1,089	1,097	1,118	1,133	1,149	1,169	1,097			
Change YoY (%)	5.8	3.6	4.9	5.0	5.1	4.8	5.5	6.5	5.0			
Loans (INR b)	988	1,007	1,018	1,022	1,034	1,043	1,059	1,064	1,022			
Change YoY (%)	4.0	2.1	5.7	5.7	4.6	3.6	4.0	4.1	5.7			
Disbursements (INR b)	123	133	114	109	10	65	126	134	479			
Change YoY (%)	-8.4	-3.7	19.2	-9.1	-92.0	-51.2	10.5	23.6	-1.3			
Borrowings (INR b)	906	906	915	944	953	959	963	976	944			
Change YoY (%)	6.3	2.7	2.2	7.3	5.1	5.9	5.2	3.4	7.3			
Loans/Borrowings (%)	109.1	111.1	111.2	108.3	108.5	108.8	110.0	109.0	108.3			
Debt/Equity (x)	5.6	5.3	5.1	5.2	5.3	4.7	4.6	4.5	5.2			
Asset Quality Parameters (%)												
GS 3 (INR b)	89.3	94.0	93.9	91.8	89.3	82.2	81.7		91.8			
Gross Stage 3 (% on Assets)	8.5	8.8	8.7	8.4	8.0	7.3	7.1		9.0			
NS 3 (INR b)	60.9	63.8	63.7	59.9	54.9	49.5	48.0		59.9			
Net Stage 3 (% on Assets)	6.1	6.3	6.2	5.8	5.2	4.7	4.5		6.0			
PCR (%)	31.8	32.1	32.1	34.7	38.6	39.7	41.2		34.7			
ECL (%)	5.3	5.4	5.3	5.8	6.5	6.6	6.7		5.8			
Return Ratios (%)												
ROAA (Rep.)	2.3	2.7	3.1	0.8	1.1	2.2	2.3					
ROAE (Rep.)	15.8	18.4	20.2	5.0	7.1	14.2	14.1					

Source: MOFSL, Company



Highlights from the management commentary

Business updates

- Total disbursements in 3QFY21 stood at INR126b, including INR122b/INR3.3b for used/new vehicles.
- The management expects employee count to rise in the next few quarters.
- It sees 6% AUM growth in FY21 and double-digit growth in FY22.
- The proposed 'green tax' would cost the vehicle owner an additional INR2-4k per annum.
- Trucks are now running on the roads regularly and are not lying idle. Before the COVID outbreak, the number of days a month a truck was running was 21-22 days v/s 22-24 days now.
- Freight rates have gone up to offset the fuel price hikes.
- Prices of used LCVs are up 20% YoY while those of used HCVs are flat YoY.
- The merger with Shriram Group is on the back-burner.

Asset quality

- The management reiterated its credit cost guidance of 2.7-2.8%
- Only 9,600 borrowers (INR1.12b loans) haven't paid a single instalment till date.
- Around 77k borrowers were granted loans of INR6.9b under ECLGS.
- Stage 1 loans - 80.78% v/s 81.58% QoQ. Stage 2 - 12.11% v/s 11.15% QoQ
- The management expects the quantum of restructuring to be lower than what has been actually invoked.
- It expects credit costs to revert to its long-term average of 2% in FY22.

Liquidity/funding

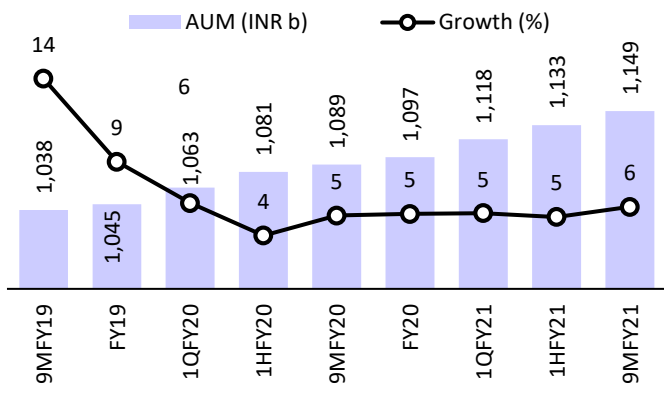
- SHTF raised INR120b via debt in 3QFY21 at a cost of 8.5-9%. It also raised a dollar bond of \$500m in Jan'20 at a landed cost of 9.2-9.3%.
- There is enough liquidity to meet six month's liabilities. The company would maintain higher liquidity for the next three quarters and then look to trim it.
- Securitization in 3QFY21 stood at INR27b v/s pre-COVID levels of INR50b.

Others

- The government would scrap all its vehicles that are over 15 years old.
- December is a seasonally strong month for collections.
- Typically, 60-65% of disbursements are to existing customers. The company does not offer top-up loans.
- The company spent INR370m on CSR activities in 3QFY21.
- It is in touch with rating agencies to restoring its earlier ratings.
- Around 60-70% of cab aggregator borrowers are repaying now.

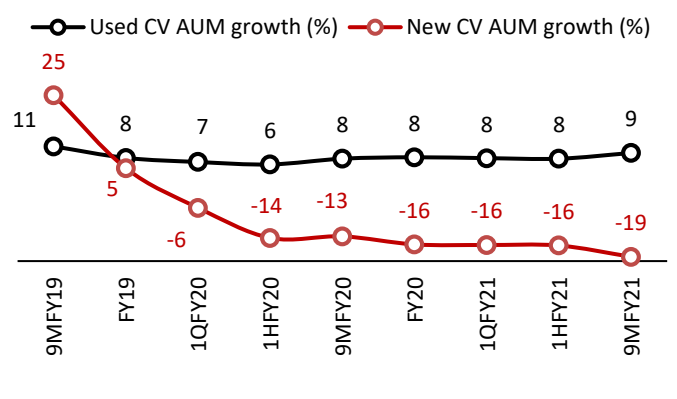
Key exhibits

Exhibit 1: AUM growth remains modest...



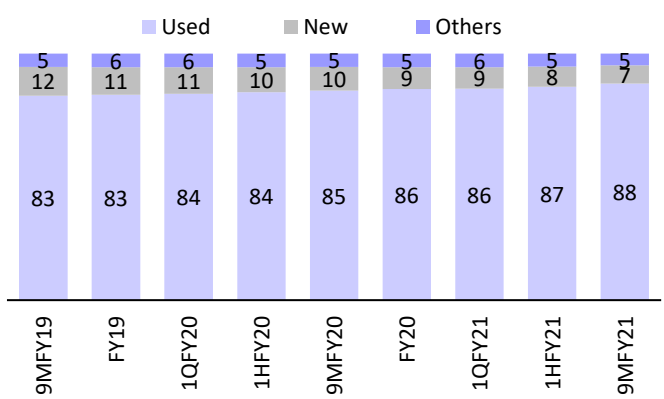
Source: MOFSL, Company

Exhibit 2: ...driven by decline in new CV AUM



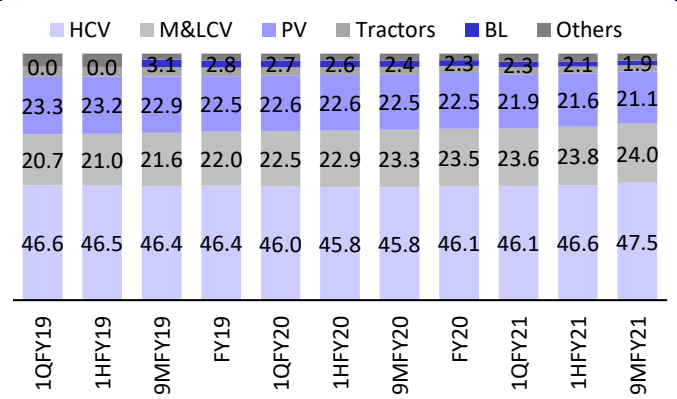
Source: MOFSL, Company

Exhibit 3: AUM mix (%)



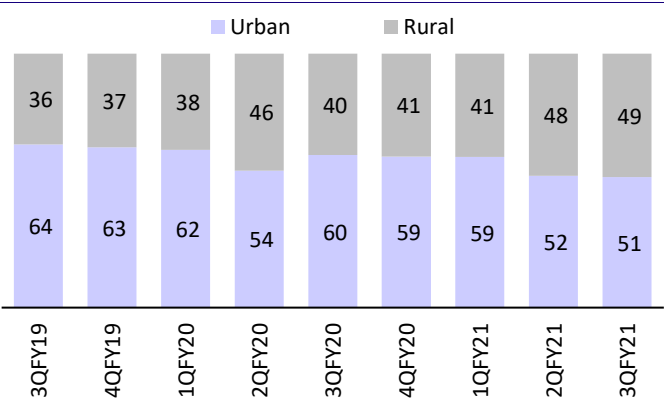
Source: MOFSL, Company

Exhibit 4: Share of HCV up ~100bp QoQ (%)



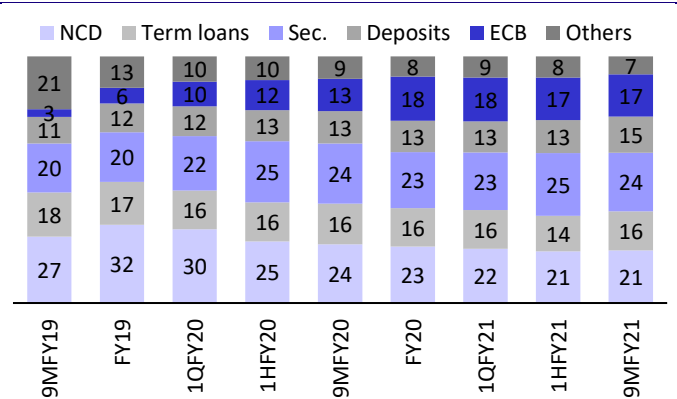
Source: MOFSL, Company

Exhibit 5: Share of rural AUM up 870bp YoY (%)



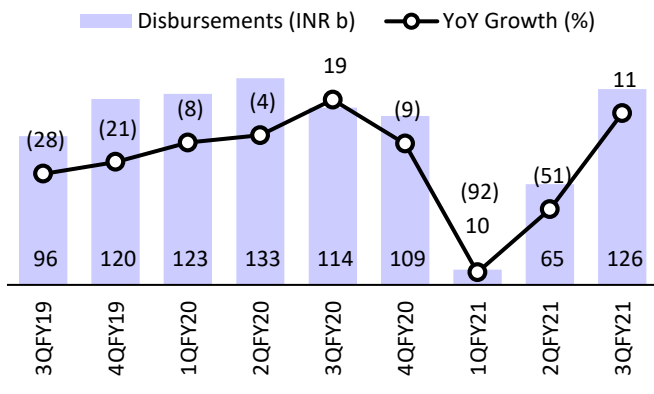
Source: MOFSL, Company

Exhibit 6: Share of ECBs up ~400bp YoY (%)



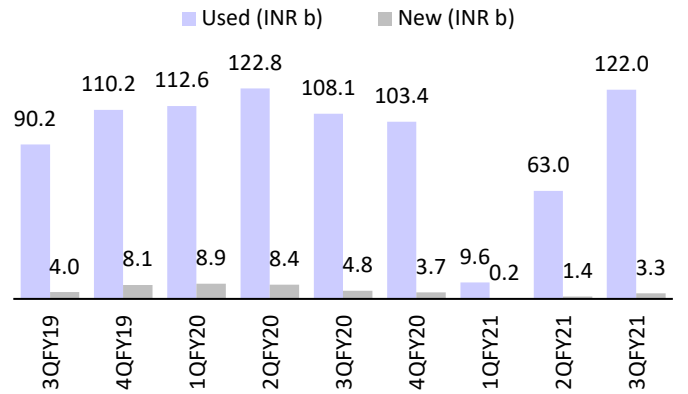
Source: MOFSL, Company

Exhibit 7: Robust pick up in disbursements in 3QFY21...



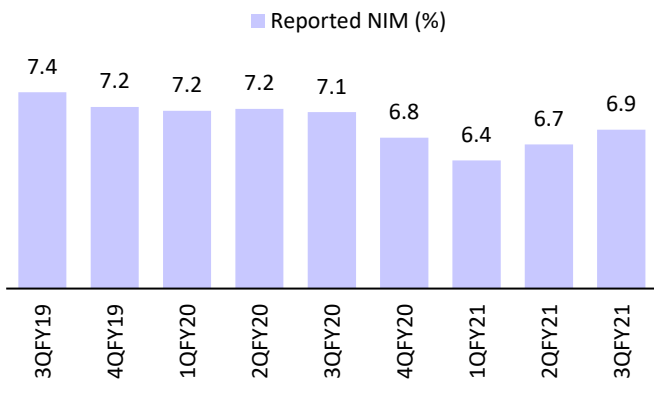
Source: MOFSL, Company

Exhibit 8: ...led by a sharp uptick in Used CV disbursements



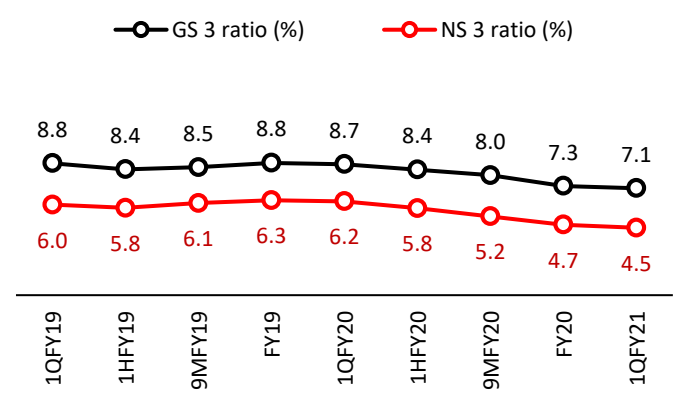
Source: MOFSL, Company

Exhibit 9: Margin improves by 22bp sequentially



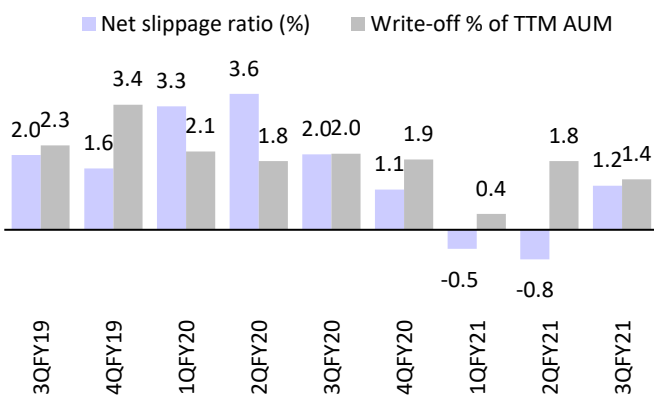
Source: MOFSL, Company

Exhibit 10: GS3 improves by ~15bp QoQ



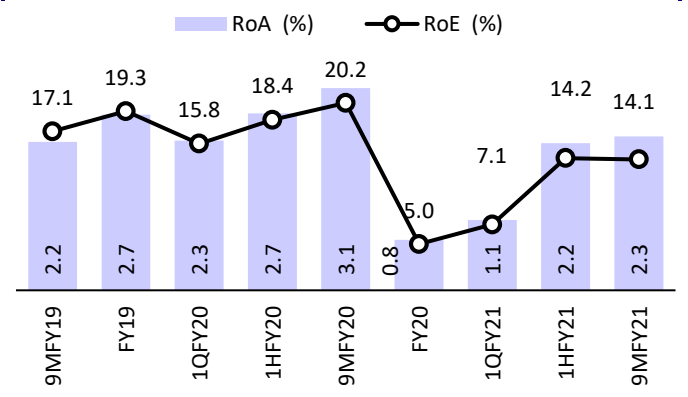
Source: MOFSL, Company

Exhibit 11: Net slippage ratio at 1.2%



Source: MOFSL, Company

Exhibit 12: COVID-19 provisioning continues to impact profitability



Source: MOFSL, Company, Reported

Valuation and view

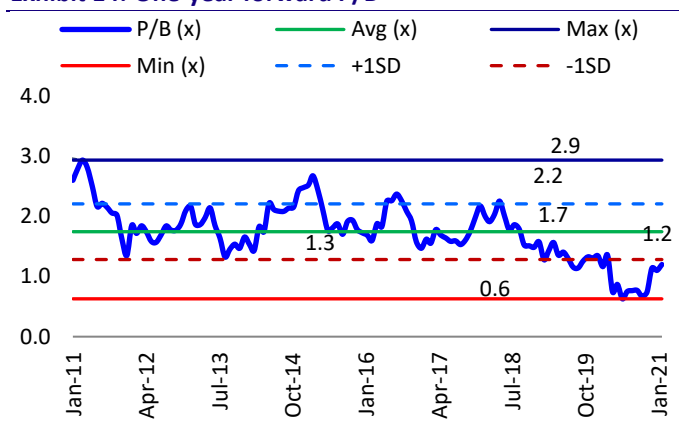
- Since the IL&FS crisis, SHTF has diversified into newer borrowing sources like retail NCDs and ECBs. The share of ECBs in total borrowings has increased meaningfully to 17% YoY from 10%. It has also increased liquidity on the Balance Sheet to 11-12%.
- AUM growth has been weak for the past several quarters. We expect this trend to change in ensuing quarters due to the macro-economic outlook.
- Our channel checks indicate that SHTF’s target segments – Used CV and Driver cum Operator – are doing much better than the other segments in CV financing.
- On the asset quality front, SHTF has done a good job of reducing its GNPL ratio over the past two quarters.
- We upgrade our FY22E/FY23E EPS estimates by ~7%/~5% on the back of better loan book growth and lower opex. Maintain **Buy with a TP of INR1,575 per share at 1.4x P/BV (FY23E)**.

Exhibit 13: Upgrade estimates to factor in better AUM and margin performance

INR b	Old estimates			New estimates			Change (%)		
	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
NII (incl. Sec. Inc.)	81.0	89.0	97.8	82.2	92.8	102.6	1.5	4.2	4.9
Other Income	2.1	2.5	3.0	2.3	2.8	3.4			
Total Income	83.1	91.6	100.9	84.5	95.6	106.0	1.6	4.4	5.1
Operating Expenses	19.8	21.6	23.6	20.0	22.8	25.8	1.0	6.0	9.0
Operating Profit	63.3	70.0	77.2	64.5	72.8	80.2	1.9	4.0	3.9
Provisions	28.8	28.1	28.5	29.0	28.1	29.3	0.8	0.0	2.5
PBT	34.5	41.9	48.7	35.4	44.7	51.0	2.7	6.6	4.7
Tax	8.8	10.7	12.5	9.2	11.4	13.0	3.9	6.6	4.7
PAT	25.7	31.2	36.2	26.2	33.2	37.9	2.3	6.6	4.7
AUM	1,178	1,275	1,423	1,169	1,261	1,398	-0.8	-1.1	-1.7
Loans	1,072	1,173	1,309	1,064	1,160	1,286	-0.8	-1.1	-1.7
Borrowings	984	1,011	1,119	976	1,000	1,099	-0.8	-1.1	-1.7
NIM (%)	7.7	7.9	7.9	7.9	8.3	8.4			
Credit Cost (%)	2.7	2.5	2.3	2.8	2.5	2.4			
RoA	2.2	2.5	2.7	2.2	2.7	2.8			

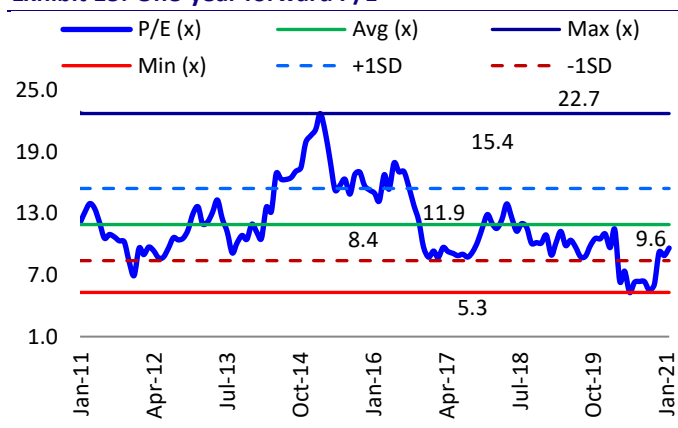
Source: MOFSL, Company

Exhibit 14: One-year forward P/B



Source: MOFSL, Company

Exhibit 15: One-year forward P/E



Source: MOFSL, Company

Valuation matrix

	Rating	CMP (INR)	Mcap (USDb)	P/E (x)			P/BV (x)			RoA (%)			RoE (%)		
				FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
HFCs															
HDFC*	Buy	2,378	57.2	22.8	16.8	12.1	2.6	2.0	1.5	1.8	1.9	1.9	12.5	12.6	12.9
LICHF	Buy	396	2.7	6.6	6.1	5.8	1.0	0.9	0.8	1.3	1.3	1.3	15.8	15.1	14.1
PNBHF	Neutral	335	0.8	5.3	4.7	3.8	0.6	0.6	0.5	1.4	1.5	1.8	12.6	12.8	14.2
AAVAS	Neutral	1,808	2.0	51.1	41.6	32.6	6.0	5.2	4.5	3.3	3.4	3.8	12.4	13.4	14.8
CANFIN	Buy	481	0.9	13.6	13.3	11.9	2.5	2.1	1.8	2.2	2.1	2.1	19.9	17.2	16.4
REPCO	Buy	244	0.2	5.2	4.9	4.5	0.7	0.7	0.6	2.4	2.3	2.4	15.2	14.0	13.7
Vehicle Finance															
SHTF	Buy	1,292	3.5	12.7	10.5	9.0	1.5	1.3	1.2	2.2	2.5	2.7	12.9	13.4	13.8
MMFS	Buy	155	1.4	21.3	16.7	10.8	1.2	1.2	1.1	1.2	1.4	2.0	6.7	7.2	10.5
CIFC	Buy	397	4.6	19.6	16.3	13.1	3.4	2.8	2.4	2.4	2.7	3.1	18.6	18.8	19.6
Diversified															
BAF	Neutral	4,736	39.6	64.7	32.2	25.4	7.8	6.4	5.2	2.6	4.8	5.0	12.8	21.9	22.7
SCUF	Buy	1,018	0.9	7.9	6.1	4.8	0.8	0.7	0.7	2.8	3.6	4.3	11.2	12.9	14.5
LTFH	Buy	86	2.3	18.4	8.0	5.7	1.1	1.0	0.9	0.8	1.9	2.4	6.4	13.5	16.5
INDOSTAR	Neutral	328	0.5	97.8	26.8	17.9	1.0	1.0	0.9	0.4	1.4	2.3	1.3	3.8	5.4
MAS	Buy	879	0.7	30.7	25.6	21.5	4.3	3.8	3.4	3.5	4.1	4.2	14.9	15.9	16.7
Gold Finance															
MUTH	Buy	1,106	6.1	12.5	10.6	9.0	3.1	2.5	2.1	6.6	7.0	7.2	27.3	26.2	25.0
MGFL	Buy	156	1.8	8.0	6.5	5.6	1.8	1.5	1.2	5.3	5.9	6.1	25.5	25.3	24.1
Wholesale															
PIEL	Buy	1,312	4.0	11.9	10.2	8.9	1.0	0.9	0.9	0.0	0.0	0.0	8.4	9.4	10.0
ABCL	Buy	81	2.7	9.0	8.4	5.9	0.9	0.7	0.5	1.6	1.4	1.5	10.6	8.7	8.9
Capital Markets															
IIFL Wealth	Buy	1,016	1.2	26.0	20.4	16.4	2.9	2.7	2.6	21.2	21.7	22.8	11.2	13.8	16.3
ISEC	Buy	408	1.8	13.6	13.5	12.5	8.8	7.3	6.2	0.0	0.0	0.0	71.3	59.3	53.8

Financials and valuations

Income Statement							(INR m)		
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Interest Income	77,779	95,300	98,013	1,31,935	1,53,843	1,62,675	1,71,952	1,79,749	1,91,845
Interest Expenses	44,029	50,744	52,094	63,688	75,113	82,703	89,750	86,948	89,229
Net Interest Income	33,750	44,556	45,919	68,248	78,730	79,972	82,203	92,801	1,02,616
Change (%)	42.5	32.0	3.1	48.6	15.4	1.6	2.8	12.9	10.6
Other Operating Income	7,379	6,171	9,293	1,051	1,382	2,949	2,064	2,580	3,096
Other Income	707	762	758	2,027	233	203	203	233	268
Net Income	41,836	51,489	55,970	71,326	80,344	83,124	84,470	95,614	1,05,980
Change (%)	9.7	23.1	8.7	27.4	12.6	3.5	1.6	13.2	10.8
Operating Expenses	10,783	13,089	12,288	16,085	18,739	20,788	20,004	22,846	25,764
Operating Profit	31,054	38,400	43,682	55,241	61,605	62,336	64,465	72,769	80,216
Change (%)	8.7	23.7	13.8	26.5	11.5	1.2	3.4	12.9	10.2
Provisions	12,630	20,586	24,443	17,223	23,823	27,949	29,041	28,107	29,254
PBT	18,424	17,814	19,239	38,018	37,783	34,387	35,424	44,661	50,962
Tax	6,046	6,032	6,666	13,413	12,143	9,360	9,175	11,433	13,046
Tax Rate (%)	32.8	33.9	34.6	35.3	32.1	27.2	25.9	25.6	25.6
PAT	12,378	11,782	12,573	24,605	25,640	25,027	26,249	33,228	37,915
Change (%)	-2.1	-4.8	6.7	95.7	4.2	-2.4	4.9	26.6	14.1
Proposed Dividend	2,151	2,731	2,995	3,006	3,282	1,326	2,625	3,323	3,792

Balance Sheet							(INR m)		
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Capital	2,269	2,269	2,269	2,269	2,269	2,269	2,531	2,531	2,531
Reserves and Surplus (Ex. OCI)	90,111	99,272	1,10,247	1,31,871	1,54,228	1,77,832	2,18,017	2,47,922	2,82,046
Net Worth	92,380	1,01,541	1,12,516	1,34,140	1,56,497	1,80,101	2,20,547	2,50,452	2,84,576
Other Comprehensive Income			-13	-26	-49	-49	-1,949	-1,949	-1,949
Net Worth	92,380	1,01,541	1,12,503	1,34,114	1,56,448	1,80,052	2,18,598	2,48,503	2,82,627
Change (%)	11.7	9.9	10.8	19.2	16.7	15.1	21.4	13.7	13.7
Borrowings	4,42,762	4,97,907	6,87,982	8,21,308	8,79,144	9,43,718	9,76,063	10,00,039	10,99,467
Change (%)	23.2	12.5	38.2	19.4	7.0	7.3	3.4	2.5	9.9
Other Liabilities	58,130	80,185	16,627	17,028	17,333	17,517	17,867	18,225	18,589
Total Liabilities	5,93,272	6,79,633	8,17,112	9,72,450	10,52,925	11,41,286	12,12,528	12,66,767	14,00,684
Investments	33,272	13,562	22,587	23,415	39,991	27,985	30,783	33,862	37,248
Change (%)	22.1	-59.2	66.5	3.7	70.8	-30.0	10.0	10.0	10.0
Loans	5,07,638	6,37,701	7,40,157	9,07,456	9,67,515	10,22,316	10,63,908	11,60,045	12,86,377
Change (%)	30.5	25.6	16.1	22.6	6.6	5.7	4.1	9.0	10.9
Other Assets	52,362	28,371	54,369	41,579	45,419	90,985	1,17,836	72,860	77,059
Total Assets	5,93,272	6,79,633	8,17,112	9,72,450	10,52,925	11,41,286	12,12,528	12,66,767	14,00,684

E: MOSFL estimates

Financials and valuations

Ratios	(%)								
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Spreads Analysis (%)									
Yield on loans	16.2	16.1	13.9	15.7	16.0	16.0	16.1	15.8	15.3
Cost of funds	11.0	10.8	8.8	8.4	8.8	9.1	9.4	8.8	8.5
Spread on loans	5.2	5.3	5.1	7.2	7.2	6.9	6.8	7.0	6.8
NIMs	7.5	7.8	6.7	8.3	8.4	8.0	7.9	8.3	8.4
Profitability Ratios (%)									
Cost/Income	25.8	25.4	22.0	22.6	23.3	25.0	23.7	23.9	24.3
Emp./Operating Exp.	39.8	45.0	44.6	44.3	47.1	48.6	45.5	44.6	44.3
RoE	14.1	12.2	11.7	20.0	17.6	14.9	13.2	14.2	14.3
RoA	2.3	1.9	1.7	2.7	2.5	2.3	2.2	2.7	2.8
RoA (On AUM)	2.2	1.8	1.7	2.8	2.6	2.3	2.3	2.7	2.9
Asset Quality (%)									
GNPA	18,941	38,702	88,597	89,345	86,163	91,797	82,757	87,943	89,809
NNPA	3,791	11,437	56,419	58,401	56,465	59,911	51,309	54,525	55,682
GNPA	3.7	6.1	12.0	9.8	8.9	9.0	7.8	7.6	7.0
NNPA	0.8	1.9	8.0	6.7	6.0	6.0	5.0	4.8	4.4
PCR	80.0	70.4	36.3	34.6	34.5	34.7	38.0	38.0	38.0
Capitalization (%)									
CAR	23.4	20.6	16.6	17.4	20.3	20.4	20.9	22.1	22.3
Tier I	17.7	16.4	14.3	14.5	15.6	16.5	17.6	19.3	20.0
Tier II	5.7	4.1	2.4	2.9	4.7	3.9	3.3	2.8	2.3
Average Leverage on Assets (x)	6.2	6.6	7.0	7.3	7.0	6.5	5.9	5.3	5.0
Valuations									
Book Value (INR)	407	448	496	591	690	794	872	990	1,125
BV Growth (%)	11.7	9.9	10.8	19.2	16.7	15.1	9.8	13.6	13.6
Price-to-BV (x)					1.8	1.6	1.4	1.3	1.1
Adjusted BV (INR)	395	412	322	411	516	609	730	839	971
Price-to-ABV (x)					2.4	2.1	1.7	1.5	1.3
OPS (INR)	137	169	193	243	272	275	255	288	317
Growth (%)	8.7	23.7	13.8	26.5	11.5	1.2	-7.3	12.9	10.2
Price-to-Earnings (x)					4.6	4.6	5.0	4.4	4.0
EPS (INR)	55	52	55	108	113	110	104	131	150
Growth (%)	-2.1	-4.8	6.7	95.7	4.2	-2.4	-6.0	26.6	14.1
Price-to-Earnings (x)					11.2	11.4	12.2	9.6	8.4
Dividend	8.0	10.0	10.0	11.0	12.0	5.0	10.4	13.1	15.0
Dividend Yield (%)					1.0	0.4	0.8	1.0	1.2

E: MOFSL estimates

NOTES

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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