

Manappuram Finance

 Estimate change 

 TP change 

 Rating change 

Bloomberg	MGFL IN
Equity Shares (m)	846
M.Cap.(INRb)/(USDb)	167 / 2.2
52-Week Range (INR)	224 / 139
1, 6, 12 Rel. Per (%)	2/7/-18
12M Avg Val (INR M)	1171

Financials & Valuations (INR b)

Y/E March	2021	2022E	2023E
NII	39.7	40.4	49.0
PPP	27.6	25.8	32.8
PAT	17.2	16.2	21.2
EPS (INR)	20.4	19.1	25.0
EPS Gr. (%)	16.3	-6.1	30.8
BV/Sh.(INR)	86	102	123

Ratios

NIM (%)	15.6	14.0	14.5
C/I ratio (%)	33.7	40.2	37.0
RoA (%)	5.7	4.9	5.7
RoE (%)	26.4	20.3	22.2
Payout (%)	10.3	17.0	16.0

Valuations

P/E (x)	9.7	10.3	7.9
P/BV (x)	2.3	1.9	1.6
Div. Yld. (%)	1.1	1.6	2.0

Shareholding pattern (%)

As On	Sep-21	Jun-21	Sep-20
Promoter	35.1	35.0	35.0
DII	13.4	11.0	8.7
FII	34.9	35.9	39.1
Others	16.6	18.2	17.2

FII Includes depository receipts

CMP: INR197
TP: INR230 (+17%)
Buy

Trading off margin and spreads for Gold loan growth

- MGFL reported a consolidated PAT (11% miss) of INR3.7b, down 9% YoY and 15% QoQ. NII declined by 4% QoQ to INR9.9b (in line), driven by a compression in spreads.
- PPOP (7% miss) declined by 8% YoY and 15% QoQ to INR6b.
- Credit costs remained elevated in the MFI subsidiary due to the impact of the second COVID wave. We expect credit costs to remain elevated in 3Q and moderate from 4QFY22 onwards.
- While MGFL demonstrated greater sequential Gold loan growth (~13% QoQ) by effectively winning over higher ticket Gold loan customers, this has come at the cost of compression in spreads and large incentives paid to employees. MGFL has embarked on a change in its business model and has traded-off spreads/margin for Gold loan growth. There will be a structural compression in spread/margin in the subsequent quarters, but MGFL is betting on mitigants like improvement in its cost ratios and leverage, driven by a strong growth in AUM.
- As a franchise, MGFL has made considerable progress in its appraisal, security infrastructure, and other processes over the last three years. It can deliver a healthy consolidated AUM CAGR of ~17% over FY21-24E. We estimate a consolidated RoA/RoE of 5.9%/22% over the medium term and maintain our BUY rating with a TP of INR230/share (1.7x Sep'23E BVPS).

Healthy sequential growth in Gold loans and MFI

- Gold AUM rose 13% QoQ, but fell 5% YoY to INR187.2b. Gold tonnage grew 11% QoQ, but fell 6% YoY to 64.7t.
- Within Gold loans, LTV increased by 200bp QoQ to 67%, while average ticket size (ATS) rose to INR48.1k (v/s INR46.5k YoY and INR42.7K QoQ), driven by the healthy acquisition of higher ticket Gold loan customers.
- MFI AUM was up 18% QoQ and 44% YoY, driven by healthy disbursements in 2QFY22. We expect growth in MFI to moderate in 2HFY22.
- Consolidated AUM rose 15% QoQ and 6% YoY to INR284.2b. The share of non-Gold businesses increased by 100bp QoQ to 34%.

Credit costs remain elevated in the MFI segment; minor improvement in standalone asset quality

- Asirvad MFI seems to have taken higher write-offs in 2QFY22, which led to credit costs of 5.8% (v/s 6% in 1QFY22).
- GNPA declined by 100bp QoQ to 2.6% in MFI. However, PAR0+ in the MFI segment increased for the second consecutive quarter by ~340bp to 25.8% in 2QFY22 from its previous peak of ~21% in Sep'20.
- Standalone (Gold + Vehicle) GNPA/NNPA improved by 40bp/30bp QoQ to 1.6%/1.3%.
- Consolidated credit costs stood ~1.6% (v/s 1.9% in 1QFY22) and continued to remain elevated, driven majorly by the MFI business.

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Compression in spreads and margin driven by a moderation in yields

- Consolidated spreads (calculated) declined by 140bp YoY and 80bp QoQ, driven by a sharp decline in consolidated yields to 22.8% (down 130bp QoQ). Moderation in yields was mitigated partially by a decline of ~50bp QoQ in consolidated CoB. Consolidated NIM fell 90bp QoQ to 15.2%.

Elevated cost ratios

- Operating expenses (18% miss) rose 30% YoY and 23% QoQ, with the CIR increasing 8pp YoY and 9pp QoQ to ~43%. This was driven by onboarding of ~1,620 employees in sales/marketing functions, higher incentives being paid to employees (based on higher Gold loan volumes), and higher advertising/publicity expenses.

Other details

- Borrowing mix changed, with the proportion of bank loans increasing by 11pp QoQ to 43%. MGFL seems to have effectively leveraged its short-term bank term loans for incremental borrowings in 2QFY22.

Highlights from the management commentary

- Restructuring was largely in the MFI business (~INR10b). Asirvad is carrying 18% PCR on INR7.3b of its restructured MFI book.
- The management expects yields to settle ~200bp lower than 2QFY22 levels. The one-quarter of yield decline will be mitigated by a reduction in the cost of funds. It expects a 150bp net impact on spreads.
- MGFL does not expect a material increase in operating expenses. With a strong growth in AUM, it expects cost ratios to trend lower.

Valuation and view

- MGFL has traded off spreads/margin to demonstrate high sequential growth in Gold loans in 2QFY22. The company is transforming its business model, and it will be important to understand the contours of this transformation to decipher its medium-term trajectory, as there will be a glide-path of six months. At the end of this period, we expect a more sustainable medium-term RoA/RoE profile to emerge.
- MGFL had witnessed volatility in its Gold AUM over the past few quarters. We expect it to address some of these challenges under its new business model. The proportion of MFI business has now reached 25% of consolidated AUM. We would continue to monitor signs for any further stresses in the MFI book and expect credit costs in the segment to remain elevated in the near-term. We have cut our FY22E/FY23E estimate by 16%/11% to factor in lower NII and higher operating expenses. We model consolidated AUM and PAT CAGR of ~17% and ~14% respectively over FY21-FY24E.
- MGFL trades at 1.6x FY23E P/BV. The risk-to-reward is favorable, considering that it can still deliver consolidated RoE of ~22% over FY23-24E, even under the new business model. We maintain our Buy rating, with TP of INR230/share (1.7x Sep'23E BVPS).

Quarterly performance (INR m)

Y/E March	FY21				FY22				FY21	FY22	2QFY22E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Interest Income	14,758	15,473	15,919	15,746	15,216	14,787	15,526	16,066	61,896	61,595	14,607	1
Interest Expenses	5,668	5,710	5,573	5,239	4,931	4,924	5,564	5,765	22,190	21,184	4,783	3
Net Interest Income	9,089	9,763	10,347	10,507	10,285	9,863	9,962	10,300	39,706	40,411	9,824	0
YoY Growth (%)	20.3	17.4	16.2	17.9	13.2	1.0	-3.7	-2.0	15.1	1.8	0.6	
Other income	407	307	581	557	521	758	758	621	1,851	2,657	542	40
Total Income	9,496	10,070	10,928	11,063	10,806	10,621	10,720	10,921	41,557	43,068	10,366	2
Operating Expenses	3,121	3,545	3,553	3,777	3,720	4,593	4,472	4,514	13,996	17,298	3,897	18
Operating Profit	6,376	6,524	7,375	7,287	7,086	6,028	6,248	6,408	27,561	25,770	6,469	-7
YoY Growth (%)	44.5	12.9	21.2	11.0	11.1	-7.6	-15.3	-12.1	22.8	-6.5	-0.8	
Provisions	1,453	1,080	802	1,066	1,223	1,078	950	779	4,401	4,030	900	20
Profit before Tax	4,923	5,444	6,573	6,221	5,864	4,950	5,298	5,628	23,160	21,740	5,569	-11
Tax Provisions	1,243	1,390	1,741	1,537	1,495	1,252	1,351	1,446	5,911	5,544	1,420	-12
Net Profit	3,680	4,054	4,832	4,684	4,369	3,699	3,947	4,182	17,250	16,197	4,149	-11
YoY Growth (%)	37.9	-8.2	15.5	17.6	18.7	-8.8	-18.3	-10.7	16.5	-6.1	2.3	
Key Ratios (%)												
Yield on loans	24.4	24.7	24.0	23.6	24.1	22.8	21.7	21.2	24.4	21.4		
Cost of funds (Cal)	9.7	9.4	9.3	9.1	9.3	8.8	8.6	8.4	9.8	9.5		
Spreads (Cal)	14.7	15.4	14.8	14.5	14.8	14.0	13.1	12.8	14.6	12.3		
NIMs (Cal)	15.1	15.6	15.6	15.7	16.3	15.2	13.9	13.6	15.6	14.3		
C/I ratio	32.9	35.2	32.5	34.1	34.4	43.2	41.7	41.3	33.7	0.4		
Credit Cost	2.3	1.7	1.2	1.6	1.9	1.6	1.3	1.0	1.7	27.5		
Tax Rate	25.3	25.5	26.5	24.7	25.5	25.3	25.5	25.7	25.5	25.3		
Balance Sheet Parameters												
Consol. AUM (INR b)	253	269	276	272	248	284	303	320				
Change YoY (%)	25.6	18.6	14.7	7.9	-2.3	5.6	9.5	17.6				
Gold loans (INR b)	177	197	202	191	165	187	200	212				
Change YoY (%)	33.4	30.1	24.4	12.4	-6.8	-5.2	-0.9	11.3				
Gold stock (tonnes)	69	69	68	65	58	65						
Gold loans/branch (INR m)	50	56	57	54	47	53						
Consol. Borrowings (INR b)	240	247	234	227	197	250	267	280				
Change YoY (%)	7.0	33.6	18.2	0.6	-17.7	1.2	14.0	23.2				
Borrowings Mix (%)												
Debentures	21.0	28.0	31.0	36.0	41.0	33.9						
CPs	7.0	6.0	7.0	5.0	5.0	5.6						
WC/CC	29.0	26.0	24.0	19.0	14.0	25.4						
TL	32.0	29.0	27.0	29.0	26.0	24.2						
ECB	11.0	11.0	11.0	11.0	14.0	10.9						
Others	0.0	0.0	0.0	0.0	0.0	0.0						
Debt/Equity (x)	4.0	3.8	3.4	3.1	2.6	3.1						
Asset Quality Parameters (%)												
GNPL ratio (Standalone)	1.3	1.1	1.3	1.9	2.0	1.6						
NNPL ratio (Standalone)	0.7	0.7	0.8	1.5	1.6	1.3						
Return Ratios (%)												
RoA (Rep)	4.8	5.1	6.1	6.0	5.8	4.7						
RoE (Rep)	25.0	26.0	29.0	26.4	23.3	18.9						

E: MOFSL estimates



Highlights from the management commentary

Business Updates

- MGFL is witnessing a sustained uptrend in business momentum. Key takeaway from 2Q performance is the robust growth in business volumes across gold loans, MFI, home and vehicle loans.
- Expect to sustain the growth with improved profitability.
- Responded with aggression to the competition with lower pricing and longer loan tenors.

- Additional 1622 marketing personnel who were hired in 2Q and posted at the branches to drive growth. This investment in personnel will pay over the short to medium term.
- Consolidated profits fell 15% QoQ
- Expect gold loan portfolio to grow by 10%-15% in FY22
- S&P upgraded its long-term credit rating from B+ to BB- with a stable outlook.

Restructuring

- Restructuring was mainly in the MFI business - around INR10b. MGFL is carrying a provision of 18% PCR on INR7.3b of on-book restructured MFI book.
- Restructured pool in Housing stood at INR500m while that in Vehicle stood at INR20mn. Gold loans restructured portfolio stood at INR500m.

Gold loans

- Management suggested that moving from loan tenor of 3 months to 6 months is justified so that customers can get 9 months (including the 90dpd period) to repay their loans before turning NPA. Despite longer tenors, MGFL will continue to focus on regular (monthly/quarterly) collections.
- Expects the yields to settle around 200bp lower than the current quarter which will be matched by higher efficiency/productivity of the branches. Expect one-quarter of the yield decline to be mitigated by reduction in the cost of funds. Expect net impact on spreads of 150bp.
- Will endeavor to gradually bring down Tier 1 to 25% (v/s current levels of 32%)
- Does not expect a material increase in the absolute levels of operating expenses. With strong growth and increase in AUM, it expects the cost ratios to trend lower.
- On an average, it used to spend INR30m/month (INR100m/quarter) on incentives. In 2QFY22, it paid out ~INR310m in incentives to employees on the back of the strong growth in high ticket gold loan disbursements.
- Expect sustainable RoA of 4.5%-5.0% in the gold loan business. Guided for an RoE of 20%.

MFI Business

- MFI AUM was up 18% QoQ
- Capital allocation for the MFI business will not exceed 15% and which is currently below 10%. Later, if it needs more than 15%, then it will either raise external capital or restrict the growth in the book.
- Collection Efficiency is improving QoQ. Expect CE to improve to 95% in the subsequent quarters.
- Around 15% (INR10b) has been restructured. CE in the restructured book is slightly lower at ~70%.

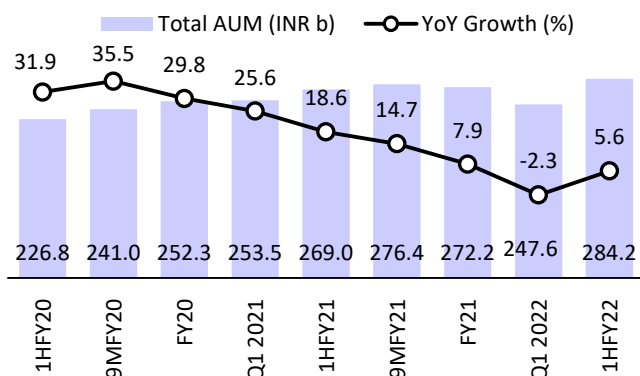
Others

- Surplus liquidity across all business stood at INR45.8b and undrawn bank lines of INR42.7b
- Standalone CoF stood at 7.94% (v/s 8.61% in 1QFY22)
- Gold tonnage stood at 64.7tonne, up 11.4% QoQ
- Added 389K new gold loan customer in 2QFY22 against 200K in 1QFY22

- Total gold loan customers stood at 2.51m
- Loan per gm of gold stood at 2896/gm or LTV of 67% (v/s 63% currently on the back of higher gold prices)
- Gold loan disbursements stood at INR347.83b and gold auctions in 2QFY22 stood at INR3.6b
- Loan to NBFCs stood at INR790m and Loan to SME stood at INR4.61b
- Interest accrued on gold loans stood at INR8.15b (4.3% of AUM)
- Standalone GNPA stood at 1.59% (v/s 1.96% in 1QFY22)
- Consol RoE: 19% / Consol RoA: 4.7%.

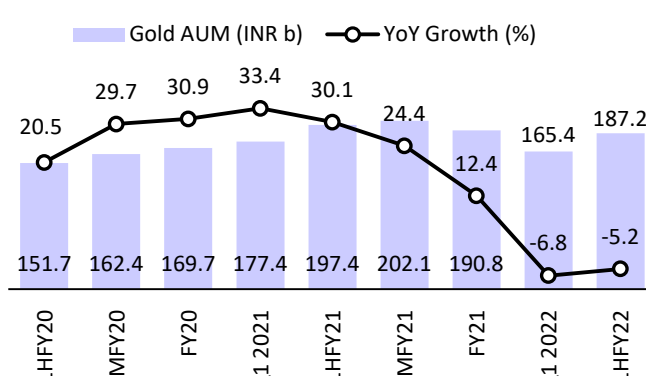
Key exhibits

Exhibit 1: Consolidated AUM was up ~15% QoQ...



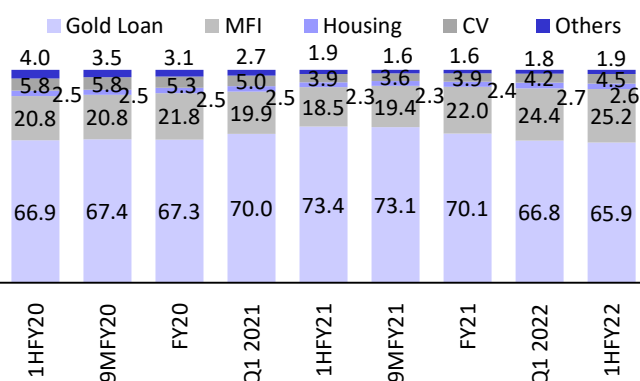
Source: MOFSL, Company

Exhibit 2: ..while Gold AUM was up by 13% QoQ



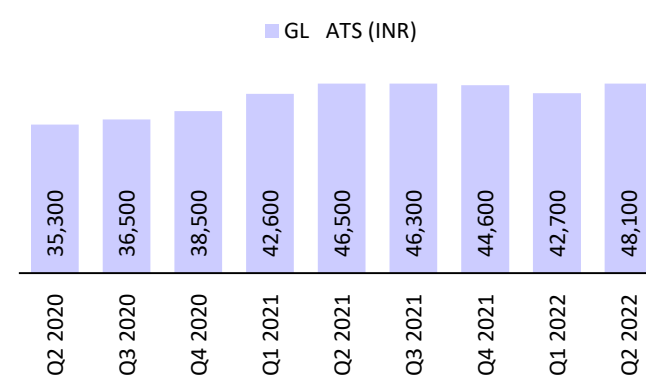
Source: MOFSL, Company

Exhibit 3: Share of non-gold loans rose ~100bp QoQ (%)



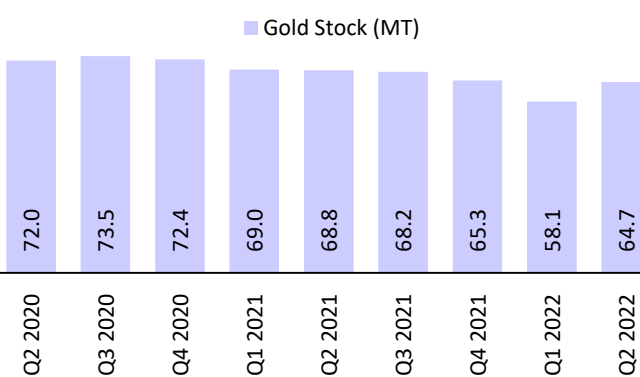
Source: MOFSL, Company

Exhibit 4: Average ticket size in gold loans increased



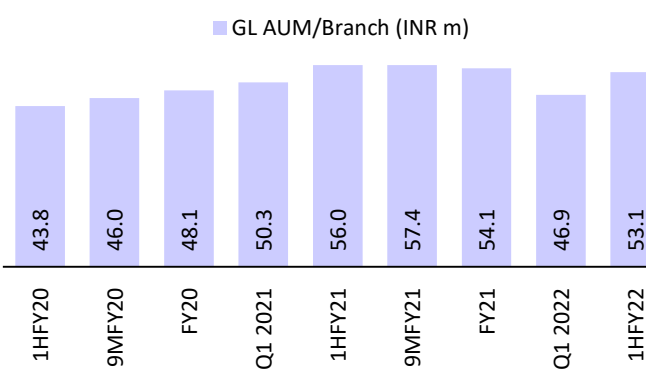
Source: MOFSL, Company

Exhibit 5: Gold tonnage up 11% QoQ



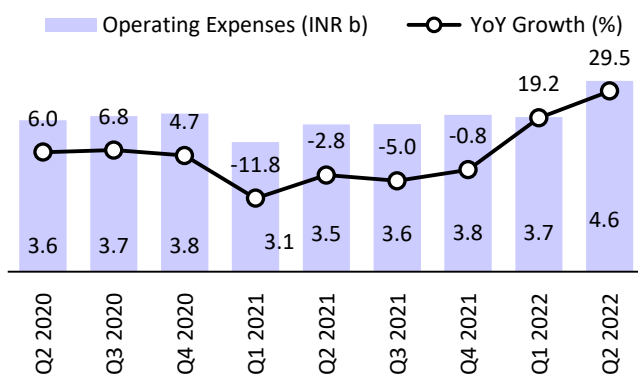
Source: MOFSL, Company

Exhibit 6: Healthy improvement in branch productivity driven by strong growth in gold loans



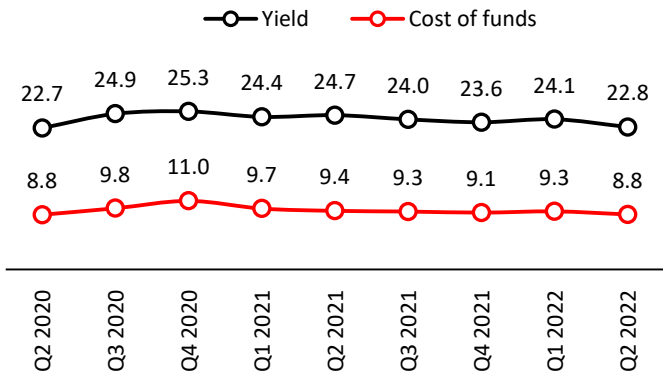
Source: MOFSL, Company

Exhibit 7: Opex up ~30% YoY driven by hiring of personnel, incentives for employees and advertising/publicity spends



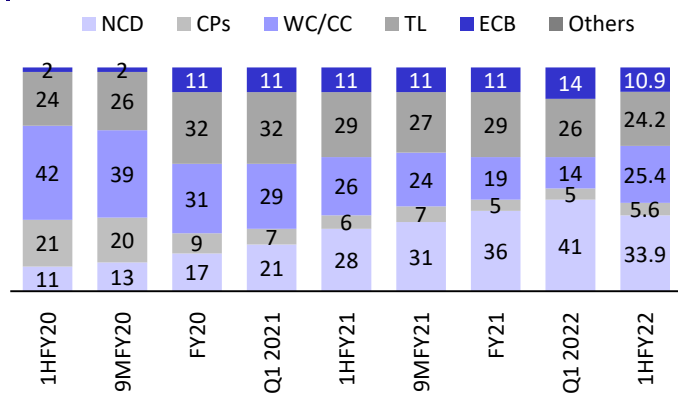
Source: MOFSL, Company

Exhibit 8: Consolidated spreads deteriorated by ~80bp QoQ (%)



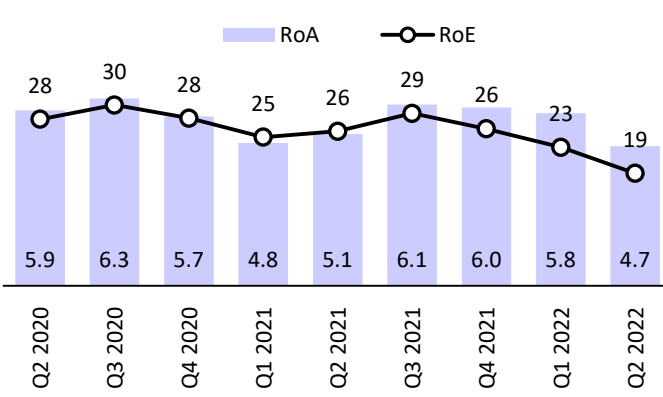
Source: MOFSL, Company

Exhibit 9: Consolidated borrowing mix (%)



Source: MOFSL, Company

Exhibit 10: Return ratios faced the brunt of a decline in NII and higher operating expenses (%)



Source: MOFSL, Company

Valuation and view

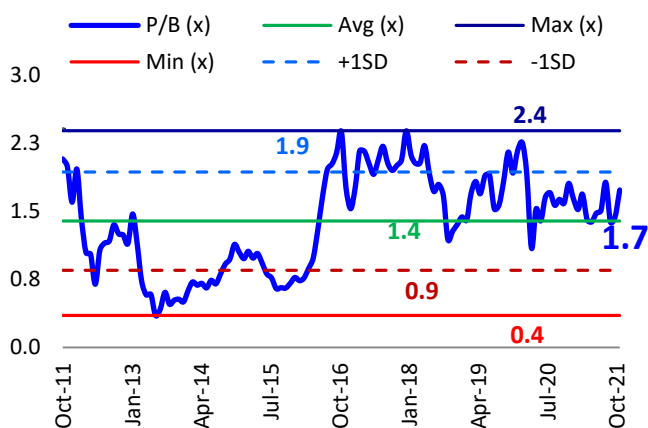
- MGFL's shorter tenure gold loan product (three months v/s the industry average of 6-12 months) had led to higher auctions and withdrawal from customers resulting in a sustained decline in gold AUM and gold holdings in the two prior quarters. But this pitfall can be addressed under the new business model that MGFL has embarked upon.
- The proportion of MFI business has now reached 25% of consolidated AUM. Non-gold segments, especially MFI will remain slightly vulnerable because of externalities brought forth by COVID but we indeed see it turning round the corner (both in growth as well as collections) and we expect credit costs from the MFI segment to remain elevated in 3QFY22 but start normalizing from 4QFY22 onwards.
- We have cut our FY22-FY23E estimates by 16%/11% to factor in the lower NII and higher operating expenses. MGFL trades at 1.6x FY23E P/BV. The risk-to-reward is still favorable considering that it can still deliver consolidated RoE of ~22% over FY23-FY24E even under the new business model. We maintain our Buy rating, with TP of INR230/share (1.7x Sep'23E BVPS).

Exhibit 11: Cut out FY22/FY23E EPS estimates by 16%/11% to factor in compression in spreads and higher operating expense

INR B	Old Est.			New Est.			% Change		
	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
NII	43.4	51.7	61.4	40.4	49.0	57.7	-7	-5	-6
Other Income	2.3	2.6	3.0	2.7	3.1	3.5			
Net Income	45.7	54.3	64.4	43.1	52.1	61.2	-6	-4	-5
Operating Expenses	15.7	17.8	20.1	17.3	19.3	21.8	10	8	8
Operating Profits	29.9	36.5	44.3	25.8	32.8	39.4	-14	-10	-11
Provisions	4.2	4.5	4.9	4.0	4.4	4.8	-4	-2	-3
PBT	25.7	32.0	39.4	21.7	28.4	34.6	-16	-11	-12
Tax	6.6	8.2	10.0	5.5	7.3	8.8	-16	-11	-12
PAT	19.2	23.8	29.3	16.2	21.2	25.8	-16	-11	-12
Loans	296	347	407	311	366	427	5	5	5
Borrowings	232	267	313	244	282	328			
RoA (%)	5.9	6.5	6.8	4.9	5.7	5.9			
RoE (%)	23.6	23.9	24.0	20.3	22.2	22.4			

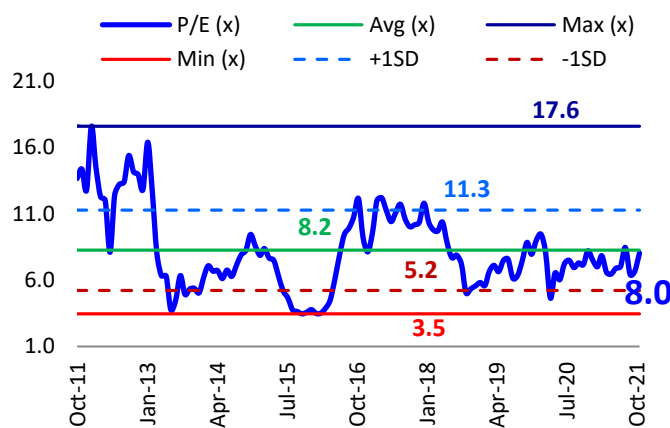
Source: MOFSL, Company

Exhibit 12: One year forward P/B



Source: MOFSL, Company

Exhibit 13: One year forward P/E



Source: MOFSL, Company

Financials and valuations

INCOME STATEMENT							(INR M)		
Y/E MARCH	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Interest Income	23,489	33,762	33,540	40,461	52,805	61,896	61,595	72,412	84,830
Interest Expense	9,474	11,687	10,304	13,449	18,322	22,190	21,184	23,374	27,138
Net Interest Income	14,016	22,075	23,235	27,012	34,483	39,706	40,411	49,038	57,691
Change (%)	28.5	57.5	5.3	16.3	27.7	15.1	1.8	21.3	17.6
Other operating income	113	92	668	1,334	1,848	1,410	1,974	2,270	2,611
Total Income	14,128	22,167	23,903	28,346	36,331	41,116	42,385	51,308	60,302
Change (%)	27.4	56.9	7.8	18.6	28.2	13.2	3.1	21.1	17.5
Other income	136	235	584	625	859	441	683	786	904
Net Income	14,264	22,402	24,487	28,971	37,190	41,557	43,068	52,094	61,206
Change (%)	27.8	57.0	9.3	18.3	28.4	11.7	3.6	21.0	17.5
Operating Expenses	8,357	9,653	12,345	13,858	14,741	13,996	17,298	19,255	21,810
Pre Provision Profits	5,907	12,749	12,142	15,113	22,449	27,561	25,770	32,838	39,395
Change (%)	33.7	115.8	-4.8	24.5	48.5	22.8	-6.5	27.4	20.0
Provisions	423	1,092	1,773	547	2,376	4,401	4,030	4,399	4,757
PBT	5,484	11,657	10,369	14,566	20,073	23,160	21,740	28,440	34,639
Tax	1,932	4,072	3,609	5,080	5,270	5,911	5,544	7,252	8,833
Tax Rate (%)	35.2	34.9	34.8	34.9	26.3	25.5	25.5	25.5	25.5
PAT	3,552	7,585	6,760	9,486	14,803	17,250	16,197	21,188	25,806
Change (%)	30.8	113.6	-10.9	40.3	56.1	16.5	-6.1	30.8	21.8
Dividend (Excl Tax)	1,893	1,263	1,684	1,812	2,372	1,777	2,751	3,390	4,129

BALANCE SHEET

Y/E MARCH	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Equity Share Capital	1,682	1,684	1,685	1,686	1,690	1,693	1,693	1,693	1,693
Reserves & Surplus	25,898	31,949	36,447	43,561	55,771	71,382	84,828	1,02,625	1,24,302
Networth (Post OCI)	27,580	33,633	38,132	45,247	57,461	73,074	86,520	1,04,318	1,25,995
Non Controlling Interest	212	212	292	459	583	472	497	522	547
Borrowings	96,379	1,09,867	1,26,071	1,52,972	2,25,735	2,27,163	2,43,587	2,81,671	3,28,174
Change (%)	11.7	14.0	14.7	21.3	47.6	0.6	7.2	15.6	16.5
Other liabilities	4,220	6,120	5,802	5,862	11,572	12,669	14,569	16,755	19,268
Change (%)	27.4	45.0	-5.2	1.0	97.4	9.5	15.0	15.0	15.0
Total Liabilities	1,28,392	1,49,832	1,70,296	2,04,540	2,95,351	3,13,378	3,45,174	4,03,266	4,73,984
Loans	1,13,853	1,34,057	1,52,439	1,78,119	2,42,971	2,65,076	3,10,574	3,66,173	4,26,627
Change (%)	18.5	17.7	13.7	16.8	36.4	9.1	17.2	17.9	16.5
Investments	491	49	49	1,738	905	3,380	3,718	4,090	4,499
Change (%)	-77.4	-90.0	0.4	3,428.0	-47.9	273.6	10.0	10.0	10.0
Goodwill	356	356	356	356	356	356	356	356	356
Net Fixed Assets	1,948	1,869	2,746	3,319	7,705	8,980	9,878	10,866	11,952
Other assets	11,745	13,501	14,707	21,009	43,414	35,586	20,648	21,782	30,550
Total Assets	1,28,392	1,49,832	1,70,296	2,04,540	2,95,351	3,13,378	3,45,174	4,03,266	4,73,984

E: MOFSL Estimates

Financials and valuations

RATIOS	(%)								
Y/E MARCH	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Spreads Analysis (%)									
Avg Yield on loans	22.4	27.2	23.4	24.5	25.1	24.4	21.4	21.4	21.4
Avg Cost of funds	10.4	11.3	8.7	9.6	9.7	9.8	9.0	8.9	8.9
Spreads	12.0	15.9	14.7	14.8	15.4	14.6	12.4	12.5	12.5
Net Interest Margins	13.4	17.8	16.2	16.3	16.4	15.6	14.0	14.5	14.6
Profitability Ratios (%)									
RoAE	13.2	24.8	18.8	22.8	28.8	26.4	20.3	22.2	22.4
RoAA	2.9	5.5	4.2	5.1	5.9	5.7	4.9	5.7	5.9
Cost to Income	58.6	43.1	50.4	47.8	39.6	33.7	40.2	37.0	35.6
Empl. Cost/Op. Exps.	51.8	52.1	50.7	52.0	56.3	60.2	63.3	63.7	64.7
Asset Quality									
GNPL (INR m)	996	2,338	695	826	1,677	5,900	4,659	5,126	5,973
GNPL ratio (%)	1.0	2.0	0.5	0.5	0.9	2.9	1.5	1.4	1.4
NNPL (INR m)	778	1,972	427	481	1,092	3,350	2,795	3,332	3,882
NNPL ratio (%)	0.8	1.7	0.3	0.3	0.6	1.3	0.9	0.9	0.9
PCR (%)	21.9	15.6	38.5	41.7	34.9	43.2	40.0	35.0	35.0
Valuations									
Book Value (INR)	32.8	39.9	45.3	53.7	68.0	86.3	102.2	123.3	148.9
Price-BV (x)					2.9	2.3	1.9	1.6	1.3
EPS (INR)	4.2	9.0	8.0	11.3	17.5	20.4	19.1	25.0	30.5
Change YoY (%)	30.8	113.4	-10.9	40.3	55.7	16.3	-6.1	30.8	21.8
Price-Earnings (x)					11.2	9.7	10.3	7.9	6.5
Dividend	2.3	1.5	2.0	2.1	2.8	2.1	3.3	4.0	4.9
Dividend Payout (%)	64.1	20.0	30.0	23.0	19.3	10.3	17.0	16.0	16.0
Dividend Yield (%)					1.4	1.1	1.6	2.0	2.5

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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