MOTILAL OSWAL FINANCIAL SERVICES

30 May 2023

4QFY23 Results Update | Sector: Financials

Repco Home Finance

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	REPCO IN
Equity Shares (m)	63
M.Cap.(INRb)/(USDb)	14.6 / 0.2
52-Week Range (INR)	277 / 113
1, 6, 12 Rel. Per (%)	20/2/46
12M Avg Val (INR M)	75
Free float (%)	62.9

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	5.6	5.8	6.6
PPP	4.5	4.7	5.4
PAT	3.0	3.3	3.8
EPS (INR)	47.3	52.8	60.6
EPS Gr. (%)	55	12	15
BV/Sh. (INR)	402	452	509
Ratios			
NIM (%)	4.8	4.6	4.6
C/I ratio (%)	24.4	25.3	24.4
RoAA (%)	2.4	2.5	2.6
RoE (%)	12.5	12.4	12.6
Payout (%)	5.7	5.7	5.5
Valuation			
P/E (x)	4.9	4.4	3.8
P/BV (x)	0.6	0.5	0.5
P/ABV (x)	0.6	0.6	0.5
Div. Yield (%)	1.2	1.3	1.4

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	37.1	37.1	37.1
DII	18.0	17.0	19.7
FII	14.6	16.7	17.9
Others	30.3	29.3	25.2

FII Includes depository receipts

CMP: INR233 **TP: INR255 (+10%)** **Neutral**

In-line quarter with sequential expansion in margins

- Repco Home Finance (REPCO)'s 4QFY23 PAT jumped 95% YoY to INR821m, driven by a sharp decline in credit costs to ~25bp (PY: ~210bp). NII grew 5% YoY to INR1.5b. PPOP was largely stable YoY at INR1.2b during the quarter.
- GNPA/NNPA improved ~40bp each QoQ to 5.8%/3.0% and the company increased its PCR on S3 loans by ~350bp QoQ to ~50%. ECL/EAD was flat sequentially at 4.2% in 4QFY23.
- We would wait for: a) the asset quality outcome of the restructured pool that has resumed repayments but still remains vulnerable; b) further scale-up in disbursements; c) moderation in credit costs and d) further decline in BT-OUT run-rate, before turning constructive on the stock again.
- We raise our FY25E EPS by 2% to factor in lower credit costs and opex. We model a loan growth of 10%/12% in FY24/FY25 and PAT CAGR of 13% over FY23-FY25E. With RoA/RoE of 2.6%/12.6% in FY25E, we maintain our **Neutral rating** on the stock with a TP of INR255 (premised on 0.5x FY25E BVPS). Confidence in healthier loan growth and improvement in asset quality will be the potential catalysts for any re-rating in the stock.

Loan growth muted; disbursements rise sequentially

- REPCO's 4QFY23 performance was characterized by ~20% QoQ growth in disbursements. Loan growth remained muted at ~2% QoQ to ~INR124.5b. The subdued AUM growth was due to elevated repayment rate of 19%.
- Disbursements grew 65% YoY to ~INR29b in FY23 (PY: ~INR17.7b).
- The contributions of self-employed customers/LAP loans in the loan mix improved sequentially by ~70bp/60bp to ~52%/21%.

Spreads decline sequentially but margins improve; opex moderates

- REPCO's reported spreads declined ~30bp QoQ to 3% while reported margin expanded sequentially to 5.1%.
- The sequential ~30bp rise in yields to 11.1% was offset by a ~60bp QoQ increase in CoF to 8.1%. A majority of REPCO's bank borrowings is MCLR-linked and the consequent increase in bank MCLR during the quarter led to the rise in the borrowing costs.
- The company has implemented an increase in its minimum lending rates (MLR), which has resulted in a sequential improvement in margins. It has transitioned from bi-annual resets to quarterly resets for the re-pricing of its incremental loans.
- Cost-to-income ratio (CIR) improved ~40bp YoY to ~24% (PY: 23.5%). REPCO expects the same to moderate further due to improvement in productivity.

Other details

- REPCO reported a 4QFY23 RoA/RoE of 2.7%/14.4%.
- CRAR was healthy at ~36%. The company remained over-capitalized in the absence of any meaningful growth in loan book.

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com)

Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | **Parth Desai** (Parth.Desai@MotilalOswal.com)

Key highlights from the management commentary

- REPCO guided for loan book to grow ~12% YoY and disbursements & sanctions to increase ~20% YoY in FY24.
- Management guided for steady state margin of ~4.8%.

Valuation and view

- While the asset quality continues to improve, we would look forward to execution from the management to deliver on guided asset quality metrics and making directional progress towards the targets set out for FY24. We expect credit costs to moderate; we now estimate credit costs of ~20bp each in FY24/FY25.
- We expect REPCO to be able to maintain a steady NIM of 4.6% over FY24/FY25, despite it being strongly focused on customer retention. While risk-reward appears favorable at current valuation of ~0.6x FY24E P/BV, we would wait for further proof of improved execution before turning constructive on the stock again. **Maintain Neutral with a TP of INR255 (based on 0.5x FY25E BVPS).**

Quarterly performance (INR m)

Y/E March	FY22				FY23				FY22	FY23	4QFY23E	Act v/s est(%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	3,205	3,304	3,211	3,084	2,980	3,064	3,197	3,330	12,804	12,570	3,304	1
Interest Expenses	1,757	1,744	1,719	1,680	1,653	1,692	1,810	1,856	6,899	7,011	1,909	-3
Net Income	**1,448**	**1,560**	**1,492**	**1,405**	**1,327**	**1,372**	**1,387**	**1,474**	**5,905**	**5,560**	**1,395**	**6**
YoY Growth (%)	13.1	11.7	-3.4	-2.6	-8.4	-12.1	-7.0	4.9	8.4	-5.8	-0.7	
Other income	19	42	44	158	90	112	111	108	262	421	145	-25
Total Income	**1,467**	**1,602**	**1,536**	**1,563**	**1,417**	**1,484**	**1,499**	**1,581**	**6,166**	**5,981**	**1,540**	**3**
YoY Growth (%)	11.5	13.4	-2.4	0.9	-3.4	-7.3	-2.4	1.2	5.4	-3.0	-1.5	
Operating Expenses	246	283	344	368	339	343	398	378	1,241	1,458	387	-2
YoY Growth (%)	4.5	10.2	17.9	2.0	37.8	21.1	15.8	2.8	8.4	17.5	5.1	
Operating Profits	**1,221**	**1,318**	**1,192**	**1,195**	**1,078**	**1,141**	**1,101**	**1,203**	**4,926**	**4,523**	**1,153**	**4**
YoY Growth (%)	13.0	14.1	-7.0	0.6	-11.7	-13.4	-7.7	0.7	4.7	-8.2	-3.5	
Provisions	783	169	765	613	237	188	12	79	2,331	516	48	64
Profit before Tax	**437**	**1,149**	**427**	**582**	**841**	**954**	**1,089**	**1,124**	**2,595**	**4,008**	**1,105**	**2**
Tax Provisions	116	290	112	161	220	242	282	303	680	1,047	293	3
Profit after tax	**321**	**859**	**315**	**420**	**621**	**712**	**808**	**821**	**1,915**	**2,961**	**811**	**1**
YoY Growth (%)	-49.8	6.3	-60.5	-33.5	93.2	-17.2	156.6	95.3	-33.4	54.6	93.1	
Loan growth (%)	0.1	-1.7	-2.3	-3.0	-1.0	1.5	3.5	5.9	-4.6	5.9	5.0	
Cost to Income Ratio (%)	16.8	17.7	22.4	23.5	23.9	23.1	26.6	23.9	20.1	24.4	25.1	
Tax Rate (%)	26.5	25.2	26.3	27.7	26.2	25.4	25.8	27.0	26.2	26.1	26.5	
Key Parameters (%)												
Yield on loans (Cal)	10.6	11.1	10.8	10.5	10.1	10.2	10.5	10.8	11.1	10.8		
Cost of funds (Cal)	7.0	7.0	7.0	7.0	7.0	7.1	7.5	7.6	6.9	7.1		
Spreads (Cal)	3.7	4.1	3.8	3.5	3.1	3.1	3.0	3.2	4.1	3.7		
NIMs (Reported)	4.8	5.2	5.0	5.1	4.6	4.8	4.8	5.1	5.1	4.8		
Credit Cost	2.6	0.6	2.6	2.1	0.8	0.6	0.0	0.3	2.0	0.4		
Cost to Income Ratio	16.8	17.7	22.4	23.5	23.9	23.1	26.6	23.9	20.1	24.4		
Tax Rate	26.5	25.2	26.3	27.7	26.2	25.4	25.8	27.0	26.2	26.1		
Balance Sheet												
AUM (INR B)	119.9	118.9	117.9	117.6	118.6	120.7	122.0	124.5	117.6	124.5		
Change YoY (%)	0.1	-1.7	-2.3	-3.0	-1.0	1.5	3.5	5.9	-3.0	5.9		
AUM Mix (%)												
Non-Salaried	51.5	51.5	51.3	51.2	51.2	51.0	50.9	51.6	51.2	51.6		
Salaried	48.5	48.5	48.7	48.8	48.8	49.0	49.1	48.4	48.8	48.4		
AUM Mix (%)												
Home loans	81.3	81.3	81.2	80.9	80.7	80.4	79.9	79.3	80.9	79.3		
LAP	18.7	18.7	18.8	19.1	19.3	19.6	20.1	20.7	19.1	20.7		
Disbursements (INR B)	2.4	4.8	4.4	6.0	6.4	7.5	7.0	8.4	17.7	29.2		
Change YoY (%)	32.0	3.6	-19.5	-6.1	167.9	54.0	56.8	38.9	-3.9	65.0		
Borrowings (INR B)	100.0	99.0	96.1	96.9	93.1	96.4	96.0	99.2	97	99.2		
Change YoY (%)	-1.5	-3.9	-6.4	-4.9	-6.9	-2.6	-0.2	2.4	-4.9	2.4		
Loans/Borrowings (%)	119.9	120.2	122.6	121.4	127.4	125.2	127.1	125.4	121.4	125.4		
Borrowings Mix (%)												
Banks	66.0	69.9	69.9	68.1	71.0	71.8	72.1	73.8	68.1	73.8		
NHB	23.4	19.1	19.3	20.7	19.3	17.4	16.5	15.1	20.7	15.1		
Repco Bank	10.7	10.9	10.7	11.2	9.8	10.8	11.4	11.1	11.2	11.1		
Asset Quality												
GS 3 (INR B)	5.3	5.1	8.2	8.2	7.6	7.9	7.5	7.2	8.2	7.2		
Gross Stage 3 (% on Assets)	4.4	4.3	7.0	7.0	6.4	6.5	6.2	5.8	7.0	5.8		
NS 3 (INR B)	3.1	2.9	5.8	5.6	4.8	4.5	4.0	3.6	5.6	3.6		
Net Stage 3 (% on Assets)	2.7	2.5	5.1	4.9	4.2	3.9	3.5	3.0	4.9	3.0		
PCR (%)	42.1	43.3	30.1	31.8	36.8	43.1	46.2	49.6	31.8	49.6		
Return Ratios (%)												
ROA (Rep)	1.1	2.9	1.1	1.4	2.1	2.4	2.7	2.7	1.6	2.4		
ROE (Rep)	6.6	17.3	6.2	8.2	11.9	13.3	14.7	14.4	8.6	11.8		

E: MOFSL Estimates

CONFERENCE CALL

Highlights from the management commentary

Business updates

- The AUM grew 6% YoY and 2% QoQ while disbursements rose ~20% QoQ to ~INR8.4b (PQ: ~INR7.0b).
- The new software launched in Feb'23 is expected to be an enabler in scaling up disbursements and has been positively accepted in pilot branches.
- The C/I ratio improved to ~24% in 4QFY23 (PY: 23.5%) and the same is expected to moderate further driven by productivity improvement.

Guidance

- REPCO guided for loan book to grow ~12% YoY and disbursements & sanctions to increase ~20% YoY in FY24.
- The GNPA is expected to reduce by ~INR1b in FY24.
- The margins for 4QFY23/FY23 stood at 5.1%/ 4.8%. Management guided for steady state margins of ~4.8%.
- The home equity book contributes ~21% to the loan book and the same is expected to increase to ~25% of the mix. Management plans to scale up the home equity book without compromising on the quality of the same.
- REPCO plans to open 10 new branches and 10 new satellite centers in FY24E.
- Management guided for maximum credit costs of INR250m in FY24.
- It expects to start witnessing growth in Gujarat and Maharashtra in FY24.

BT-Outs

- In FY23, the company experienced BT-Outs of ~INR3.7b, which accounted for ~3% of the opening AUM. However, during the same period, the company also recorded BT-Ins of ~INR2b.
- The company has established a dedicated team to monitor BT-Outs and is making conscious efforts to effectively manage BT-Outs.
- The BT-Ins were driven by the company's improved customer servicing and competitive pricing, which have proven to be attractive to customers seeking balance transfers.

Yields

- The company has implemented an increase in its minimum lending rates (MLR), which has resulted in a sequential improvement in margins.
- Previously the reset of interest rates happened every six months on the back book. However, the company has transitioned from bi-annual resets to quarterly resets for the re-pricing of its loans.
- The incremental CoF for 4QFY23 was at 8.1%. The company expects QoQ improvement in yields and NII as it has reduced its re-pricing period and increased MLR.

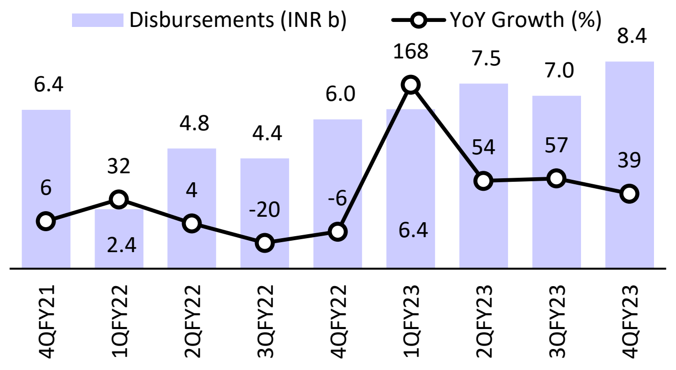
Asset quality

- REPCO's outstanding restructured book currently stands at INR7b, of which ~INR2b has slipped.
- Out of the outstanding restructured book of ~INR4b as of Mar'23, ~INR1.5-2.0b formed part of Stage 2 loans.

- The company is witnessing accelerated repayments from the restructured book and anticipates that it will not have a notable impact on asset quality in FY24.
- REPCO carries provisions of 0.5% on Stage 1 book and ~6.5% on Stage 2 book.
- The Stage 2 book is ~12-13% of the gross assets and the Stage 3 forms ~5.8% of the gross assets.
- The Stage 2+3 book stands at ~18% on which the company carries provisions of ~4.2%.
- It has created a separate collection team of 66 employees on Apr'23 and is confident that the same will lead to improvement in collections and arrest flow to higher buckets.
- The company expects Stage 2+3 to improve to below 10% in FY24.

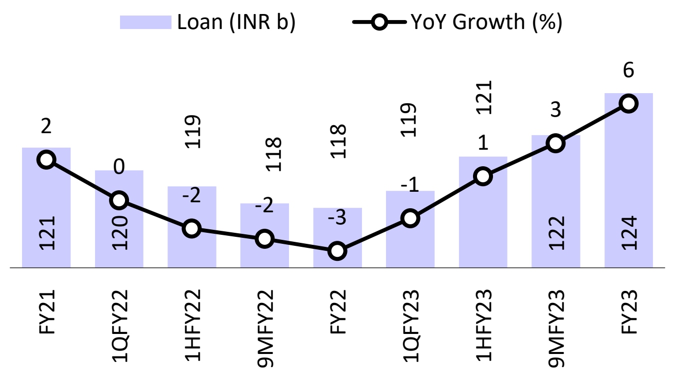
Key exhibits

Exhibit 1: Disbursements rose ~39% YoY



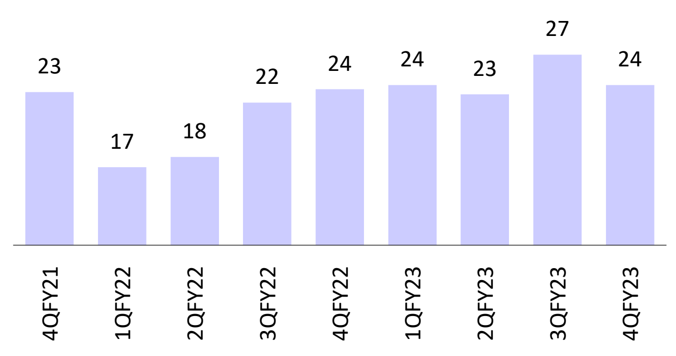
Source: MOFSL, Company

Exhibit 2: Loan growth remained tepid



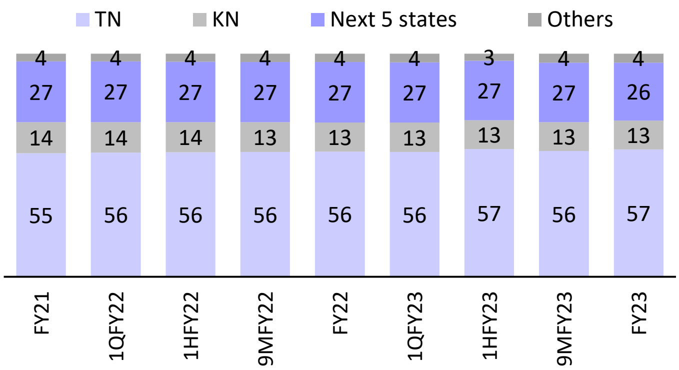
Source: MOFSL, Company;

Exhibit 3: C/I ratio decreased 3pp QoQ



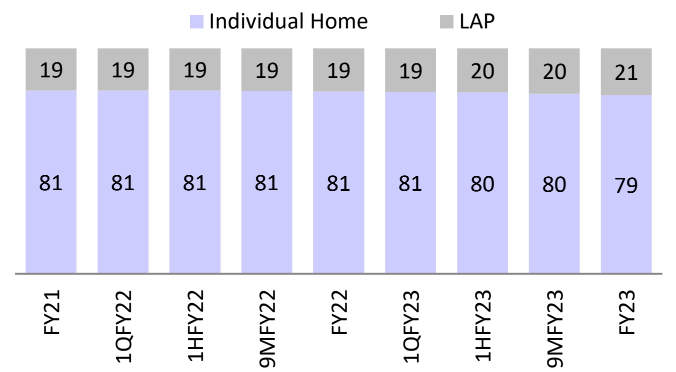
Source: MOFSL, Company

Exhibit 4: Share of TN in loan mix increased ~100bp QoQ (%)



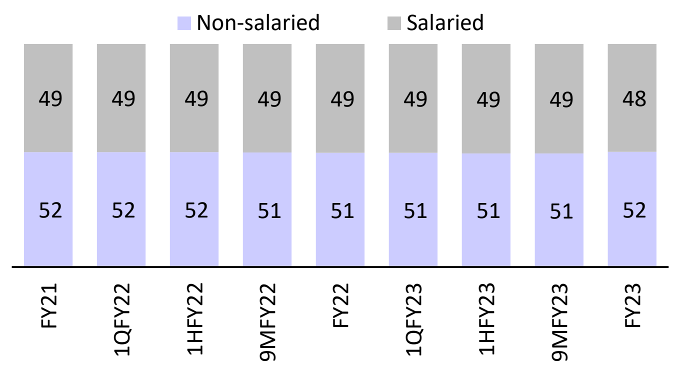
Source: MOFSL, Company

Exhibit 5: Share of home loan book declined ~1pp QoQ



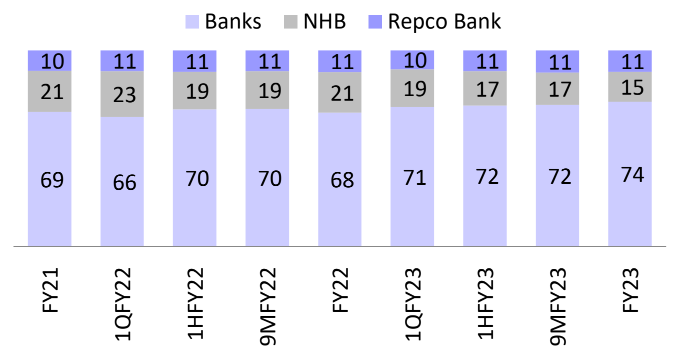
Source: MOFSL, Company

Exhibit 6: Share of salaried customers declined 1pp (%)



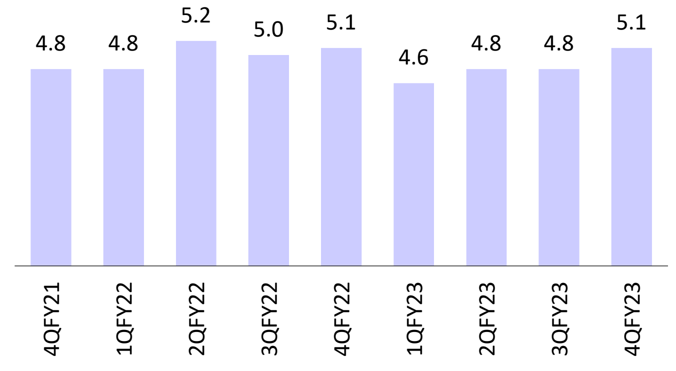
Source: MOFSL, Company

Exhibit 7: Proportion of NHB borrowings declined to ~15%



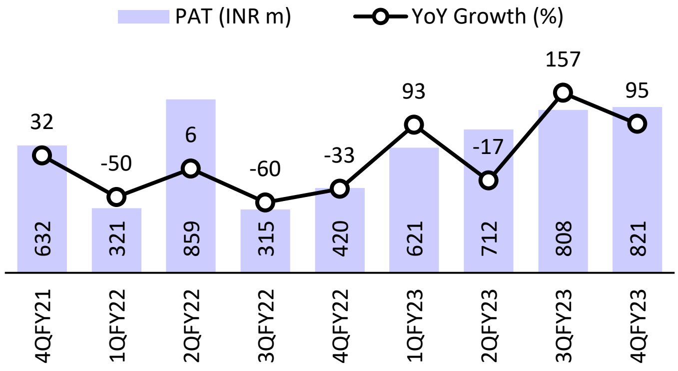
Source: MOFSL, Company

Exhibit 8: NIM expanded sequentially by 30bp (%)



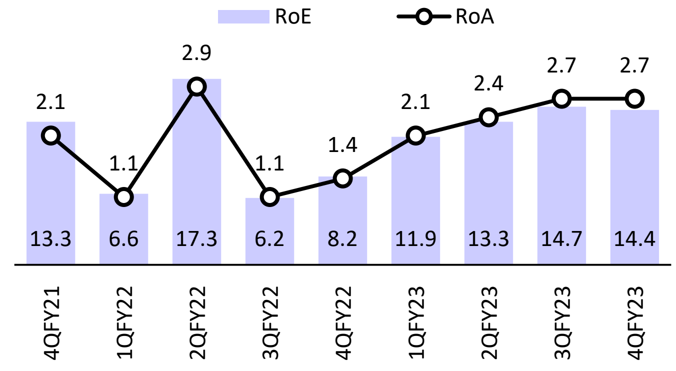
Source: MOFSL, Company, Reported

Exhibit 9: PAT increased 2% QoQ



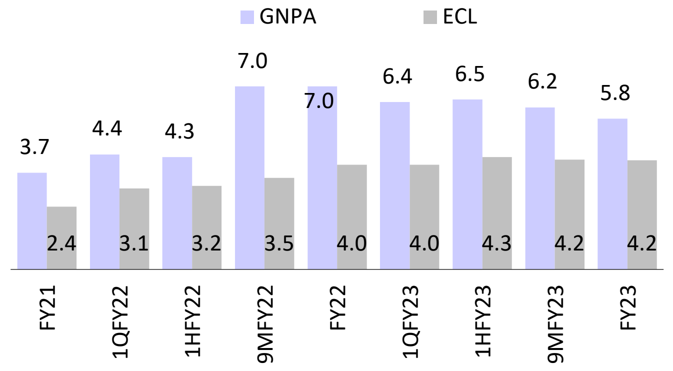
Source: MOFSL, Company

Exhibit 10: RoE/RoA trends (%)



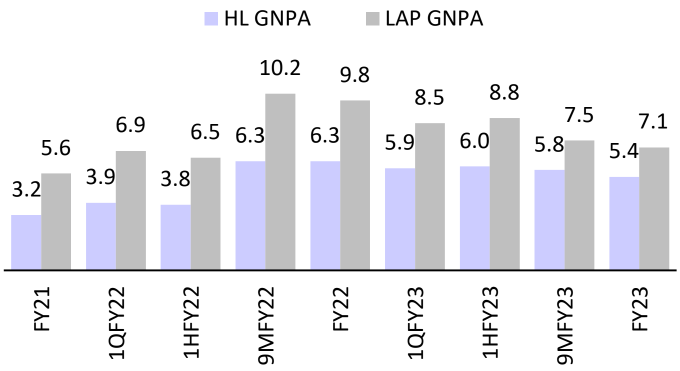
Source: MOFSL, Company

Exhibit 11: GS3 improved sequentially to 5.8% while ECL/EAD was stable at 4.2%



Source: MOFSL, Company;

Exhibit 12: LAP continued to show more stress than home loans (%)



Source: MOFSL, Company;

Valuation and view

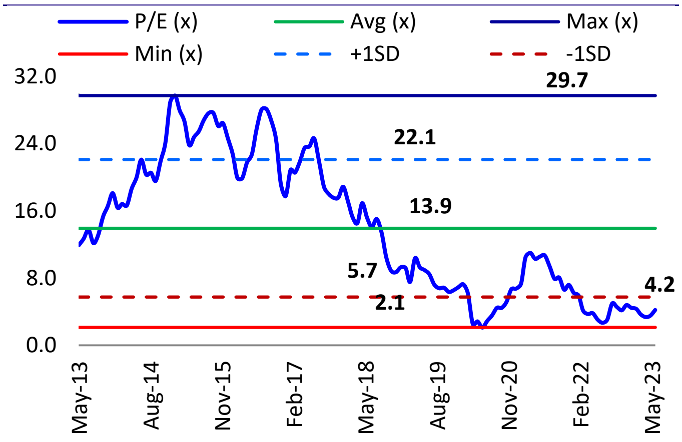
- While the asset quality continues to improve, we would look forward to execution from the management to deliver on guided asset quality metrics and making directional progress towards the targets set out for FY24. We expect credit costs to moderate; we now estimate credit costs of ~20bp each in FY24/FY25.
- We expect REPCO to be able to maintain a steady NIM of 4.6% over FY24/FY25, despite it being strongly focused on customer retention. While risk-reward appears favorable at current valuation of ~0.6x FY24E P/BV, we would wait for further proof of improved execution before turning constructive on the stock again. **Maintain Neutral with a TP of INR255 (based on 0.5x FY25E BVPS).**

Exhibit 13: We raise our FY25 EPS estimates by 2% to factor in lower credit costs and opex

INR b	Old Est.		New Est.		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
NII	5.9	6.5	5.8	6.6	-0.8	2.2
Other Income	0.5	0.6	0.5	0.6	-8.0	-8.0
Total Income	**6.4**	**7.1**	**6.3**	**7.2**	**-1.4**	**1.3**
Operating Expenses	1.6	1.8	1.6	1.7	-0.6	-0.6
Operating Profits	**4.8**	**5.3**	**4.7**	**5.4**	**-1.7**	**1.9**
Provisions	0.3	0.3	0.3	0.3	-18.9	-4.6
PBT	**4.5**	**5.0**	**4.5**	**5.1**	**-0.5**	**2.3**
Tax	1.2	1.3	1.2	1.3	0.0	2.8
PAT	**3.3**	**3.7**	**3.3**	**3.8**	**-0.6**	**2.1**
Loan book	131	146	134	150	1.9	2.7
NIM (%)	4.7	4.6	4.6	4.6		
Spreads (%)	3.2	3.2	3.3	3.3		
ROAA (%)	**2.6**	**2.6**	**2.5**	**2.6**		
RoAE (%)	**12.4**	**12.3**	**12.4**	**12.6**		

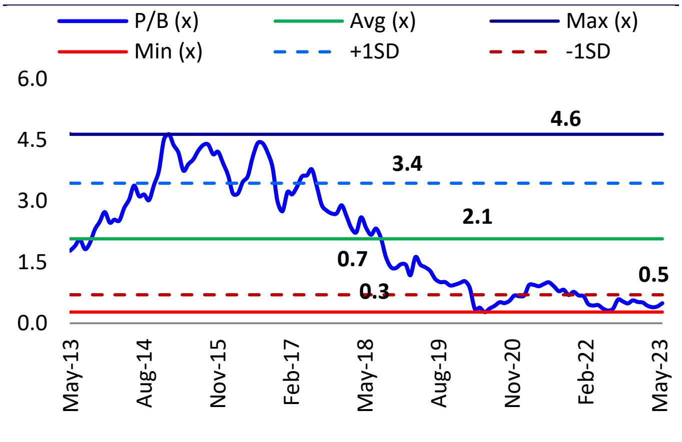
Source: MOFSL, Company

Exhibit 14: One-year forward P/E



Source: MOFSL, Company

Exhibit 15: One-year forward P/B



Source: MOFSL, Company

Financials and valuations

Income statement (INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	10,141	10,851	11,634	13,174	13,518	12,804	12,570	14,049	15,871
Interest Expended	6,463	6,489	7,200	8,250	8,072	6,899	7,011	8,208	9,278
Net Interest Income	**3,678**	**4,362**	**4,434**	**4,924**	**5,446**	**5,905**	**5,560**	**5,841**	**6,593**
Change (%)	21.0	18.6	1.7	11.0	10.6	8.4	-5.8	5.1	12.9
Other Operating Income	318	250	318	337	404	262	421	497	587
Net Income	**3,996**	**4,612**	**4,752**	**5,261**	**5,850**	**6,166**	**5,981**	**6,338**	**7,180**
Change (%)	19.8	15.4	3.1	10.7	11.2	5.4	-3.0	6.0	13.3
Operating Expenses	676	790	984	1,065	1,144	1,241	1,458	1,605	1,749
Operating Income	**3,320**	**3,822**	**3,768**	**4,196**	**4,706**	**4,926**	**4,523**	**4,733**	**5,431**
Change (%)	23.3	15.1	-1.4	11.4	12.1	4.7	-8.2	4.6	14.8
Provisions/write offs	518	748	170	594	808	2,331	516	260	303
PBT	**2,802**	**3,074**	**3,598**	**3,602**	**3,898**	**2,595**	**4,008**	**4,472**	**5,128**
Extraordinary Items	0	0	0	0	0	0	0	0	0
PBT after EO	**2,802**	**3,074**	**3,598**	**3,602**	**3,898**	**2,595**	**4,008**	**4,472**	**5,128**
Tax	979	1,063	1,252	798	1,022	680	1,047	1,168	1,339
Tax Rate (%)	34.9	34.6	34.8	22.2	26.2	26.2	26.1	26.1	26.1
DTL on Special Reserve									
PAT	**1,823**	**2,010**	**2,346**	**2,804**	**2,876**	**1,915**	**2,961**	**3,304**	**3,788**
Change (%)	21.4	10.3	16.7	19.5	2.6	-33.4	54.6	11.6	14.7
PAT adjusted for EO	**1,823**	**2,010**	**2,346**	**2,804**	**2,876**	**1,915**	**2,961**	**3,304**	**3,788**
Change (%)	21.4	10.3	16.7	19.5	2.6	-33.4	54.6	11.6	14.7
Proposed Dividend	151	165	181	181	156	157	169	188	206

Balance sheet (INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Capital	626	626	626	626	626	626	626	626	626
Reserves & Surplus	10,747	12,459	14,648	17,243	19,967	21,730	24,536	27,653	31,235
Net Worth	**11,372**	**13,085**	**15,274**	**17,869**	**20,593**	**22,356**	**25,162**	**28,278**	**31,860**
Loans from Banks	11,701	9,423	0	0	0	0	0	0	0
Bonds/Debentures	47,572	44,350	0	0	0	0	0	0	0
Borrowings	16,331	27,570	92,774	1,01,090	1,01,974	96,920	99,241	1,09,874	1,23,522
Borrowings	**75,604**	**81,343**	**92,774**	**1,01,090**	**1,01,974**	**96,920**	**99,241**	**1,09,874**	**1,23,522**
Change (%)	15.6	7.6	14.1	9.0	0.9	-5.0	2.4	10.7	12.4
Other liabilities	3,457	2,882	1,522	987	1,093	698	832	915	1,006
Total Liabilities	**90,433**	**97,310**	**1,09,570**	**1,19,946**	**1,23,659**	**1,19,974**	**1,25,234**	**1,39,068**	**1,56,389**
Loans	**89,578**	**96,492**	**1,08,379**	**1,15,884**	**1,18,356**	**1,12,918**	**1,19,622**	**1,33,505**	**1,49,905**
Change (%)	16.3	7.7	12.3	6.9	2.1	-4.6	5.9	11.6	12.3
Investments	**156**	**239**	**363**	**321**	**345**	**440**	**477**	**549**	**631**
Change (%)	25.8	53.5	51.5	-11.6	7.4	27.7	8.4	15.0	15.0
Net Fixed Assets	91	135	155	372	314	353	396	416	437
Other assets	609	443	673	3,369	4,645	6,263	4,740	4,598	5,416
Total Assets	**90,433**	**97,310**	**1,09,570**	**1,19,946**	**1,23,659**	**1,19,974**	**1,25,234**	**1,39,068**	**1,56,389**

E: MOFSL Estimates

Financials and valuations

Ratios									(%)
Y/E March	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Spreads Analysis (%)									
Avg Yield on Loans	12.2	11.6	11.4	11.7	11.5	11.1	10.8	11.1	11.2
Avg. Cost of Borrowings	9.2	8.3	8.3	8.5	8.0	6.9	7.1	7.9	8.0
Interest Spread	3.0	3.4	3.1	3.2	3.6	4.1	3.6	3.2	3.2
Net Interest Margin	4.4	4.7	4.3	4.4	4.6	5.1	4.8	4.6	4.6
Profitability Ratios (%)									
RoE	17.4	16.4	16.5	16.9	15.0	8.9	12.5	12.4	12.6
RoA	2.2	2.1	2.3	2.4	2.4	1.6	2.4	2.5	2.6
Int. Expended/Int. Earned	63.7	59.8	61.9	62.6	59.7	53.9	55.8	58.4	58.5
Other Inc./Net Income	8.0	5.4	6.7	6.4	6.9	4.2	7.0	7.8	8.2
Efficiency Ratios (%)									
Op. Exps./Net Income	16.9	17.1	20.7	20.2	19.6	20.1	24.4	25.3	24.4
Empl. Cost/Op. Exps.	63.8	62.6	59.5	62.4	62.3	63.4	60.3	61.3	61.9
Asset Quality (%)									
Gross NPAs	2,328	2,827	3,258	5,117	4,485	8,198	7,187	6,218	5,551
Gross NPAs to Adv.	2.6	2.9	3.0	4.3	3.7	7.0	5.8	4.5	3.6
Net NPAs	1,227	1,255	1,507	3,287	2,714	5,587	3,621	2,736	2,220
Net NPAs to Adv.	1.4	1.3	1.4	2.8	2.3	4.9	3.0	2.0	1.5
VALUATION	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Book Value (INR)	181.8	209.2	244.1	285.6	329.2	357.1	402.2	452.0	509.3
Price-BV (x)				**0.8**	**0.7**	**0.7**	**0.6**	**0.5**	**0.5**
EPS (INR)	29.1	32.1	37.5	44.8	46.0	30.6	47.3	52.8	60.6
EPS Growth YoY	21.4	10.3	16.7	19.5	2.6	-33.4	54.7	11.6	14.7
Price-Earnings (x)				**5.2**	**5.1**	**7.6**	**4.9**	**4.4**	**3.8**
Dividend per share (INR)	2.0	2.2	2.5	2.5	2.5	2.5	2.7	3.0	3.3
Dividend yield (%)				**1.1**	**1.1**	**1.1**	**1.2**	**1.3**	**1.4**

E: MOFSL Estimates

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Investment Rating	**Expected return (over 12-month)**
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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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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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