

# MAS Financial Services

Estimate change



TP change



Rating change



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Bloomberg	MASFIN IN
Equity Shares (m)	55
M.Cap.(INRb)/(USD\$)	30.9 / 0.4
52-Week Range (INR)	847 / 469
1, 6, 12 Rel. Per (%)	1/-14/-36
12M Avg Val (INR M)	71

## Financials & Valuations (INR b)

Y/E March	FY22	FY23E	FY24E
Total income	3.4	4.5	5.8
PPP	2.5	3.1	4.1
PAT	1.6	2.0	2.7
EPS (INR)	28.9	37.2	48.7
EPS Gr. (%)	10.0	29.0	30.8
BVPS (INR)	231	262	302

## Ratios (%)

NIM	6.0	6.0	5.9
C/I ratio	27.4	30.9	28.6
RoA on AUM	2.7	2.8	2.9
RoE	13.2	15.1	17.3
Payout	10.4	17.3	18.0

## Valuations

P/E (x)	19.6	15.2	11.6
P/BV (x)	2.4	2.2	1.9
Div. yield (%)	0.5	1.1	1.5

## Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	73.7	73.6	73.6
DII	9.4	9.5	10.5
FII	1.5	1.5	1.6
Others	15.4	15.4	14.3

FII Includes depository receipts

CMP: INR566

TP: INR720 (+27%)

Buy

## Regains its mojo with healthy disbursements and stable asset quality

- MASFIN's PAT rose 26% YoY to INR465m (in line). Total income grew 34% YoY to INR1.06b (11% beat) and OPEX jumped 133% YoY to INR348m.
- Credit costs stood at INR85m (v/s our estimate of INR75m), up 124% QoQ but down 40% YoY in 1QFY23.
- MASFIN delivered a quarterly disbursement of ~INR21.5b (up 10% QoQ and 107% YoY).
- Asset quality was stable QoQ at 2.3% and continued to remain relatively better than its peers in MSME/ SME lending. Capital adequacy as well as liquidity on the balance sheet continued to remain healthy.
- Maintain BUY with a TP of INR720 (premised on 2.4x FY24E BV).**

## AUM up 7% sequentially; spreads stable while margins improve

- Standalone AUM grew 30% YoY to INR66.8b. Housing subsidiary AUM rose 16% YoY to INR3.4b. In the AUM mix, Micro Enterprise (MEL) rose 27% YoY while SME grew 35% YoY. AUM of 2Ws was flat YoY.
- MASFIN has started undertaking assignment transactions but the share of off-Balance Sheet loans still declined 100bp QoQ to 18%.
- Yield on loans (calc.) and CoF declined ~40bp QoQ each to 12.7%/ 7.7%, respectively. This led to overall spreads remaining stable sequentially.
- Operating expenses continued to remain elevated, with the C/I ratio increasing ~30bp QoQ to ~33% since the company started making investments in building capacity and expanding distribution.

## Asset quality healthy and sequentially stable

- GS3 ratio was stable at 2.3% while NS3 declined 7bp QoQ to 1.6%
- 1+dpd loans contracted ~30bp QoQ to 5.1%. Total standalone COVID provisions stood at INR340m (0.62% of on-book loans) in 1QFY23.
- Total restructured advances stood at INR237m (~35bp of AUM).

## Other highlights

- Average ticket size of SME loans increased to INR1.73m (from 1.54m in the previous quarter).
- RoTA improved ~7bp QoQ to ~2.93% in 1QFY23.

## HFC subsidiary:

- AUM grew 8% QoQ to INR3.4b. GS3 was stable sequentially at ~0.52%.
- Tier I ratio stood at 33%.

## Key highlights from the management commentary

- The company guided for a loan growth of 20-25% in FY23 driven by expansion in markets and strong distribution infrastructure.
- CoF for 1QFY23 was at 8.64% and the company envisages that the same will increase by 20-25bp over the course of the current fiscal year.

**Valuation and view**

- We model an AUM/PAT CAGR of 27%/30% over FY22-FY24E with an RoA/RoE of 2.9%/17% in FY24E, respectively. MASFIN appears to have regained its mojo and has again embarked on its healthy disbursements/growth trajectory.
- The company has successfully navigated a tough pandemic environment, with a large exposure to Micro loans/MSME sector. Its asset quality is perhaps the best among MFI/SME lending peers. **Maintain BUY with a TP of INR720 (premised on 2.4x FY24E BV).**

## Quarterly Performance

(INR M)

Y/E March	FY22				FY23E				FY22	FY23E	1Q FY23E	Act. v/s Est. %
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23				
<b>Revenue from Operations</b>	<b>1,485</b>	<b>1,567</b>	<b>1,718</b>	<b>1,804</b>	<b>1,983</b>	<b>2,111</b>	<b>2,293</b>	<b>2,761</b>	<b>6,574</b>	<b>9,148</b>	<b>1,929</b>	<b>3</b>
Interest Income	1,283	1,352	1,473	1,590	1,677	1,811	1,974	2,531	5,697	7,992	1,709	-2
Gain on assignments	149	155	175	147	157	169	184	291	625	800	158	-1
Other operating Income	53	61	70	67	150	132	135	-61	252	356	62	143
Interest expenses	699	759	831	905	928	1,003	1,103	1,590	3,195	4,624	978	-5
<b>Total income</b>	<b>786</b>	<b>808</b>	<b>887</b>	<b>899</b>	<b>1,055</b>	<b>1,109</b>	<b>1,190</b>	<b>1,171</b>	<b>3,379</b>	<b>4,525</b>	<b>951</b>	<b>11</b>
Growth Y-o-Y (%)	-13.7	-1.6	13.4	15.1	34.3	37.2	34.3	30.3	2.6	33.9	21.1	
Operating Expenses	149	203	280	294	348	345	378	326	926	1,397	254	37
<b>Operating Profits</b>	<b>636</b>	<b>605</b>	<b>607</b>	<b>605</b>	<b>707</b>	<b>763</b>	<b>813</b>	<b>845</b>	<b>2,453</b>	<b>3,128</b>	<b>698</b>	<b>1</b>
Growth Y-o-Y (%)	-19.2	-13.1	-4.5	5.3	11.1	26.2	33.9	39.7	-8.4	27.5	9.6	
Provisions	141	90	68	38	85	99	99	113	336	395	75	13
<b>Profit before tax</b>	<b>495</b>	<b>515</b>	<b>539</b>	<b>567</b>	<b>623</b>	<b>665</b>	<b>714</b>	<b>732</b>	<b>2,117</b>	<b>2,733</b>	<b>623</b>	<b>0</b>
Growth Y-o-Y (%)	1.3	12.9	11.4	13.5	25.7	29.0	32.5	29.0	9.7	29.1	25.7	
Tax Provisions	127	132	138	142	157	169	182	188	538	697	159	-1
<b>Net Profit</b>	<b>368</b>	<b>383</b>	<b>401</b>	<b>426</b>	<b>465</b>	<b>495</b>	<b>532</b>	<b>544</b>	<b>1,578</b>	<b>2,036</b>	<b>464</b>	<b>0</b>
Growth Y-o-Y (%)	0.6	12.0	10.8	16.6	26.3	29.2	32.6	27.8	10.0	29.0	26.0	
<b>Key Operating Parameters (%)</b>												
Yield on loans (Cal)	12.7	12.8	13.0	13.1	12.7							
Cost of funds (Cal)	7.8	8.0	7.9	8.1	7.7							
Spreads (Cal)	4.9	4.8	5.1	5.0	5.0							
NIM on AUM (Cal)	6.0	6.1	6.3	6.0	6.5							
Credit Cost (%)	1.1	0.7	0.5	0.3	0.5							
Cost to Income Ratio	19.0	25.1	31.6	32.7	33.0							
Tax Rate	25.7	25.6	25.6	25.0	25.3							
<b>Balance Sheet Parameters</b>												
<b>Standalone AUM (INR B)</b>	<b>51.6</b>	<b>54.9</b>	<b>57.4</b>	<b>62.5</b>	<b>66.8</b>							
Change YoY (%)	-8.8	3.5	13.6	16.3	29.5							
<b>Disbursements (INR B)</b>	<b>10.4</b>	<b>14.8</b>	<b>16.0</b>	<b>19.6</b>	<b>21.5</b>							
Change YoY (%)	864.2	80.0	55.0	51.6	106.8							
<b>Borrowings (INR B)</b>	<b>35.4</b>	<b>40.8</b>	<b>43.6</b>	<b>45.5</b>	<b>50.5</b>							
Change YoY (%)	18.3	26.5	45.6	24.3	42.6							
Debt/Equity (x)	2.9	3.3	3.4	3.5	3.7							
<b>Asset liability Mix</b>												
<b>AUM Mix (%)</b>												
Micro Enterprises	53.5	52.7	50.1	52.0	52.7							
SME loans	35.1	36.5	39.6	36.4	36.6							
2W loans	7.3	6.6	6.3	6.0	5.8							
CV loans	4.1	4.2	4.0	5.5	5.0							
<b>Borrowings Mix (%)</b>												
Direct Assignment	26.0	22.0	21.0	21.0	20.0							
Cash Credit	31.0	31.0	26.0	28.0	26.0							
Term Loan	32.0	34.0	37.0	40.0	43.0							
NCD	10.0	10.0	12.0	7.0	2.0							
Sub Debt	1.0	1.0	3.0	3.0	9.0							
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	737	854	1,005	1,050	1,177							
GS 3 (%)	2.21	2.30	2.35	2.28	2.27							
NS 3 (INR m)	494	580	667	689	742							
NS 3 (%)	1.74	1.80	1.76	1.70	1.63							
PCR (%)	32.9	32.1	33.7	34.4	37.0							
<b>Return Ratios (%)</b>												
ROA	2.9	2.9	2.8	2.9	2.9							
Tier I ratio	26.6	24.0	23.8	23.1	22.5							

E: MOFSL estimates

## Highlights from the management commentary

### Business updates

- The company continues to focus of MSME segment from where 90% of the business originates
- Disbursements for the quarter stood at INR21.5b.
- Borrowings are largely MCLR based which is re-priced with a lag of 6 months to 1 year and 70% of assets floating rate in nature.
- Opex at peak due to investment in strengthening distribution structure. Expects economies of scale to kick in the future and support RoA.
- Fee based income to increase once broking license is received by end of third quarter.
- Ticket size lower in previous quarters due to pandemic and the company is taking conscious efforts to gradually increase the ticket size.
- The average ticket size for disbursements through fintech depends upon product type viz. INR50-60k for annual loans and INR0.4-0.5m for SME loans.

### Capital and liability management

- The company plans to maintain equity buffer of INR6b and unutilized capital separately of INR4b. In addition the company has additional sanction on hand of ~15b in the form of term loans, direct assignments and co-lending.
- Raised ~INR6.2b term loans during the quarter with an average tenor of 3-5 years to maintain ALM stability.
- Cash flow remains positive in buckets across all maturity levels
- Carries considerable liquidity in its books with a view to safeguard overall working of the company and make it fundamentally strong. Plans to maintain CAR levels of ~20%.
- Outstanding NCDs stand at INR7b (~10% of borrowing mix) and plans to expand capital market exposure only if able to borrow at competitive rates

### Asset Quality and Credit Costs

- The company continues to carry management overlay of INR 340m (~0.62% of on-book assets) and plans to utilize the same gradually
- Segment wise GS3: 2w - 2.58%, CV - 2.35%, MEL – 1.53%, SME - 1.48%

### Housing finance

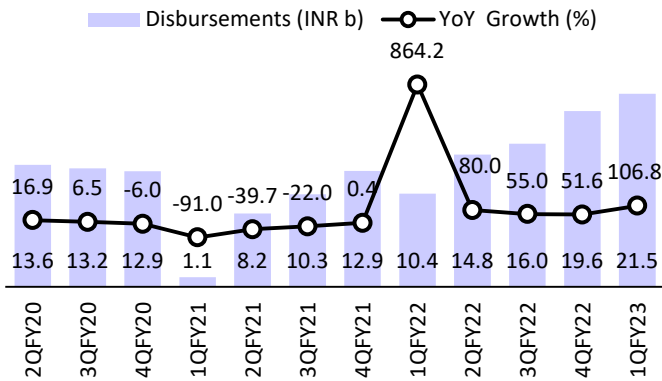
- Guided for loan growth of 25-30% YoY in the housing finance business. Projects the same to grow at 30-35% post 3-4 years.
- Management overlay in the housing finance segment stands at INR30m (~1.06% of on-book assets)

### Guidance

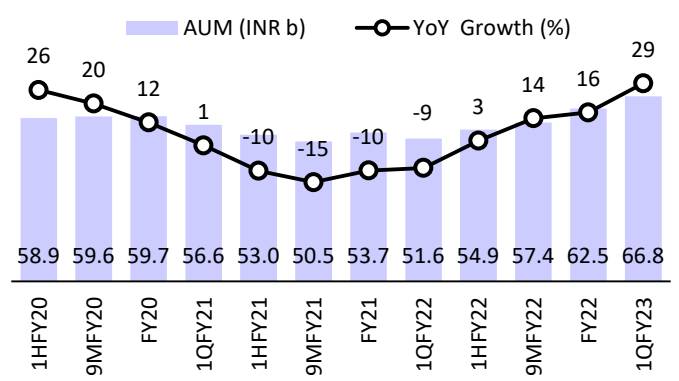
- The company guided for a loan growth of 20-25% in FY23 driven by expanding markets and strong distribution infra.
- CoF for 1QFY23 was at 8.64% and the company envisages the same to increase by 20-25bp over the year.
- Guided for ROA between 2.75-3.25% transmitting into RoE in the range of 15-18%
- Expect to maintain NIMs at ~7% after factoring in rate hikes

**Others**

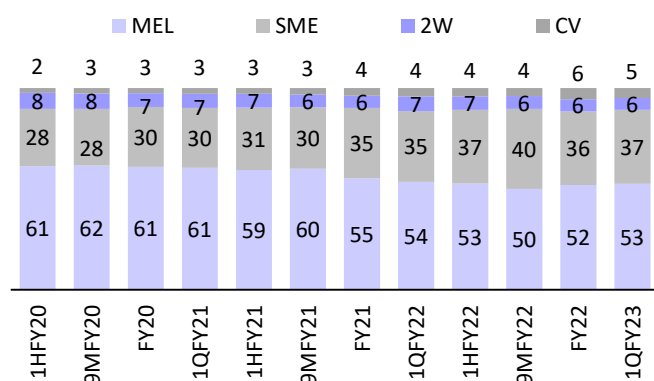
- Distribution has been strengthened to capitalize on the growth opportunity.
- Entered into partnerships with more than 100 NBFCs and is in the process of tying up with more banks for co-lending.
- Disbursements of INR3b originated through fintech partnerships v/s INR2b in 4QFY22.

**Key exhibits****Exhibit 1: Disbursements at yet another record high...**

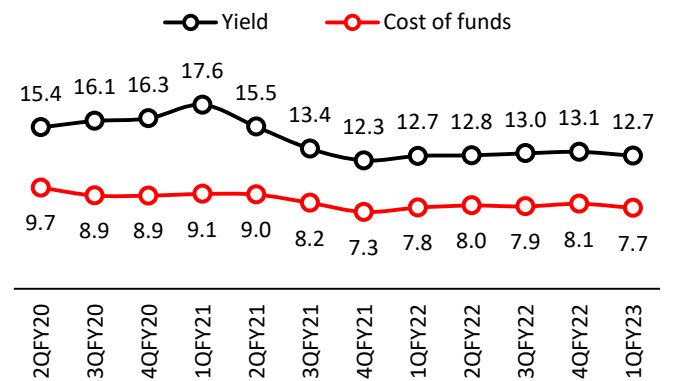
Source: MOFSL, Company

**Exhibit 2: ...leading to a sequential AUM increase of 7%**

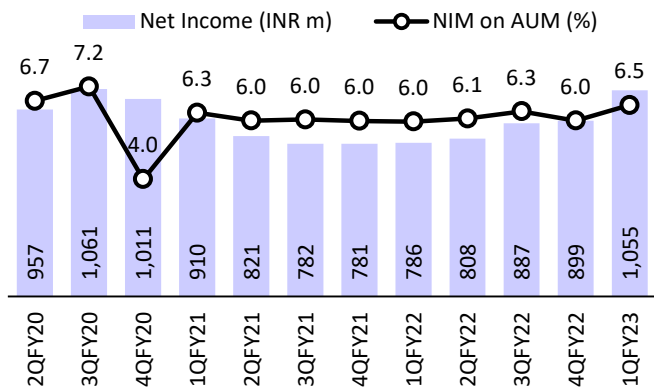
Source: MOFSL, Company

**Exhibit 3: Share of MEL loans increases sequentially (%)**

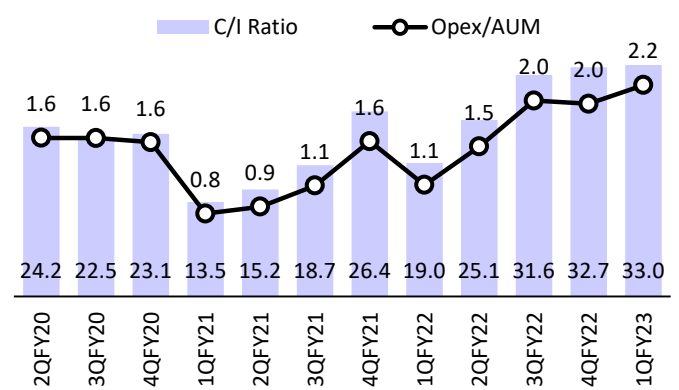
Source: MOFSL, Company

**Exhibit 4: Spreads (calculated) sequentially stable (%)**

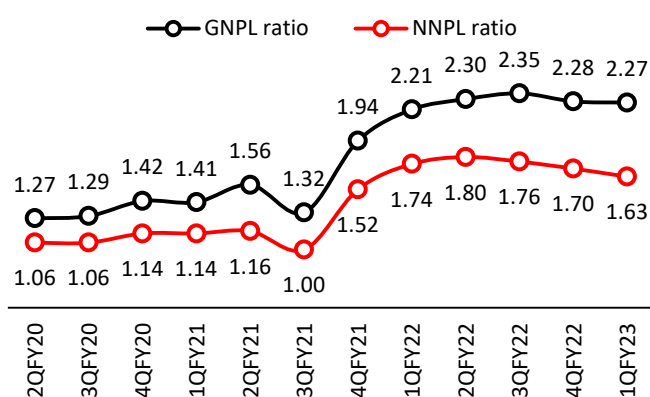
Source: MOFSL, Company

**Exhibit 5: NIM on AUM expanded by ~50bp sequentially**

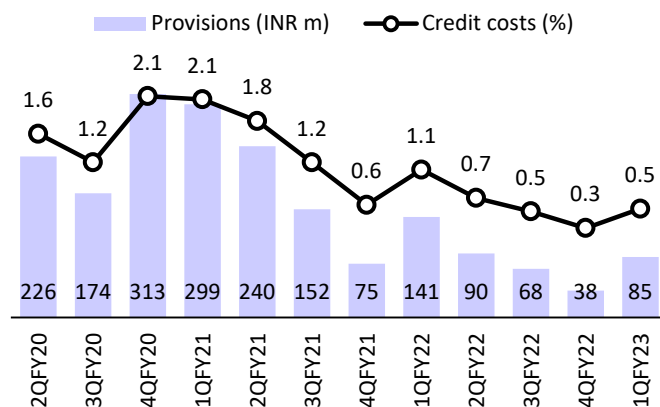
Source: MOFSL, Company; Note: including upfront assignment income

**Exhibit 6: OPEX-to-AUM ratio up ~20bp QoQ (%)**

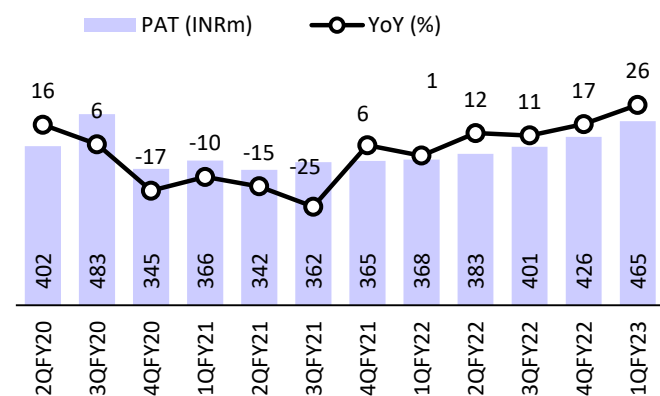
Source: MOFSL, Company

**Exhibit 7: GNPL ratio (basis AUM) at 2.27%**

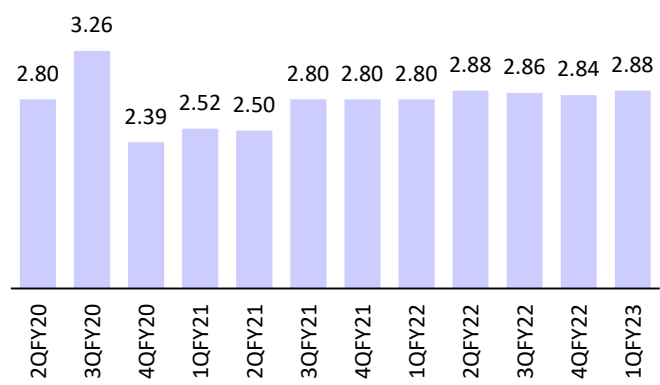
Source: MOFSL, Company

**Exhibit 8: Sequential increase in credit costs by 20bp (%)**

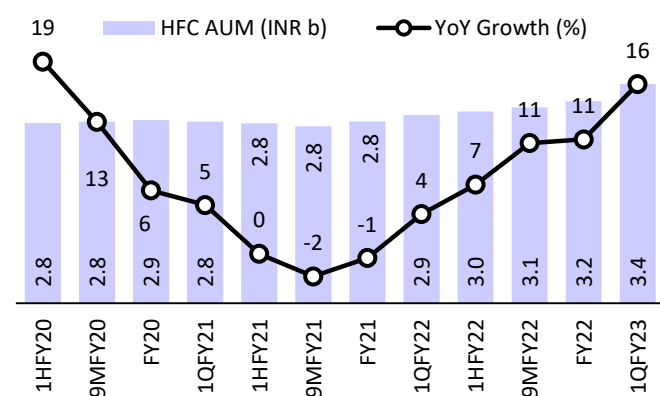
Source: MOFSL, Company

**Exhibit 9: PAT up 9% sequentially and 26% YoY**

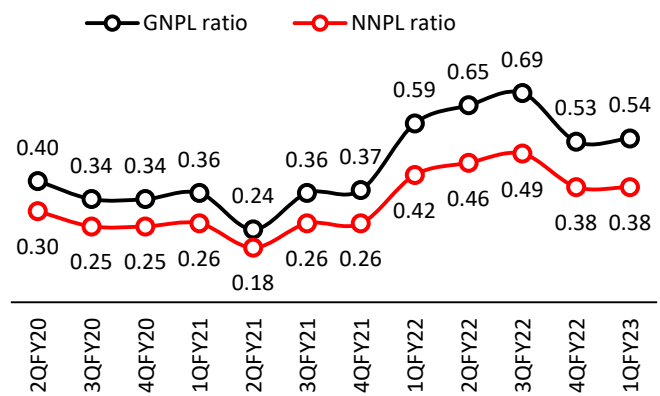
Source: MOFSL, Company

**Exhibit 10: RoA (on AUM) has been stable (%)**

Source: MOFSL, Company. Reported RoA

**Exhibit 11: HFC subsidiary AUM up 16% YoY...**

Source: MOFSL, Company

**Exhibit 12: ...while asset quality was stable sequentially (%)**

Source: MOFSL, Company

### Valuation and view

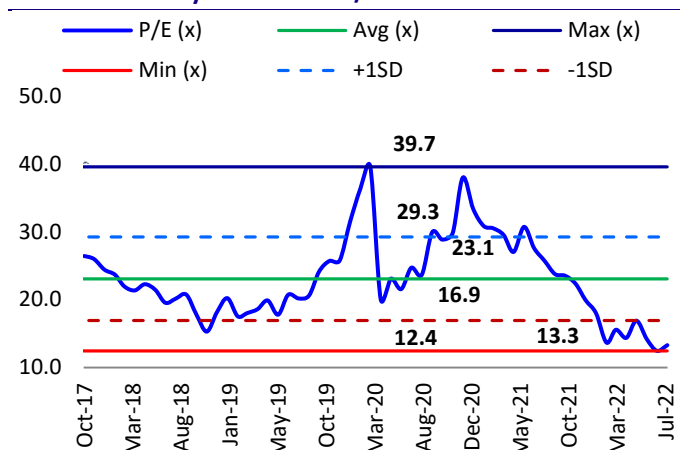
- We model an AUM/PAT CAGR of 27%/30% over FY22-FY24E with a RoA/RoE of 2.9%/17% in FY24E. MASFIN seems to have got regained its mojo and has again embarked on its healthy disbursements/growth trajectory.
- The company has successfully navigated a tough pandemic environment, with a large exposure to Micro loans/MSME sector. Its asset quality is perhaps the best among MFI/SME lending peers. Maintain our Buy rating with a TP of INR720 per share (premised on 2.4x FY24E BV).

**Exhibit 13: Increase our FY24 earnings estimate by 3% to factor in higher NII and lower credit costs**

INR b	Old Est.		New Est.		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
NII	3.2	4.0	3.4	4.3	6.2	8.4
Other Income	1.1	1.4	1.2	1.4		
<b>Total Income</b>	<b>4.3</b>	<b>5.4</b>	<b>4.5</b>	<b>5.8</b>	<b>5.4</b>	<b>7.0</b>
Operating Expenses	1.1	1.3	1.4	1.6	28.1	28.4
<b>Operating Profits</b>	<b>3.2</b>	<b>4.1</b>	<b>3.1</b>	<b>4.1</b>	<b>-2.3</b>	<b>0.3</b>
Provisions	0.5	0.6	0.4	0.5	-15.5	-13.9
<b>PBT</b>	<b>2.7</b>	<b>3.5</b>	<b>2.7</b>	<b>3.6</b>	<b>0.0</b>	<b>2.9</b>
Tax	0.7	0.9	0.7	0.9	0.0	2.9
<b>PAT</b>	<b>2.0</b>	<b>2.6</b>	<b>2.0</b>	<b>2.7</b>	<b>0.0</b>	<b>2.9</b>
<b>AUM</b>	<b>82</b>	<b>99</b>	<b>81</b>	<b>100</b>	<b>-0.3</b>	<b>1.1</b>
<b>NIM (%)</b>	<b>4.4</b>	<b>4.4</b>	<b>4.7</b>	<b>4.8</b>		
<b>ROAA (%)</b>	<b>2.9</b>	<b>3.0</b>	<b>2.8</b>	<b>2.9</b>		
<b>RoAE (%)</b>	<b>15.1</b>	<b>16.8</b>	<b>15.1</b>	<b>17.3</b>		

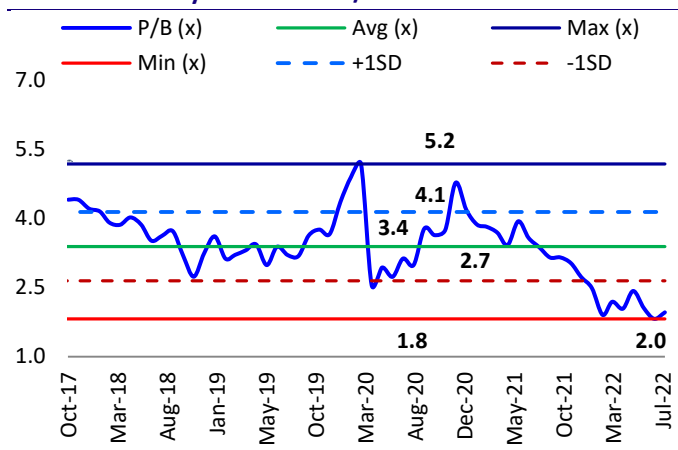
Source: MOFSL, Company

**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	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	2,779	3,148	3,594	4,645	5,551	4,831	5,697	7,992	10,659
Interest Expense	1,423	1,513	1,705	2,067	2,722	2,645	3,195	4,624	6,316
<b>Net Financing income</b>	<b>1,356</b>	<b>1,634</b>	<b>1,889</b>	<b>2,579</b>	<b>2,829</b>	<b>2,186</b>	<b>2,502</b>	<b>3,369</b>	<b>4,343</b>
Change (%)	29.6	20.5	15.6	36.5	9.7	-22.7	14.5	34.6	28.9
Gains on Assignment	2	0	801	941	1,012	806	625	800	1,000
<b>NII incl assignment income</b>	<b>1,359</b>	<b>1,634</b>	<b>2,689</b>	<b>3,520</b>	<b>3,841</b>	<b>2,992</b>	<b>3,127</b>	<b>4,169</b>	<b>5,343</b>
Change (%)	29.2	20.3	64.6	30.9	9.1	-22.1	4.5	33.3	28.2
Fees and Others	260	268	115	139	165	302	252	356	423
<b>Total Income</b>	<b>1,619</b>	<b>1,902</b>	<b>2,804</b>	<b>3,659</b>	<b>4,005</b>	<b>3,294</b>	<b>3,379</b>	<b>4,525</b>	<b>5,767</b>
Change (%)	28.0	17.5	47.4	30.5	9.5	-17.8	2.6	33.9	27.4
<b>Operating Expenses</b>	<b>681</b>	<b>604</b>	<b>725</b>	<b>775</b>	<b>899</b>	<b>616</b>	<b>926</b>	<b>1,397</b>	<b>1,648</b>
Change (%)	30.2	-11.3	20.1	6.8	16.0	-31.4	50.2	50.8	18.0
<b>Operating Profits</b>	<b>938</b>	<b>1,298</b>	<b>2,079</b>	<b>2,885</b>	<b>3,106</b>	<b>2,678</b>	<b>2,453</b>	<b>3,128</b>	<b>4,119</b>
Change (%)	26.5	38.4	60.2	38.7	7.7	-13.8	-8.4	27.5	31.7
<b>Total Provisions</b>	<b>236</b>	<b>267</b>	<b>428</b>	<b>545</b>	<b>825</b>	<b>749</b>	<b>336</b>	<b>395</b>	<b>544</b>
% to operating income	25.1	20.6	20.6	18.9	26.5	28.0	13.7	12.6	13.2
<b>PBT</b>	<b>702</b>	<b>1,031</b>	<b>1,652</b>	<b>2,339</b>	<b>2,282</b>	<b>1,929</b>	<b>2,117</b>	<b>2,733</b>	<b>3,575</b>
Tax	271	357	617	818	616	494	538	697	912
Tax Rate (%)	38.5	34.6	37.4	35.0	27.0	25.6	25.4	25.5	25.5
<b>PAT</b>	<b>432</b>	<b>674</b>	<b>1,034</b>	<b>1,521</b>	<b>1,666</b>	<b>1,435</b>	<b>1,578</b>	<b>2,036</b>	<b>2,663</b>
Change (%)	27.7	56.1	53.5	47.1	9.5	-13.8	10.0	29.0	30.8
Proposed Dividend	176	132	200	279	437	82	164	352	479

BALANCE SHEET									INR m
Y/E MARCH	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	160	430	547	547	547	547	547	547	547
Reserves & Surplus (Ex OCI)	1,235	1,147	6,674	7,859	8,807	10,724	12,083	13,767	15,951
<b>Networth (Ex OCI)</b>	<b>1,395</b>	<b>1,576</b>	<b>7,221</b>	<b>8,406</b>	<b>9,354</b>	<b>11,271</b>	<b>12,629</b>	<b>14,313</b>	<b>16,497</b>
OCI	0	159	376	455	455	455	455	455	455
<b>Networth (Incl OCI)</b>	<b>1,395</b>	<b>1,735</b>	<b>7,596</b>	<b>8,861</b>	<b>9,809</b>	<b>11,726</b>	<b>13,085</b>	<b>14,768</b>	<b>16,952</b>
Change (%)	19.7	24.4	337.7	16.6	10.7	19.5	11.6	12.9	14.8
Minority Interest	98	0	0	0	0	1	0	0	0
Other Capital Instruments	955	0	0	0	0	0	0	0	0
<b>Borrowings</b>	<b>16,665</b>	<b>18,433</b>	<b>18,871</b>	<b>27,438</b>	<b>34,870</b>	<b>39,264</b>	<b>46,896</b>	<b>68,693</b>	<b>83,509</b>
Change (%)	25.6	10.6	2.4	45.4	27.1	12.6	19.4	46.5	21.6
<b>Other liabilities</b>	<b>1,397</b>	<b>101</b>	<b>509</b>	<b>736</b>	<b>1,038</b>	<b>786</b>	<b>770</b>	<b>847</b>	<b>932</b>
Change (%)	8.8	-92.8	405.8	44.5	41.0	-24.3	-2.0	10.0	10.0
<b>Total Liabilities</b>	<b>19,458</b>	<b>20,269</b>	<b>26,977</b>	<b>37,036</b>	<b>45,718</b>	<b>51,775</b>	<b>60,750</b>	<b>84,308</b>	<b>1,01,393</b>
<b>Loans</b>	<b>17,249</b>	<b>19,342</b>	<b>25,463</b>	<b>32,185</b>	<b>33,485</b>	<b>38,051</b>	<b>45,538</b>	<b>66,632</b>	<b>81,004</b>
Change (%)	30.5	12.1	31.6	26.4	4.0	13.6	19.7	46.3	21.6
<b>Investments</b>	<b>3</b>	<b>133</b>	<b>134</b>	<b>223</b>	<b>375</b>	<b>2,350</b>	<b>5,381</b>	<b>5,381</b>	<b>5,381</b>
Net Fixed Assets	82	72	565	572	603	609	647	712	769
Other assets	2,124	722	815	4,056	11,255	10,765	9,185	11,584	14,240
<b>Total Assets</b>	<b>19,458</b>	<b>20,269</b>	<b>26,977</b>	<b>37,036</b>	<b>45,718</b>	<b>51,776</b>	<b>60,750</b>	<b>84,308</b>	<b>1,01,393</b>

E: MOFSL Estimates

Assumptions	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
AUM (INR M)	26,999	31,561	41,570	53,384	59,663	53,724	62,468	81,259	1,00,005
Change (%)	28.6	16.9	31.7	28.4	11.8	-10.0	16.3	30.1	23.1
On Balance Sheet	64.4	61.3	61.8	60.9	55.7	75.4	81.4	82.0	81.0
Off Balance Sheet	35.6	38.7	38.2	39.1	44.3	24.6	18.6	18.0	19.0

E: MOSL Estimates



## Financials and valuations

RATIOS								(%)	
Y/E MARCH	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Spreads Analysis (%)</b>									
Yield on loans	18.2	17.2	16.0	16.1	16.9	13.5	13.6	14.3	14.4
Cost of Funds	9.5	8.6	9.1	8.9	8.7	7.1	7.4	8.0	8.3
Spreads (On books)	8.7	8.6	6.9	7.2	8.2	6.4	6.2	6.3	6.1
NIMs (On Books)	8.9	8.9	8.4	8.9	8.6	6.1	6.0	6.0	5.9
<b>Profitability Ratios (%)</b>									
RoE	33.7	45.3	23.5	19.5	18.8	13.9	13.2	15.1	17.3
RoA	2.5	3.4	4.4	4.8	4.0	2.9	2.8	2.8	2.9
RoA (on AUM)	1.8	2.3	2.8	3.2	2.9	2.5	2.7	2.8	2.9
Op. Exps./Net Income	42.1	31.8	25.9	21.2	22.4	18.7	27.4	30.9	28.6
Empl. Cost/Op. Exps.	35.8	43.4	52.4	60.9	58.3	48.2	45.6	39.3	38.3
<b>Asset-Liability Profile (%)</b>									
Net NPAs to Adv.	1.4	1.3	1.7	1.6	1.4	1.0	1.4	0.7	0.6
Debt/Equity (x) - On BS	11.9	11.7	2.6	3.3	3.7	3.5	3.7	4.8	5.1
Average leverage	11.7	11.8	4.2	3.0	3.5	3.6	3.6	4.3	4.9
<b>Valuations</b>									
Book Value (INR)	87	37	132	154	171	206	231	262	302
Price-BV (x)					3.3	2.7	2.4	2.2	1.9
EPS (INR)	27.0	15.7	18.9	27.8	30.5	26.3	28.9	37.2	48.7
EPS Growth (%)	28	-42	21	47	9	-14	10	29	31
Price-Earnings (x)				20.3	18.6	21.6	19.6	15.2	11.6
Dividend per share		3.3	3.7	5.1	8.0	1.5	3.0	6.4	8.8
Dividend yield (%)					1.4	0.3	0.5	1.1	1.5
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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