5 May 2023

4QFY23 Results Update | Sector: Financials

AAVAS Financiers

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	AAVAS IN
Equity Shares (m)	78
M.Cap.(INRb)/(USDb)	110.7 / 1.4
52-Week Range (INR)	2410 / 1385
1, 6, 12 Rel. Per (%)	-19/-27/-48
12M Avg Val (INR M)	251

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	8.0	9.8	12.3
PPP	5.6	7.1	9.1
PAT	4.3	5.3	6.9
EPS (INR)	54.4	67.3	86.9
EPS Gr. (%)	20	24	29
BV/Sh. (INR)	414	481	568
Ratios (%)			
NIM	6.2	6.1	6.0
C/I ratio	44.9	43.3	41.0
Credit cost	0.12	0.23	0.22
RoA	3.5	3.5	3.6
RoE	14.2	15.0	16.6
Valuation			
P/E (x)	25.7	20.8	16.1
P/BV (x)	3.4	2.9	2.5

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	39.1	39.2	39.2
DII	12.5	10.9	9.9
FII	38.8	37.9	39.9
Others	9.5	12.0	11.0

FII Includes depository receipts

CMP: INR1,400 TP: INR1,530 (+9%) Neutral

Charting a path of stronger growth under Aavas 3.0

Important to remain watchful of asset quality

- Mr. Sushil Agarwal has stepped down as MD with effect from 3rd May'23 and AAVAS has appointed Mr. Sachinder Bhinder as the new MD. Mr. Bhinder as the MD&CEO, who has been with AAVAS for three years, earlier worked as Business Head for the mortgage business at Kotak Bank.
- Management shared that the company can now look at accelerating AUM growth, aided by the IT transformation. This transformation is expected to enable an end-to-end digital journey from origination to servicing. The Salesforce platform will help it achieve up to 10x scale and minimize TAT.
- 4QFY23 PAT grew 10% YoY to INR1.27b (8% beat). NII grew 23% YoY to INR2.2b. Other income grew 5% YoY because of largely stable assignment income. FY23 PAT grew 21% YoY to INR4.3b.
- Opex grew 14% YoY, driven by investments in technology. PPoP grew 22% YoY to INR1.65b (13% beat) in 4QFY23.
- We model a 28% CAGR in AUM and a 26% CAGR in PAT over FY23-25E, with RoA/RoE of 3.6%/17% in FY25.
- Valuations have significantly de-rated over the last one month and the stock now trades at 2.9x FY25E P/BV. Before turning constructive, we would monitor the execution on AUM growth and asset quality under the new leadership of Mr. Bhinder. Moreover, we would also observe how the IT transformation accelerates disbursements and improves productivity for AAVAS. Maintain **Neutral** rating with a TP of INR1,530 (based on 2.7x Mar'25E BVPS).

Disbursement momentum to further improve; AUM up 25% YoY

- AUM grew 25% YoY/8% QoQ to ~INR141.7b in 4QFY23. FY23 AUM included a subsidy of INR2.8b (FY22 subsidy of INR1.1b). AUM growth, excluding the subsidy, was 26% YoY.
- 4QFY23 disbursements were healthy and grew 23% YoY to ~INR15.8b. FY23 disbursements increased ~39% YoY at INR50.2b.
- The annualized run-off in the loan book declined to 15% (PQ: 21% and PY: 21%), suggesting that BT-OUTs have receded and there was no lumpy subsidy from PMAY CLSS during the quarter.
- Active loan accounts grew by 24% YoY to 187k (PY: 151K).

Asset quality improves; credit costs rise sequentially

- GS3/NS3 improved QoQ to 0.92%/0.68%, while PCR increased ~3pp QoQ to 26%. The company has stopped classifying repossessed exposures as assets 'held for sale' and has instead started classifying them under GS3.
- 1+ DPD declined 75bp QoQ to 3.3% (PY: 4.5%).
- 4QFY23 credit costs stood at ~20bp (PQ: 10bp and PY: ~50bp provision write-backs).

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Sequential improvement in margins but spreads declined

- Reported spreads in Mar'23 declined ~25bp sequentially to ~5. 5%, (FY22: ~5.8%). The management has guided for steady state spreads of 5%.
- FY23 reported NIM (including fee and other income) improved ~5bp over 9MFY23 to ~8.3% (PY: ~8.2%).
- AAVAS increased its prime lending rates (PLR) by ~160bp in FY23 and ~40bp in Apr'23. Out of the ~160bp lending rate hike in FY23, only ~50bp is reflecting in the reported yields since the transmission of PLR increases in new business originations happens with a lag.

Highlights from the management commentary

- Management shared that the promoters of AAVAS — Kedaara and Partners Group — have not sold any shares since 2021 and have no plans of selling any shares in the coming year.
- AAVAS has guided for AUM growth of 20-25%.
- Current TAT is 11-12 days and it could decline to 6-7 days once the technology transformation is complete.

Valuation and View

- AAVAS reported healthy RoA/RoE of 3.5%/14.2% in FY23. It has a sustainable business model that it can utilize to scale up profitably across geographies over the long term.
- Its constant endeavor to improve its technological edge and relentless focus on asset quality have made it a standout player among peers. Notably, its 1+DPD remains below the comfortable level of ~4%, driven by its prudent underwriting process and efficient collection efforts.
- The company's focused and customer-centric approach, combined with its penetration in Tier 3 and 4 cities, has enabled it to achieve steady disbursement growth.
- Given the investments being made in sourcing, distribution and technology, AAVAS will embark on a very strong disbursement growth trajectory in FY24. However, it will be vital to closely monitor the execution under the new MD & CEO Mr. Bhinder and how he maintains cohesion in the senior/middle management to achieve the desired outcomes on AUM growth and asset quality.
- The stock trades at 2.9x FY24E P/BV and any rerating in valuation multiples will depend on consistent delivery of strong asset quality and robust AUM growth, which could potentially be pursued by the new leadership. Maintain **Neutral** with a TP of INR1,530 (based on 2.7x Mar'25E BVPS).

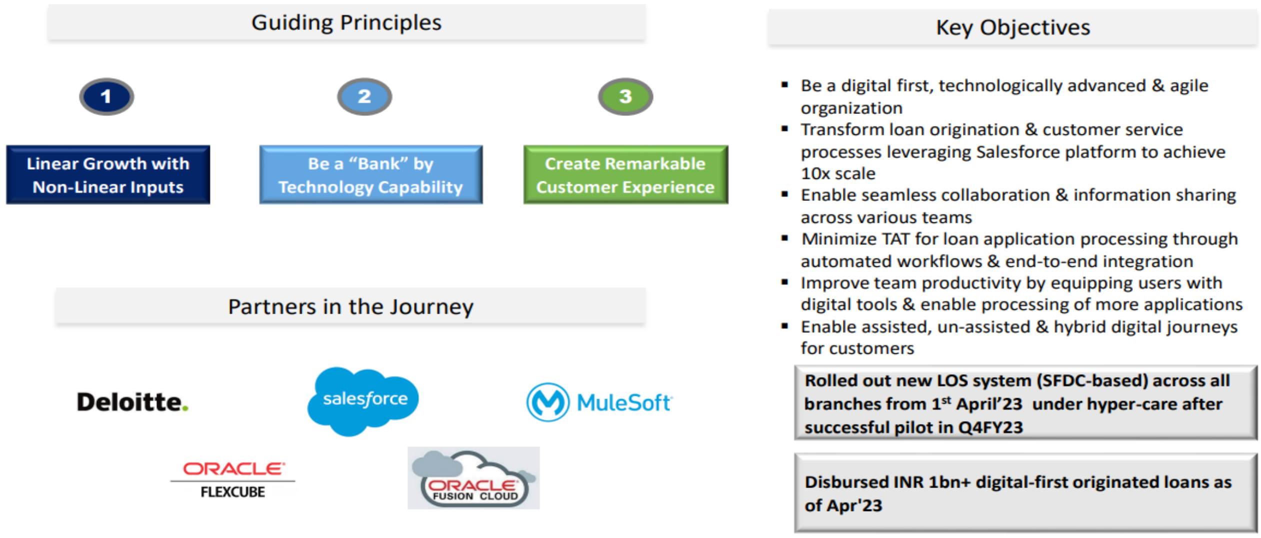
Quarterly performance INR m

Y/E March	FY22				FY23				FY22	FY23	4QFY23E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	2,630	2,787	2,830	3,041	3,148	3,287	3,585	3,861	11,288	13,882	3,798	2
Interest Expenses	1,128	1,160	1,251	1,237	1,347	1,410	1,504	1,650	4,775	5,910	1,670	-1
Net Income	**1,502**	**1,627**	**1,579**	**1,804**	**1,802**	**1,877**	**2,082**	**2,211**	**6,513**	**7,971**	**2,128**	**4**
YoY Growth (%)	29	26	12	37	20	15	32	23	26	22	18	
Other income	90	468	599	612	380	664	534	641	1,768	2,220	669	-4
Total Income	**1,592**	**2,095**	**2,178**	**2,416**	**2,182**	**2,541**	**2,616**	**2,852**	**8,281**	**10,191**	**2,797**	**2**
YoY Growth (%)	31	34	13	37	37	21	20	18	28	23	16	
Operating Expenses	673	864	910	1,059	1,026	1,147	1,201	1,203	3,506	4,577	1,335	-10
YoY Growth (%)	28	36	37	43	53	33	32	14	37	31	26	
Operating Profits	**919**	**1,231**	**1,268**	**1,357**	**1,156**	**1,394**	**1,415**	**1,649**	**4,775**	**5,614**	**1,462**	**13**
YoY Growth (%)	33	33	0	33	26	13	12	22	22.3	17.6	8	
Provisions	170	47	113	-104	9	16	35	64	226	124	-16	-512
Profit before Tax	**749**	**1,183**	**1,155**	**1,461**	**1,147**	**1,378**	**1,380**	**1,586**	**4,549**	**5,490**	**1,477**	**7**
Tax Provisions	150	262	264	304	254	310	307	318	981	1,189	307	3
Profit after tax	**599**	**921**	**891**	**1,157**	**892**	**1,068**	**1,073**	**1,268**	**3,568**	**4,301**	**1,170**	**8**
YoY Growth (%)	20	39	4	32	49	16	20	10	23.2	20.5	1	
Key Parameters (%)												
Yield on loans	13.0	12.9	12.8	12.7	12.7	12.9	13.0	13.1	13.8	14.2		
Cost of funds	7.3	7.2	7.0	6.9	6.9	7.0	7.3	7.6	6.7	6.7		
Spread	5.7	5.7	5.8	5.8	5.8	5.9	5.8	5.5	7.1	7.5		
NIM - YTD	6.9	7.8	8.1	8.2	7.7	8.2	8.2	8.3	6.3	6.2		
Credit cost	0.9	0.2	0.5	-0.5	0.0	0.1	0.1	0.2	0.3	0.1		
Cost to Income Ratio (%)	42.3	41.2	41.8	43.8	47.0	45.1	45.9	42.2	42.3	44.9		
Tax Rate (%)	20.1	22.1	22.9	20.8	22.2	22.5	22.2	20.1	21.6	21.7		
Balance Sheet Parameters												
AUM (INR B)	**96.2**	**101.5**	**106.1**	**113.5**	**118.9**	**125.4**	**130.9**	**141.7**	**113.5**	**141.7**		
Change YoY (%)	21.2	21.3	20.3	20.1	23.7	23.6	23.3	24.8	20.1	24.8		
AUM mix (%)												
Home loans	72.7	72.1	71.6	72.1	71.1	70.9	70.1	69.9	72.1	69.9		
Mortgage loans	27.3	27.9	28.4	27.9	28.9	29.1	29.9	30.1	27.9	30.1		
Loans (INR B)	**77.6**	**82.1**	**84.8**	**90.5**	**95.9**	**100.8**	**105.5**	**114.8**	**90.5**	**114.8**		
% of AUM	80.7	80.9	79.9	79.8	80.6	80.4	80.6	81.0	20.3	26.8		
Disbursements (INR B)	**4.6**	**9.0**	**9.5**	**12.9**	**10.9**	**11.5**	**12.0**	**15.8**	**36.0**	**50.2**		
Change YoY (%)	117.1	35.3	24.4	27.1	136.5	27.2	26.5	22.9	35.6	39.5		
Borrowings (INR B)	**64.9**	**69.1**	**72.3**	**79.7**	**82.9**	**85.7**	**91.6**	**98.9**	**79.7**	**98.4**		
Change YoY (%)	14.3	14.6	11.5	25.6	27.8	24.1	26.7	24.0	25.6	23.4		
Borrowings/Loans (%)	83.6	84.1	85.3	88.1	86.4	85.0	86.8	86.2	88.1	85.7		
Debt/Equity (x)	2.6	2.7	2.7	2.8	2.9	2.8	2.9	3.0	2.8	3.0		
Asset Quality (%)												
GS 3 (INR M)	**894**	**795**	**1,473**	**904**	**1,045**	**1,113**	**1,204**	**1,067**	**904**	**1,067**		
G3 %	1.14	0.96	1.72	0.99	1.08	1.10	1.13	0.92	0.99	0.9		
NS 3 (INR M)	670	589	1,129	695	805	848	917	780	695	780		
NS3 %	0.9	0.7	1.3	0.8	0.8	0.8	0.9	0.7	0.8	0.7		
PCR (%)	**25.0**	**26.0**	**23.4**	**23.1**	**22.9**	**23.8**	**23.9**	**26.9**	**23.1**	**26.9**		
ECL (%)	0.85	0.85	0.93	0.71	0.67	0.64	0.64	0.62	0.71	0.62		
Return Ratios - YTD (%)												
ROA (Rep)	2.6	3.3	3.4	3.6	3.2	3.4	3.4	3.5	3.6	3.5		
ROE (Rep)	9.8	12.3	12.7	13.7	12.5	13.4	13.6	14.1	13.7	14.2		

E: MOFSL Estimates

IT Transformation to streamline end-to-end digital journey

Exhibit 1: IT transformation will enable AAVAS to minimize TAT and improve productivity



Source: MOFSL, Company

Technology Transformation

- The company has embarked on a long-term digital transformation journey. It consistently works toward minimizing TAT for loan application processing through automated workflows and end-to-end integration.
- AAVAS plans to transform loan origination and customer service processes by leveraging the SalesForce platform to achieve 10x scale.
- Current TAT is 11-12 days and it could decline to 6-7 days once the technology transformation is complete.
- The technological changes will not alter the DNA of the company but will bring greater consistency and reliability to the decision-making process.

Highlights from the management commentary

Shareholding

- Promoters of Aavas — Kedaara and Partners Group — have not sold any shares since 2021 and have no plans to sell any shares in the coming year.
- The company mentioned that as of Mar'23, 3.9% of its shares were held by employees and board members. However, it has also noted that this figure does not include ESOPs that have been granted in recent times.
- AAVAS has issued 1.45m ESOPs under three schemes in the last three years, which are not included in the current shareholding of the company.

Business Strategy

- The company has a three-pronged growth strategy: 1) expansion across geographies; 2) launching new products; and 3) employing a trained and skilled workforce to drive business growth.
- AAVAS expects growth in existing geographies to be above the normal rate, and expects a gradual expansion into new geographies such as Karnataka and Uttar Pradesh. This indicates a steady and cautious approach to growth, with a focus on maintaining the quality of the loan book.

Guidance

- AAVAS has guided for AUM growth of 20-25% and is confident of achieving this by scaling up its granular loan book across various geographies and product segments.
- The management has guided for steady state spreads of 5%.
- Opex ratios will moderate as the cost of opening and operating new branches in tier III-V towns is relatively low. Branch rentals range from INR20-25k per month.
- It has guided that by FY25, the product mix will be Home loans at 70% and non-home loans in the range of 30-35%.

Borrowings

- The company borrowed INR47.6b in FY23 at an average rate of 7.25%. Lender support remains strong as AAVAS continues to grow.
- The company has maintained sufficient liquidity of INR32.75b in the form of cash and cash equivalents and un-availed sanctions.

Yields and CoF

- AAVAS increased its prime lending rates (PLR) by ~160bp in FY23 and ~40bp in Apr'23.
- Out of the 160bp rate hike in FY23, only ~50bp is reflecting in the reported yields. The transmission of PLR hikes in new business originations takes effect with a lag.
- Average CoF for FY23 stood at ~7.6% on outstanding borrowings of INR125.2b.
- Incremental Yields: Non-Home Loans at 13-15% and Home Loans at 10.5%-12%

Asset Quality

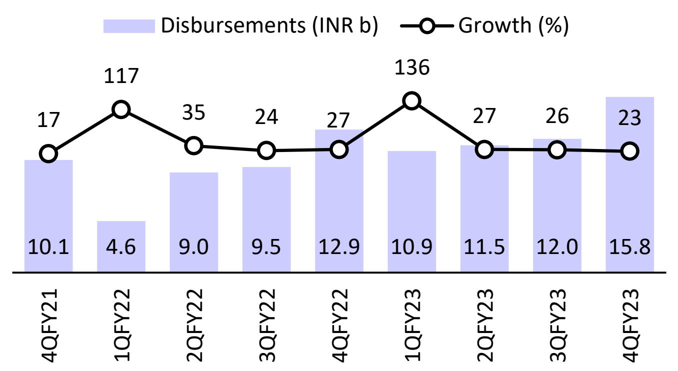
- GS3 of 0.92% includes 0.11% of <90dpd assets, which have been categorized as GNPA based on the RBI's Nov'21 notification.
- Accounts forming part of OTR 2.0 with outstanding amount of ~INR885m as on Mar'23 have been classified as Stage 2 and provided for as per regulatory guidelines. Out of ~INR885.2m under OTR 2.0, ~INR676m is in the 0-30dpd bucket.
- Total ECL provisioning (including management overlay and provisions for OTR) stood at ~INR1.7b as of FY23.
- Previously, the company used to classify repossessed assets as assets held for sale, but now it classifies them as NPAs.
- Total write-offs over the last 12 years stood at INR250m (~12bp of AUM).
- The company has a strong middle management team, especially on the sourcing and credit side, with employees who have been with the company for a fairly long time.
- About 71% of employees on the sourcing side and 78% on the credit side have a vintage of more than three years.
- The company follows a touch-and-feel underwriting model for the self-employed non-professional customer segment to effectively manage stress.

Others

- One-year old branches yield RoE of 12%, while branches with vintage of 3+ years have RoE of ~20%.
- The company has posted disbursement growth of over 25% in Gujarat, Maharashtra and Rajasthan in FY23.
- Average EMI stands at INR12k and has increased by INR500-1000 for ~10% of customers, depending on their tenors and interest rates.

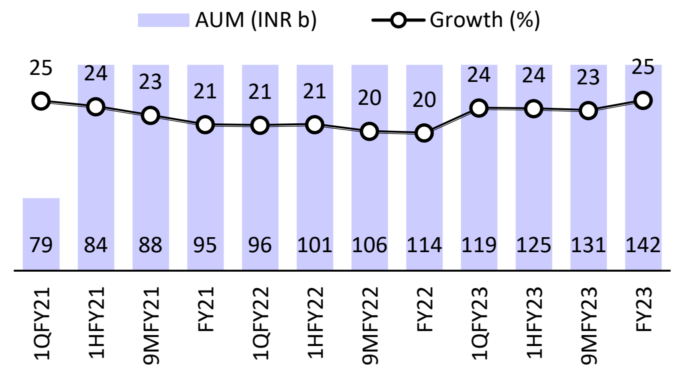
Key exhibits

Exhibit 2: Disbursements grew ~23% YoY



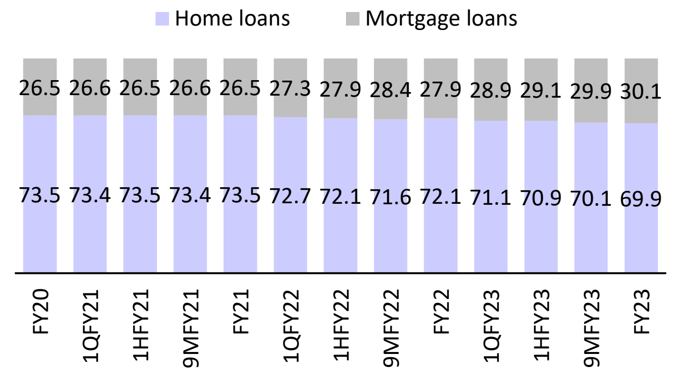
Source: MOFSL, Company

Exhibit 3: AUM grew 25% YoY



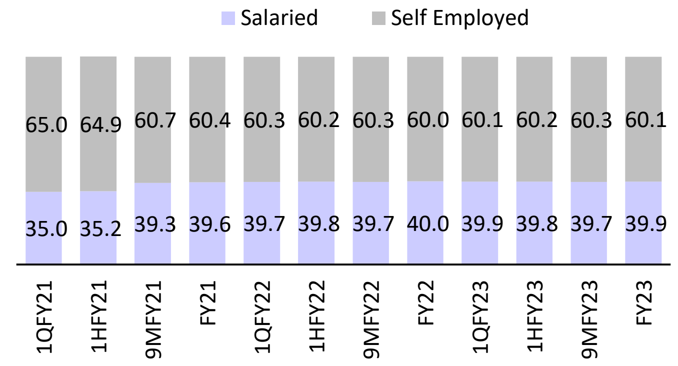
Source: MOFSL, Company

Exhibit 4: Share of Home loans declined 20bp QoQ (%)



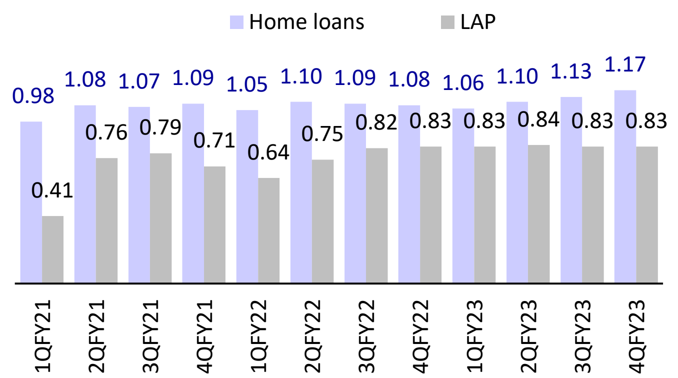
Source: MOFSL, Company

Exhibit 5: Stable customer mix (%)



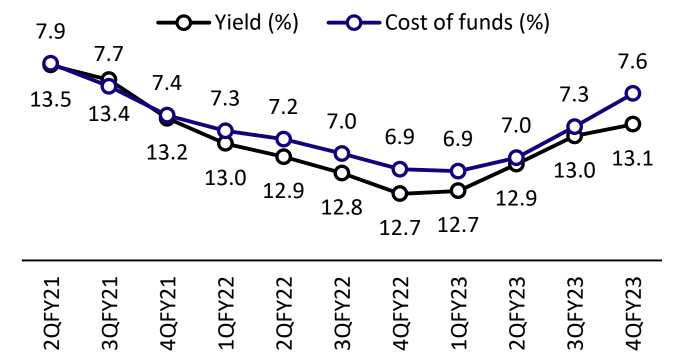
Source: MOFSL, Company

Exhibit 6: ATS in Home Loans increased QoQ (INR m)



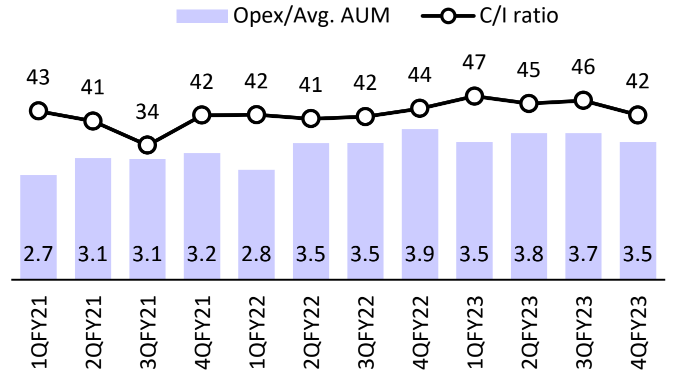
Source: MOFSL, Company

Exhibit 7: Reported spreads declined ~25bp QoQ



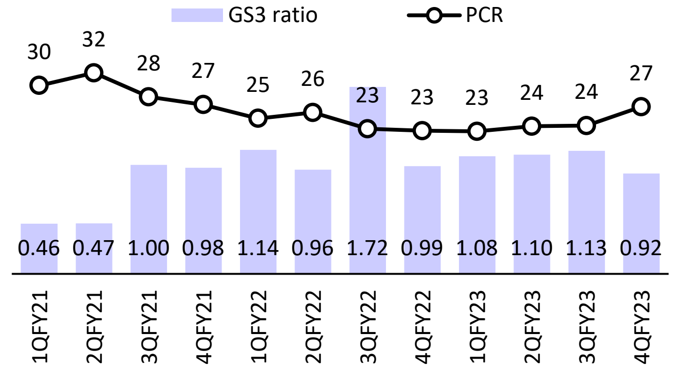
Source: MOFSL, Company

Exhibit 8: Opex/AUM improved to 3.5%



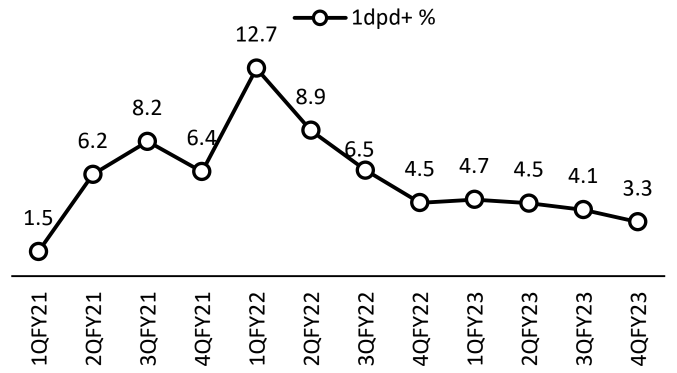
Source: MOFSL, Company

Exhibit 9: PCR improved ~3pp sequentially to 27%



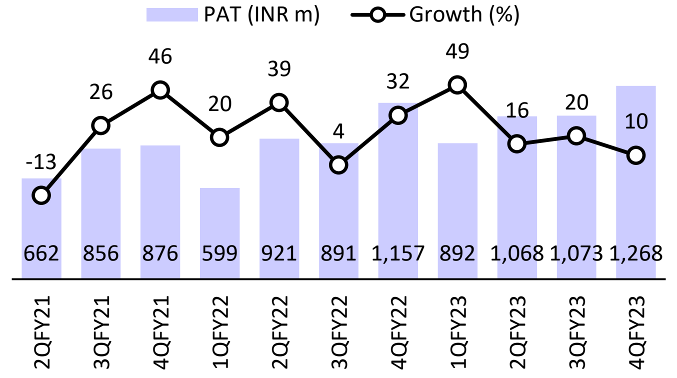
Source: MOFSL, Company, PCR in %

Exhibit 10: 1+dpd improved to 3.3% and remains below 4%



Source: MOFSL, Company

Exhibit 11: PAT grew 10% YoY, aided by lower opex



Source: MOFSL, Company

Valuation and view

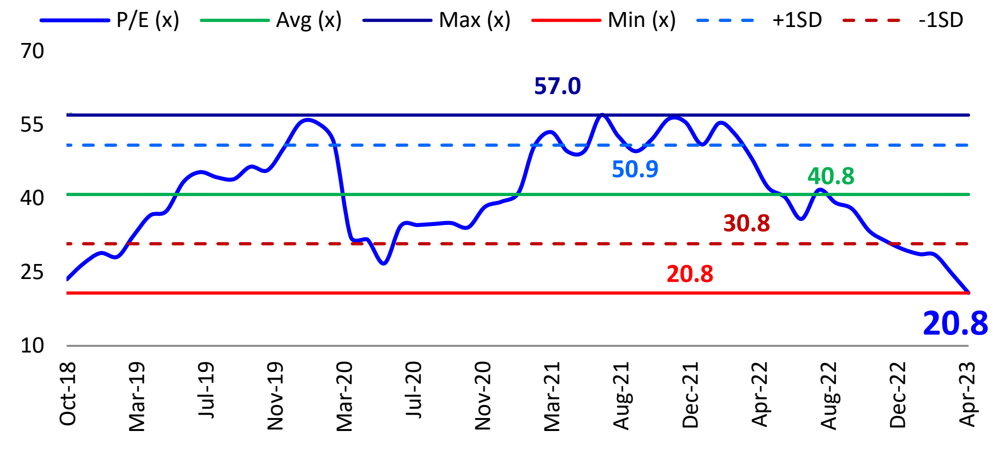
- AAVAS reported healthy RoA/RoE of 3.5%/14.2% in FY23. It has a sustainable business model that it can utilize to scale up profitably across geographies over the long term.
- Its constant endeavor to improve its technological edge and relentless focus on asset quality have made it a standout player among peers. Notably, its 1+DPD remains below the comfortable level of ~4%, driven by its prudent underwriting process and efficient collection efforts.
- The company's focused and customer-centric approach, combined with its penetration in Tier 3 and 4 cities, has enabled it to achieve steady disbursement growth.
- Given the investments being made in sourcing, distribution and technology, AAVAS will embark on a very strong disbursement growth trajectory in FY24. However, it will be vital to closely monitor the execution under the new MD & CEO Mr. Bhinder and how he maintains cohesion in the senior/middle management to achieve the desired outcomes on AUM growth and asset quality.
- The stock trades at 2.9x FY24E P/BV and any rerating in valuation multiples will depend on consistent delivery of strong asset quality and robust AUM growth, which could potentially be pursued by the leadership. Maintain **Neutral** with a TP of INR1,530 (based on 2.7x Mar'25E BVPS).

Exhibit 12: Increase our FY24E EPS by ~3% to factor in higher loan growth offset by higher credit costs

INR b	Old Est.		New Est.		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
NII	9.5	11.9	9.8	12.3	3.4	3.5
Other Income	2.7	3.2	2.7	3.2	-1.1	-0.2
Total Income	**12.2**	**15.1**	**12.5**	**15.5**	**2.4**	**2.7**
Operating Expenses	5.4	6.1	5.4	6.3	0.4	3.9
Operating Profits	**6.8**	**9.0**	**7.1**	**9.1**	**4.0**	**1.9**
Provisions	0.2	0.3	0.3	0.4	18.7	24.4
PBT	**6.6**	**8.7**	**6.8**	**8.8**	**3.4**	**1.1**
Tax	1.4	1.9	1.5	1.9	3.4	1.1
PAT	**5.1**	**6.8**	**5.3**	**6.9**	**3.4**	**1.1**
AUM	173	216	181	231	4.7	6.7
Borrowings	122	152	128	162	4.7	6.7
NIM (%)	6.1	6.1	6.1	6.0		
ROA (%)	3.5	3.8	3.5	3.6		
RoE (%)	14.7	16.6	15.0	16.6		

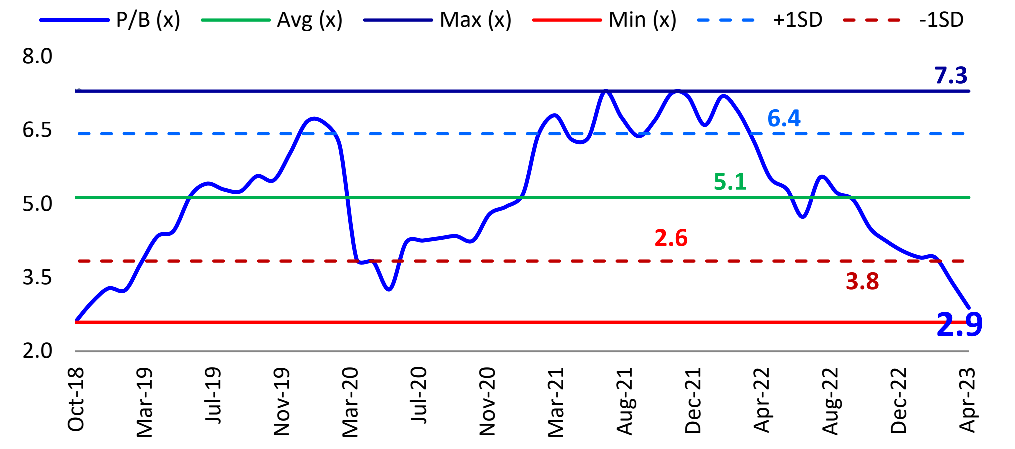
Source: MOFSL, Company

Exhibit 13: One-year forward P/E



Source: MOFSL, Company

Exhibit 14: 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	2,707	3,926	5,935	7,864	9,764	11,288	13,882	17,965	22,925
Interest Expended	1,428	1,931	2,554	3,561	4,582	4,775	5,910	8,190	10,653
Net Interest Income	**1,279**	**1,995**	**3,382**	**4,304**	**5,182**	**6,513**	**7,971**	**9,775**	**12,273**
Change (%)	69.0	56.0	69.5	27.3	20.4	25.7	22.4	22.6	25.6
Gain on Securitisation	5	602	783	766	864	1,240	1,518	1,822	2,095
Other Operating Income	343	417	391	401	426	528	701	893	1,100
Total Income	**1,627**	**3,014**	**4,556**	**5,470**	**6,471**	**8,281**	**10,191**	**12,490**	**15,468**
Change (%)	62.5	85.3	51.2	20.1	18.3	28.0	23.1	22.6	23.8
Operating Expenses	673	1,645	1,890	2,296	2,566	3,506	4,577	5,411	6,345
Operating Income	**953**	**1,369**	**2,666**	**3,174**	**3,905**	**4,775**	**5,614**	**7,079**	**9,123**
Change (%)	78.1	43.6	94.7	19.1	23.0	22.3	17.6	26.1	28.9
Provisions	67	26	89	153	371	226	124	296	362
PBT	**887**	**1,343**	**2,577**	**3,020**	**3,533**	**4,549**	**5,490**	**6,784**	**8,761**
Tax	308	412	818	529	638	981	1,189	1,465	1,892
Tax Rate (%)	34.7	30.7	31.7	17.5	18.1	21.6	21.7	21.6	21.6
PAT	**579**	**931**	**1,759**	**2,491**	**2,895**	**3,568**	**4,301**	**5,318**	**6,869**
Change (%)	80.4	60.9	89.0	41.6	16.2	23.2	20.5	23.7	29.1
Proposed Dividend	0	0	0	0	0	0	0	0	0

Balance sheet

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Capital	582	692	781	783	785	789	791	791	791
Reserves & Surplus	5,082	11,207	17,589	20,196	23,229	27,297	31,906	37,224	44,093
Net Worth	**5,663**	**11,899**	**18,370**	**20,979**	**24,014**	**28,086**	**32,697**	**38,015**	**44,884**
Borrowings	**17,935**	**27,376**	**36,533**	**53,520**	**63,454**	**79,725**	**98,407**	**127,515**	**162,352**
Change (%)	23.1	52.6	33.4	46.5	18.6	25.6	23.4	29.6	27.3
Other liabilities	908	1,126	1,366	2,081	2,132	2,392	3,002	3,302	3,797
Total Liabilities	**24,507**	**40,401**	**56,268**	**76,580**	**89,600**	**110,204**	**134,105**	**168,831**	**211,033**
Loans	**21,638**	**33,334**	**47,245**	**61,808**	**75,233**	**90,534**	**114,763**	**144,903**	**184,491**
Change (%)	47.2	54.1	41.7	30.8	21.7	20.3	26.8	26.3	27.3
Investments	**8**	**45**	**45**	**45**	**45**	**675**	**1,231**	**1,268**	**1,306**
Change (%)	NM	NM	0.0	0.0	0.0	1,400.4	82.3	3.0	3.0
Other assets	2,861	7,022	8,978	14,727	14,323	18,994	18,112	22,661	25,236
Total Assets	**24,507**	**40,401**	**56,268**	**76,580**	**89,600**	**110,204**	**134,105**	**168,831**	**211,033**

E: MOFSL Estimates

Financials and valuations

Ratios									(%)
Y/E March	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Spreads Analysis (%)									
Avg Yield on Loan portfolio	14.8	14.2	13.9	13.5	14.1	13.8	13.7	14.0	14.0
Avg. Cost of borrowings	8.8	8.5	8.0	7.9	7.8	6.7	6.6	7.3	7.4
Interest Spread	6.1	5.7	5.9	5.6	6.3	7.1	7.1	6.8	6.7
Net Interest Margin (AUM)	5.8	5.9	6.8	6.3	6.0	6.3	6.2	6.1	6.0
Profitability Ratios (%)									
RoE	15.0	10.6	11.6	12.7	12.9	13.7	14.2	15.0	16.6
RoA	2.8	2.9	3.6	3.8	3.5	3.6	3.5	3.5	3.6
Loans/Equity (x)	3.8	2.8	2.6	2.9	3.1	3.2	3.5	3.8	4.1
Cost/Income	41.4	54.6	41.5	42.0	39.7	42.3	44.9	43.3	41.0
Asset Quality (%)									
Gross NPAs	169	107	158	210	739	904	1,067	1,466	1,989
Gross NPAs to Adv.	0.8	0.3	0.3	0.3	1.0	1.0	0.9	1.0	1.1
Net NPAs	129	83	112	171	538	695	780	1,070	1,432
Net NPAs to Adv.	0.6	0.2	0.2	0.3	0.7	0.8	0.7	0.7	0.8

VALUATION	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Book Value (INR)	97	172	235	268	306	356	414	481	568
Price-BV (x)					**4.6**	**3.9**	**3.4**	**2.9**	**2.5**
EPS (INR)	9.9	13.5	22.5	31.8	36.9	45.2	54.4	67.3	86.9
EPS Growth YoY	19	35	67	41	16	23	20	24	29.1
Price-Earnings (x)					**38.0**	**31.0**	**25.7**	**20.8**	**16.1**
Dividend per share (INR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)					**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

E: MOFSL Estimates

NOTES

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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