

L&T Fin.Holdings

Estimate changes



TP change



Rating change



Bloomberg	LTFH IN
Equity Shares (m)	2469
M.Cap.(INRb)/(USDb)	400.9 / 4.8
52-Week Range (INR)	175 / 79
1, 6, 12 Rel. Per (%)	5/13/59
12M Avg Val (INR M)	1150

Financials Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
NII	75.7	88.7	110.1
PPOP	52.8	63.2	81.7
NP	24.4	29.2	38.4
EPS (Rs)	9.8	11.8	15.5
EPS Gr. (%)	50.4	19.7	31.7
BV/Share	95	102	111

Ratios

NIM (%)	9.8	10.0	9.9
C/I ratio (%)	39.6	37.9	34.4
RoA (%)	2.3	2.5	2.7
RoE (%)	10.8	12.0	14.6

Valuations

P/E (x)	16.4	13.7	10.4
P/BV (x)	1.7	1.6	1.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	65.9	66.0	66.2
DII	9.1	7.0	6.1
FII	10.7	12.1	11.2
Others	14.4	14.7	16.6

FII Includes depository receipts

CMP: INR161

TP: INR200 (+24%)

Buy

RoA expands further as retail mix improves

Expect retail mix at ~95% by Mar'24; RoA guidance of 2.8-3.0% by FY26

- L&T Finance Holdings (LTFH) reported PAT of INR6.4b (in line) in 3QFY24. PPOP grew ~7% YoY to INR13.4b (in line), while credit costs of ~INR5.1b translated into annualized credit costs of 2.5% (vs. 2.6% in 2QFY24 and 2.7% in 3QFY24). In 9MFY24, PAT grew ~58% YoY to INR17.7b.
- Consolidated RoA/RoE rose 10bp/55bp QoQ to ~2.5%/~11.4% in 3QFY24. Retail RoA also improved ~10bp QoQ to ~3.4%.
- Retail loans grew ~8% QoQ/31% YoY, propelled by healthy growth in MFI, Home Loans and 2W. Personal loans exhibited a temporary blip in growth momentum but should resume the growth trajectory from 4QFY24 onward.
- Mr. Sudipta Roy (ex-ICICI Bank) has succeeded Mr. Dinanath Dubhashi as MD and CEO. Mr. Roy will look to leverage his extensive experience to further strengthen the franchise.
- We expect that the retail mix will improve to ~94-95% by Mar'24 from 91% as of Dec'23. Considering the accelerated rundown in the wholesale book, we model consolidated loan growth of 18% and PAT CAGR of 34% over FY23-FY26E, with consolidated RoA/RoE of 2.7%/~15% in FY26E.
- A strong liability franchise, a well-capitalized balance sheet and a keen intent to further accelerate the sell-down of the wholesale book have helped LTFH achieve its Lakshya 2026 targets much in advance. LTFH has transformed itself into a retail franchise, which would lead to profitability improvement and RoA expansion. **Retain BUY with a TP of INR200 (based on 1.8x FY26E BVPS).**

Minor improvement in asset quality; guidance of 2.5-2.7% credit costs

- Consol. GS3 declined ~5bp QoQ to ~3.2%, while NS3 remained flat at ~0.8%. PCR declined ~40bp QoQ to ~75%. Retail GNPA declined ~10bp QoQ to 2.95% and NS3 stood stable at ~0.65%.
- The management has guided for retail credit costs of 2.5%-2.7%. We model credit costs of 2.6%/2.7%/2.7% in FY24/FY25/FY26.

Key highlights from the management commentary

- Subsidiaries L&T Finance and L&T Infra Credit have been merged into LTFH. The combined entity will be renamed as L&T Finance, which will be the only entity for all the lending businesses of the company.

Valuation and view

- LTFH has invested in process automation, security, and customer journeys through both assisted and direct-to-consumer (D2C) Planet app. This, along with partnerships with e-aggregators, should lead to stronger and sustainable retail loan growth. Over the past few quarters, the company has consistently delivered strong growth in its Retail loan book, even as it has accelerated the sell-down in the wholesale book.
- We estimate a PAT CAGR of 34% over FY23-26, with consolidated RoA/RoE of 2.7%/~15% in FY26. **Maintain BUY with a TP of INR200 (based on 1.8x FY26E BVPS).**

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Quarterly performance

(INR M)

Y/E March	FY23				FY24E				FY23	FY24E	3QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	29,466	30,862	33,216	32,107	31,165	31,685	33,063	34,208	1,25,651	1,30,121	32,478	2
Interest Expenses	14,132	14,385	15,007	14,449	13,638	13,249	13,534	13,950	57,972	54,371	13,567	0
Net Interest Income	15,334	16,477	18,209	17,658	17,527	18,436	19,529	20,257	67,679	75,750	18,910	3
Change YoY (%)	2.3	12.8	24.1	15.7	14.3	11.9	7.2	14.7	13.7	11.9	3.8	
Other Operating Income	1,318	1,090	1,109	53	1,068	453	2,277	2,647	3,569	6,445	450	406
Net Operating Income	16,652	17,567	19,318	17,711	18,596	18,889	21,805	22,905	71,248	82,194	19,360	13
Change YoY (%)	2.1	9.1	16.1	7.0	11.7	7.5	12.9	29.3	8.6	15.4	0.2	
Other income	1,474	1,193	585	2,016	1,535	2,682	473	525	5,268	5,215	2,521	-81
Total Income	18,126	18,760	19,903	19,726	20,130	21,572	22,278	23,430	76,515	87,409	21,882	2
Change YoY (%)	7.1	10.8	11.0	11.1	11.1	15.0	11.9	18.8	10.0	14.2	9.9	
Operating Expenses	6,577	6,868	7,417	7,870	7,782	8,598	8,896	9,363	28,732	34,639	8,901	0
Change YoY (%)	19.9	16.3	20.3	23.2	18.3	25.2	19.9	19.0	20.0	20.6	20.0	
Operating Profits	11,549	11,891	12,486	12,698	12,348	12,974	13,382	14,066	48,624	52,770	12,981	3
Change YoY (%)	0.9	7.9	6.2	11.8	6.9	9.1	7.2	10.8	6.7	8.5	4.0	
Provisions	7,989	5,765	6,417	5,232	5,212	5,000	5,142	4,688	25,404	20,042	4,595	12
Profit before Tax	3,560	6,126	6,069	7,466	7,136	7,974	8,240	9,378	23,220	32,728	8,387	-2
Tax Provisions	948	2,070	990	2,455	1,831	2,032	1,847	2,637	6,464	8,346	2,139	-14
Profit after tax	2,612	4,056	4,538	5,011	5,305	5,942	6,402	6,742	16,216	24,382	6,248	2
Change YoY (%)	46.8	81.0	39.2	46.4	103.1	46.5	41.1	34.5	51.5	50.4	37.7	
Key Operating Parameters (%)												
Rep. Net Income (% of Avg Assets)	8.23	2.54	2.67	9.21	9.64	10.84	10.92					
Rep. Cost of funds (%)	7.27	7.33	7.54	7.71	7.77	7.79	7.81					
Cost to Income Ratio	36.3	36.6	37.3	39.9	38.7	39.9	39.9					
Rep Credit Cost	3.63	2.54	2.67	2.24	2.33	2.58	2.52					
Tax Rate	26.6	33.8	16.3	32.9	25.7	25.5	22.4					
Balance Sheet Parameters												
Gross Customer Assets (INR B)	881	901	884	809	786	787	818					
Change YoY (%)	-0.4	3.6	3.4	-8.4	-10.8	-12.6	-7.5					
Borrowings (INR B)	818	853	862	830	754	766	760					
Change YoY (%)	-3.0	1.0	3.9	-2.5	-7.8	-10.3	-11.9					
Customer Assets /Borrowings (%)	108	106	103	97	104	103	108					
Asset Quality Parameters (%)												
GS 3 (INR B)	35.6	35.9	37.2	38.3	31.7	25.8	26.3					
Gross Stage 3 (%)	4.1	4.0	4.2	4.7	4.0	3.3	3.2					
NS 3 (INR B)	15.9	16.2	14.9	11.8	9.1	6.3	6.5					
Net Stage 3 (%)	1.9	1.9	1.7	1.6	1.6	0.8	0.8					
PCR (%)	55.3	55.0	60.1	69.3	71.4	75.7	75.3					
Return Ratios (%)												
ROAA	1.0	1.6	1.7	1.9	2.1	2.4	2.5					
ROAE	5.2	8.0	8.4	9.4	9.4	10.8	11.4					

E: MOFSL Estimates

Healthy momentum in retail with ~31% YoY loan growth

- Disbursements grew 13% YoY to ~INR149b. Retail disbursements grew ~25% YoY to ~INR145b, led by healthy festive demand and stable consumption in the high income group.
- Total loan book grew 4% QoQ and declined ~8% YoY to INR818b, mainly due to continued run-down in wholesale portfolio, which fell 24% QoQ/ 77% YoY to ~INR70b (vs. ~INR93b in 2Q). Wholesale Real Estate book dipped ~66% YoY to INR25b.
- Retail Loans contributed ~91% to the loan mix (vs. 88% in 2Q). Retail Loans grew ~8% QoQ/31% YoY, propelled by healthy growth in MFI, Home Loans, SME, and 2W.
- LTFH sources home loans through developer tie-ups, DSAs, and digital channels. While its presence in rural two-wheeler financing is limited, the company focuses on the urban and semi-urban segments. It aims to achieve a retail mix of 95%, with unsecured loans accounting 45-50% of the retail mix. We expect a CAGR of 18% in AUM over FY23-26.

Margin expansion driven by improvement in retail mix

- NII grew 7% YoY to INR19.5b. Consolidated NIMs and Fees improved ~10bp QoQ to 10.9% in 3QFY24. Retail NIM + Fees stood at ~12.1%. These improvements were led by changing portfolio mix toward retail.
- Spreads (calculated) expanded 25bp QoQ to ~9.4%, led by a 35bp sequential increase in yields (calculated) to ~16.5%. This was aided by both an improvement in retail mix and rundown in the wholesale book.
- Management expects CoF to increase by ~10bp over next one year, including the impact of the RBI's RWA circular. We model NIMs of ~10%/9.9% in FY25E/FY26E.

Performance against Lakshya 2026 Goals

Vision: To be a top-class digitally enabled retail finance company by moving from a product-focused to a customer-focused approach

Lakshya 2026 Goals: The four-year journey started in Apr'22 and achieved goals two years ahead of time.

- Retailisation Retail mix at 91% vs. Lakshya 2026 target of >80%.
- Retail book growth at 31% YoY vs. targeted growth rate of 25%.
- Retail asset quality: GS3 at 2.95% and NS3 at 0.64% vs. targeted GS3 of <3% and NS3 of <1%.



Highlights from the management commentary

Business Update

- LTFH registered the highest-ever quarterly retail disbursements.
- PAT grew 41% YoY to INR6.4b
- Subsidiaries L&T Finance and L&T Infra Credit have been merged into LTFH. The combined entity will be renamed as L&T Finance, which will be one entity for all the lending businesses of the company.
- LTFH has been working on its key pillars of 1) enhancing customer acquisition, 2) sharpening credit underwriting and continuously reducing credit costs, 3) heightened brand building, and 4) capability building.
- Festive-led demand was healthy in 3QFY24. Consumption remained stable in high income groups. Hopeful of a recovery in FY25 on account of an expected increase in rural outlay of the government.

Status check on Lakshya Goals

- Achieved all its Lakshya 2026 targets in FY24. Retail mix stood at 91% and it expects to maintain this positive momentum going forward.
- Retail asset quality metrics are well within guided levels, with GS3 at 2.95% and NS3 at 0.64%.
- Retail RoA stood at ~3.4% in 3QFY24.

Financial performance

- Retail NIM + Fees remained at ~12.1%.
- Retail disbursements grew 25% YoY to INR145.3b. Retail loan book grew ~31% YoY to ~INR750b.
- Retail GS3/NS3 stood at 2.9%/0.64%.
- Consol. PAT in 3QFY24 stood at INR6.4b, up 41% YoY. CRAR stood at ~24.9%. Consol. NIM +Fees stood at 10.93%.
- 3QFY24 credit costs declined to 2.52% (vs. 2.67% in 3QFY23).
- Guided for a consistent and sustained improvement in the RoA profile. Confident that by FY26 end, it should be able to improve consol. RoA to 2.8%-3.0%.
- Guided for unsecured (MFI, Personal loans and SME) mix of 45-50%.

Retail

- Monthly disbursement run rate maintained at ~INR18b in microfinance.

- Urban Finance - 2W, Personal Loans, Home Loans and LAP - Urban loan book grew 29% YoY. 2W disbursements crossed INR25b (up 20% YoY). Personal Loans disbursements grew 36% YoY to ~INR8.5b. Home Loans grew 33% YoY.
- There was a temporary pause in personal loan disbursements - During the quarter, it sharpened the credit funnel and improved the digital journey of customers. It also improved the regulatory compliance in terms of Video KYC. Will resume its strong growth trajectory in personal loans.
- Launched 56 new locations in SME business and total locations rose to 109.
- Retail credit costs declined to ~2.6% in 3QFY24 (2Q: 2.74%). LTFH is trying to shift the portfolio toward prime customers (Bureau score of 750+ and loans of >INR150k).
- Within Urban businesses, ~94% of the collections are digital and within rural businesses, 19% of the collections are digital.
- Guided for retail credit costs of 2.5%-2.7% and credit costs will continue to trend down secularly. It has ~INR12b of macro-prudential provisions for any localized deterioration in pockets or particular product segments.

Housing

- The average ticket size is INR6.0-6.5m; It focuses on three channels for sourcing home loans: 1) developer tie-ups (APF), 2) DSA, and 3) channels partners/digital. It is present in prime to near-prime customer segment.
- LTFH can compete in the prime space because of its lower cost of funds.
- Healthy end-user demand in some markets; objective is to sharply define its product proposition; focus is to grow this business to a reasonable scale.

Micro Finance and Rural Businesses

- The monthly collection model has worked well for LTFH. Emphasis on collections in the first half of the month gives it ample room to focus on new business in the rest of the month.
- LTFH has a decade-long experience in the rural businesses and its collection discipline is very strong. Because of the experience, its credit engine is designed in such a way that it has ~45% approval rates.
- Rural business loans are given specifically for business purpose; the RBI's RWA circular talks about unsecured personal loans and higher risk weights, which will not apply to rural business loans (MFI) book of LTFH.

Personal Loans

- LTFH is implementing video KYC, which will make consumer loans 100% digital KYC enabled.
- Yields on personal loans have increased by 1% over the last one year. LTFH has not re-priced its personal loans after the RBI RWA circular.
- In personal loans, the asset quality and collections remain good. LTFH never offered BNPL loans. The focus was on building a credit risk engine, and it is extremely conservative in scaling up the loan book.
- Internal discussions: It would look to create macro prudential provisions on the unsecured book (Personal loans and SME) as well.
- Sharpening credit underwriting and credit funnels; Focus on new customer acquisition and cross-selling; Tightened business, credit and regulatory compliances. It will grow the personal loans business in a risk calibrated fashion.

Two wheeler

- LTFH does not have any significant presence in rural two wheeler. It is predominantly present in urban and semi-urban segments.
- Prime customer share (in 2W) has improved from ~41% (vs. 35% in 3QFY23).

Wholesale

- Continued accelerated reductions in the wholesale book, which declined to ~INR70b (~9% of the loan book).
- Overall wholesale book sold to ARCs was INR190b. Out of this, ~INR40b was received in cash. SRs have total provisions of ~INR73b and the net value of SRs (~INR77b) is ~40% of the original value of wholesale assets.
- Recovered ~INR4.2b from SRs in 3QFY24. Net SRs stood at ~INR77b and expects SRs to get resolved within 15-18 months.
- Credit costs from the wholesale book will not exceed INR500m in any quarter, and it guided for ~INR2b annual credit costs from the wholesale book.
- Wholesale book has loans which are standard. The target is to increase the retail mix to 95%. Wholesale should decline to <INR50b by Mar'24.

Liabilities

- CoB is quite stable. LTFH expects CoF to increase by 10-12bp over the next one year because of RBI RWA guidelines.

Customer acquisition

- Horizontal expansion and vertical penetration: The company is expanding to villages where it did not have a presence. LTFH added 693k customers in 3Q (vs. 650K customers added in 2Q).
- Active customer franchise stood at 9.3m. Share of cross-sell in personal loans stood at ~33% in the quarter.
- Planet App: Leveraging it not just for customer acquisition but also for cross-selling and customer servicing.

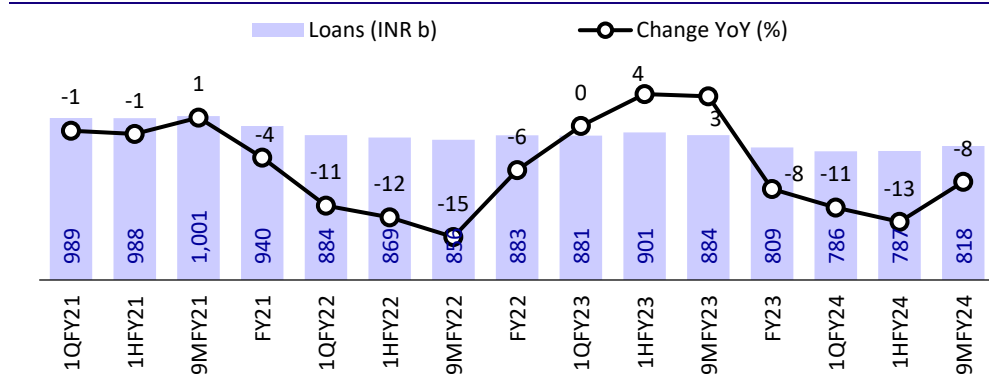
Others

- LTFH added experienced new leaders across business lines and new Chief Digital Officer. It expects to announce key new leadership hires in Technology and Digital teams shortly. The company is working on reimagining and redrawing various customer journeys.

Key exhibits

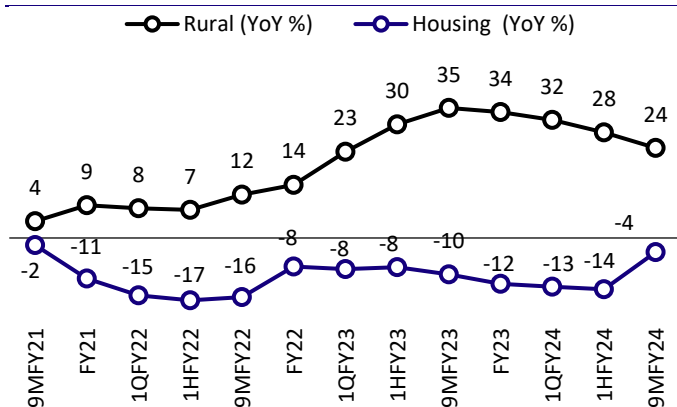
Loan book declined 8% YoY
to ~INR818b

Exhibit 1: Loan book grew 4% QoQ driven by retail book (%)



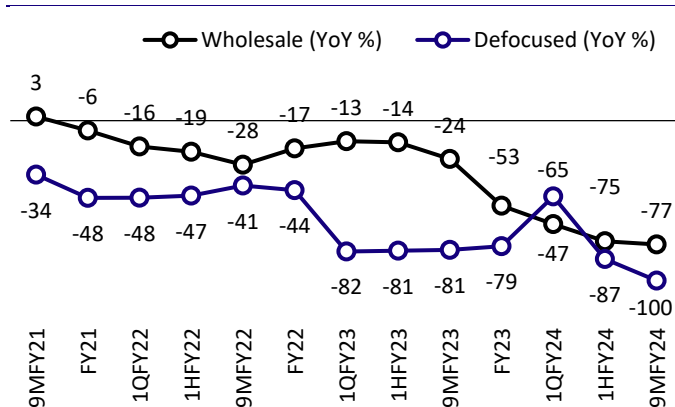
Source: MOFSL, Company

Exhibit 2: Housing Finance book (including wholesale RE) declined 4% YoY



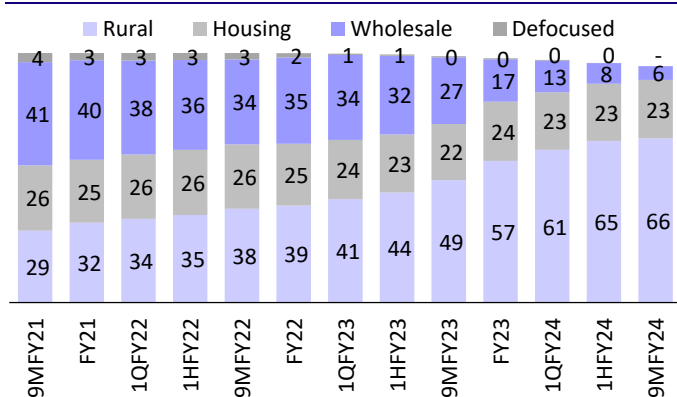
Source: MOFSL, Company

Exhibit 3: Wholesale book declined 77% YoY



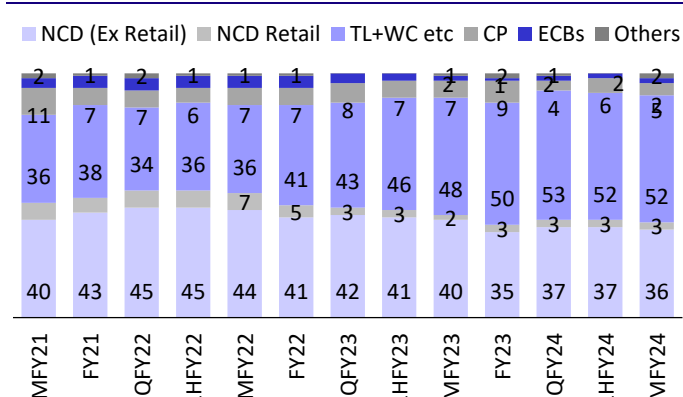
Source: MOFSL, Company

Exhibit 4: Rural Finance in loan mix continued to improve (up ~100bp sequentially)

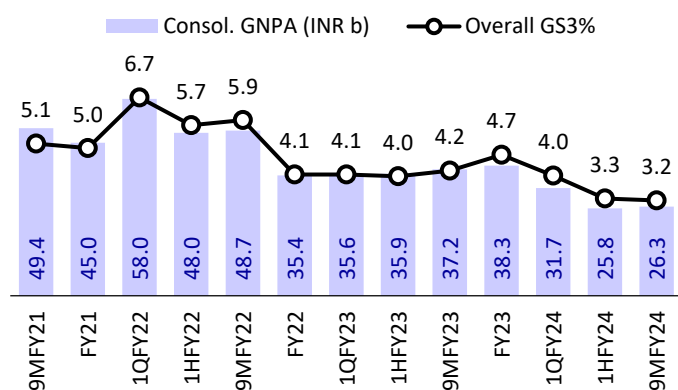


Source: MOFSL, Company

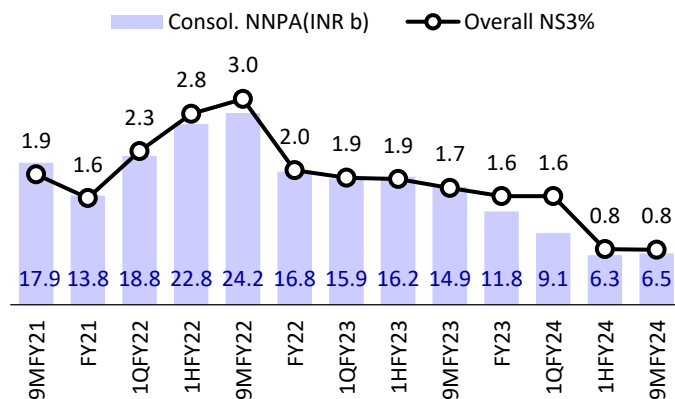
Exhibit 5: Borrowing mix (%)



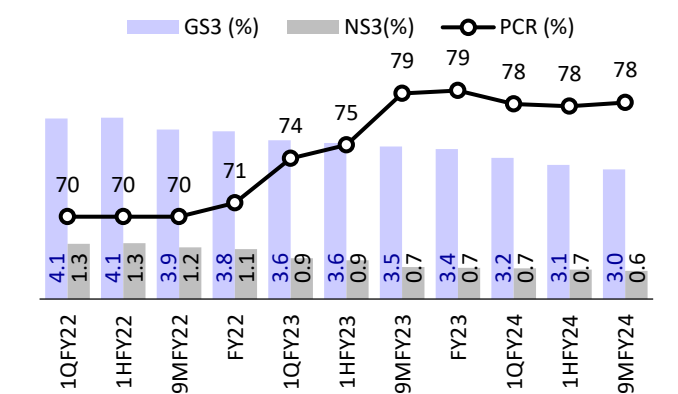
Source: MOFSL, Company

Exhibit 6: GS3 improved ~5bp sequentially (%)

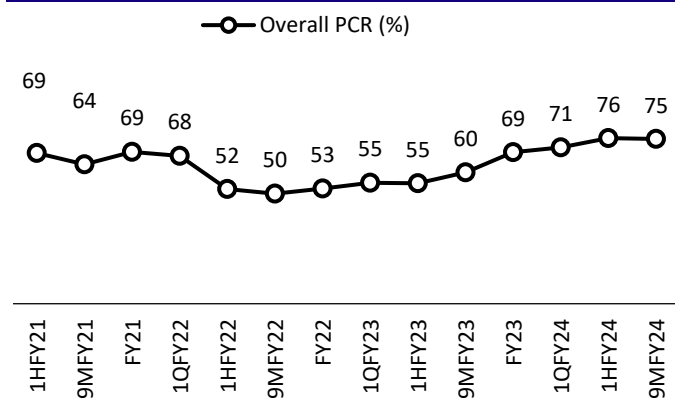
Source: MOFSL, Company

Exhibit 7: NS3 stable QoQ (%)

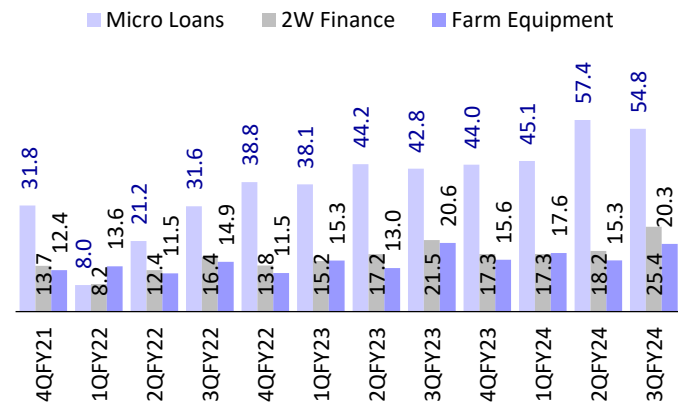
Source: MOFSL, Company

Exhibit 8: Pristine retail loan book asset quality (%)

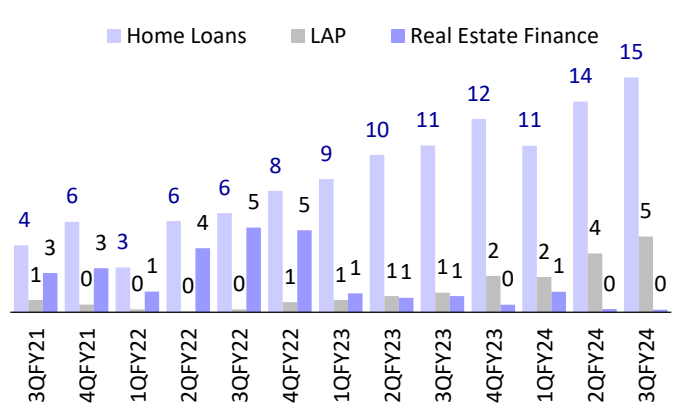
Source: MOFSL, Company

Exhibit 9: Overall PCR declined ~40bp QoQ

Source: MOFSL, Company

Exhibit 10: Micro-loan disbursement picking up pace (INR b)

Source: MOFSL, Company

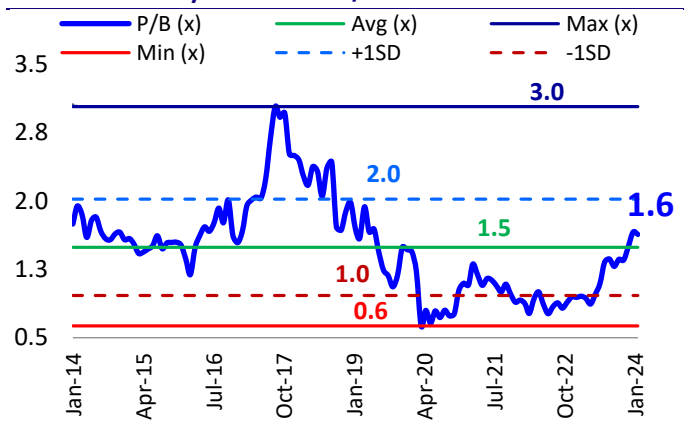
Exhibit 11: LAP disbursements remained healthy (INR b)

Source: MOFSL, Company

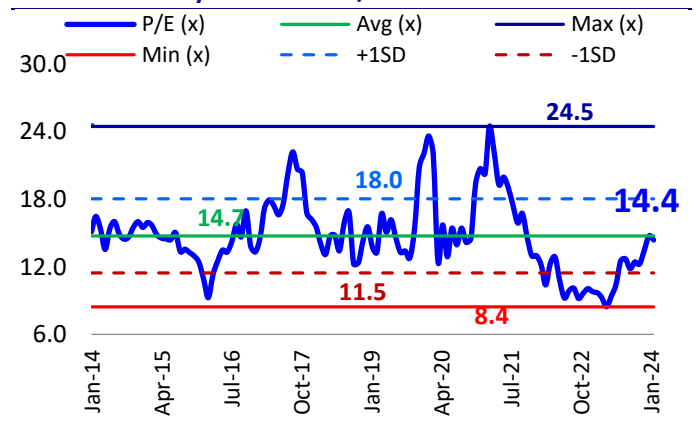
Exhibit 12: Increase our EPS for FY24E by ~1% to factor in the expansion in NIM

INR b	Old estimates			New estimates			% change		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
Total Income	86.3	100.1	124.5	87.4	101.8	124.7	1.3	1.7	0.1
Operating Expenses	34.6	38.1	42.6	34.6	38.6	42.9	0.0	1.2	0.8
Operating Profits	51.6	62.0	81.9	52.8	63.2	81.7	2.2	2.0	-0.2
Provisions	19.3	23.0	30.4	20.0	24.0	30.2	3.8	4.3	-0.9
PBT	32.3	39.0	51.5	32.7	39.2	51.6	1.3	0.6	0.2
Tax	8.2	9.9	13.1	8.3	10.0	13.2	1.3	0.6	0.2
PAT	24.1	29.0	38.4	24.4	29.2	38.4	1.3	0.6	0.2
Loan book	781	991	1,262	790	990	1,244	1.2	-0.1	-1.4
Borrowings	812	1,011	1,287	790	1,000	1,269	-2.7	-1.1	-1.4

Source: MOFSL, Company

Exhibit 13: One-year forward P/B

Source: MOFSL, Company

Exhibit 14: One-year forward P/E

Source: MOFSL, Company

Financials and Valuation

Income statement						(INR M)		
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	1,16,403	1,32,447	1,31,049	1,17,042	1,25,651	1,30,121	1,50,860	1,89,518
Interest Expended	68,600	75,136	71,999	57,494	57,972	54,371	62,201	79,392
Net Interest Income	47,803	57,311	59,049	59,548	67,679	75,750	88,659	1,10,126
Change (%)	39.8	19.89	3.0	0.8	13.7	11.9	17.0	24.2
Other Operating Income	13,494	8,594	5,732	6,053	3,569	6,445	7,374	8,232
Net Operating Income	61,297	65,905	64,782	65,601	71,248	82,194	96,033	1,18,358
Change (%)	28.7	7.5	-1.7	1.3	8.6	15.4	16.8	23.2
Other Income	3,118	3,726	6,276	3,928	5,268	5,215	5,736	6,310
Net Income	64,415	69,632	71,058	69,529	76,515	87,409	1,01,769	1,24,668
Change (%)	33.7	8.1	2.0	-2.2	10.0	14.2	16.4	22.5
Operating Expenses	19,215	19,785	19,749	23,946	28,732	34,639	38,559	42,928
Operating Profits	45,200	49,846	51,309	45,582	47,783	52,770	63,210	81,740
Change (%)	31.8	10.3	2.9	-11.2	4.8	10.4	19.8	29.3
Provisions/write offs	14,681	23,046	36,357	30,833	25,404	20,042	24,031	30,153
PBT	30,520	26,801	14,952	14,750	22,379	32,728	39,179	51,587
Tax	8,200	9,798	5,463	4,256	6,464	8,346	9,991	13,155
Tax Rate (%)	26.9	36.6	36.5	28.9	28.9	25.5	25.5	25.5
PAT before pref dividend	22,320	17,003	9,489	10,494	15,915	24,382	29,188	38,432
Change (%)	74.7	-23.8	-44.2	10.6	51.7	53.2	19.7	31.7
Preference Dividend	0	0	0	0	0	0	0	0
PAT to equity shareholders (incl. extraordinary items)	22,320	17,003	9,489	10,704	16,216	24,382	29,188	38,432
Change (%)	75	-24	-44	13	52	50	20	32
Proposed Dividend	2,319	2,093	0	1,237	4,959	12,191	14,594	11,530

Balance sheet						(INR M)	(INR M)	(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	19,988	20,048	24,695	24,740	24,797	24,797	24,797	24,797
Reserves & Surplus	1,14,498	1,26,876	1,63,038	1,74,737	1,90,487	2,09,910	2,26,907	2,50,745
Borrowings	9,15,070	9,38,945	8,85,558	8,52,012	8,30,435	7,90,172	9,99,787	12,68,555
Change (%)	21.6	2.6	-5.7	-3.8	-2.5	-4.8	26.5	26.9
Other liabilities	10,995	9,577	16,427	17,533	17,903	18,477	19,378	20,325
Total Liabilities	10,60,551	10,95,447	10,89,717	10,69,022	10,63,621	10,43,355	12,70,869	15,64,421
Loans	9,13,246	9,14,625	8,70,303	8,24,694	7,51,546	7,90,172	9,89,889	12,43,681
Change (%)	18.5	0.2	-4.8	-5.2	-8.9	5.1	25.3	25.6
Investments	86,408	59,793	88,721	1,19,169	1,43,662	1,55,155	1,62,913	1,71,058
Change (%)	63.0	-30.8	48.4	34.3	20.6	8.0	5.0	5.0
Net Fixed Assets	11,660	11,621	11,621	5,306	5,573	5,852	6,145	6,452
Other assets	49,237	1,09,408	1,19,071	1,19,852	1,62,841	92,176	1,11,923	1,43,230
Total Assets	10,60,551	10,95,447	10,89,717	10,69,022	10,63,621	10,43,355	12,70,869	15,64,421

E: MOFSL Estimates

Financials and Valuation

Ratios	(%)							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Spreads Analysis (%)								
Avg. Yield on Loans	13.8	14.5	14.7	13.8	15.9	16.9	17.0	17.0
Avg. Cost-Int. Bear. Liab.	8.2	8.1	7.9	6.6	6.9	6.7	7.0	7.0
Loan Spreads	5.6	6.4	6.8	7.2	9.1	10.2	10.0	10.0
NIM on loans	5.7	6.3	6.6	7.0	8.6	9.8	10.0	9.9
Profitability Ratios (%)								
Int. Expended/Int.Earned	58.9	56.7	54.9	49.1	46.1	41.8	41.2	41.9
Other Inc./Net Income	25.8	17.7	16.9	14.4	11.5	13.3	12.9	11.7
Op. Exps./Net Income	29.8	28.4	27.8	34.4	37.6	39.6	37.9	34.4
Empl. Cost/Op. Exps.	42.9	53.7	51.0	47.5	49.1	52.1	52.4	52.7
Provisions/PPoP (%)	32.5	46.2	70.9	67.6	53.2	38.0	38.0	36.9
Asset Quality (%)								
Gross NPAs	55,490	50,370	45,040	35,430	38,320	28,656	33,473	40,390
Gross NPAs to Adv.	5.9	5.3	5.0	4.2	4.9	3.5	3.3	3.2
Net NPAs	21,740	20,780	13,770	16,780	11,780	9,297	10,919	13,261
Net NPAs to Adv.	2.4	2.3	1.6	2.0	1.6	1.2	1.1	1.1
PCR (%)	60.8	58.7	69.4	52.6	69.3	67.6	67.4	67.2
Return ratios and Capitalisation (%)								
RoE	18.0	12.1	5.7	5.5	7.8	10.8	12.0	14.6
RoA	2.3	1.6	0.9	1.0	1.5	2.3	2.5	2.7
CAR								
Tier I								
Debt to Equity (x)	6.8	6.4	4.7	4.3	3.9	3.4	4.0	4.6
Average Assets/Equity (x)	7.8	7.7	6.5	5.6	5.1	4.7	4.8	5.4
VALUATION								
Book Value (INR)	67.3	73.3	76.0	80.6	86.8	94.7	101.5	111.1
Price-BV (x)	2.4	2.2	2.1	2.0	1.9	1.7	1.6	1.4
Adjusted Book Value (INR)	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Price-BV (x)	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1
OPS (INR)	11.2	8.5	3.8	4.2	6.4	9.8	11.8	15.5
EPS Growth YoY	74.4	-24.1	-54.7	10.4	51.3	53.2	19.7	31.7
Price-Earnings (x)	14.4	19.0	41.9	38.0	25.1	16.4	13.7	10.4
EPS (INR)	11.2	8.5	3.8	4.3	6.5	9.8	11.8	15.5
EPS Growth YoY	74.4	-24.1	-54.7	12.6	51.2	50.4	19.7	31.7
Price-Earnings (x)	14.4	19.0	41.9	37.2	24.6	16.4	13.7	10.4
Dividend per share (INR)	1.0	0.9	0.0	0.5	2.0	4.9	5.9	4.6
Dividend yield (%)	0.6	0.6	0.0	0.3	1.2	3.1	3.7	2.9

E: MOFSL Estimates

E: MOFSL estimates

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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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