

Shriram Transport Finance

BSE SENSEX
17,362S&P CNX
5,221

CMP: INR575

TP: INR800

Buy

	Bloomberg	SHTF IN	Year End	Net Inc. (INR M)	PAT (INR M)	EPS (INR)	EPS GR. (%)	P/E (X)	BY (INR)	P/BY (X)	P/ABY (X)	ROA on AUM (%)	ROAE (%)
Equity Shares (m)	226.2		3/10A	22,491	8,731	38.7	28.7	-	170	-	-	2.8	28.6
52-Week Range (INR)	886/533		3/11A	30,551	12,299	54.4	40.5	10.6	217	2.7	2.7	3.3	28.2
1,6,12 Rel.Perf.(%)	-5/-5/-17		3/12E	35,164	13,032	57.6	6.0	10.0	265	2.2	2.2	3.0	23.9
M.Cap. (INR b)	130.1		3/13E	37,935	14,225	62.9	9.2	9.1	317	1.8	1.8	2.9	21.6
M.Cap. (USD b)	2.6												

Shriram Transport Finance (SHTF) posted a PAT of INR2.99b (flat YoY) for 2QFY12. This was 16% lower than our estimate of INR3.6b on account of higher write-offs (~INR600m) on its mining related portfolio in the states of AP, Karnataka and Goa.

- Operating profit grew 20% YoY and 3% QoQ to INR6.8b (in line with our estimate), led by healthy 19% YoY and 7% QoQ increase in net income (including securitization income). NII (ex securitization income) grew 33% QoQ on account of 9% QoQ increase in on-books AUM coupled with ~25bp QoQ increase in yields.
- SHTF securitized loans worth INR4.9b (1.3% of AUM). With this, the share of securitized portfolio is now at ~36% (v/s 40% a quarter ago). AUM grew 20% YoY and 3% QoQ to INR381b, while disbursements remained flat QoQ at INR48b (up 5% YoY). Management has pruned its FY12 AUM growth guidance to 10% from 15% earlier.
- Reported NIM on AUM improved 60bp to 8.19% (on restated NIM for 1QFY12 at 7.59% v/s 7.91% earlier); calculated NIM increased 33bp QoQ.
- Provisioning expenses increased to INR2.3b from INR1.3b in 1QFY12 on account of higher write-offs (~INR600m) towards SHTF's portfolio exposed to the mining sector in the states of AP, Karnataka and Goa. GNPA increased by 9% QoQ. Provision coverage improved to 85% from 82% in 1QFY12.

Valuation and view: We downgrade our earnings estimates by 6%/11% for FY12/13 to factor lower asset growth. Besides slowdown in growth, pending clarity over certain regulatory issues could act as an overhang on the stock in the near term. The stock trades at 2.2x FY12E and 1.8x FY13E BV. Maintain **Buy**.

Shriram Transport Finance: Quarterly Performance

Y/E MARCH	(INR Million)									
	FY11				FY12				FY11	FY12E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	8,739	9,560	9,784	9,034	8,368	9,675	10,739	11,837	36,075	40,620
Interest expenses	5,613	5,874	5,396	5,791	5,714	6,153	6,676	7,135	23,746	25,677
Net Interest Income	3,126	3,686	4,388	3,243	2,654	3,522	4,064	4,703	12,329	14,943
Y-o-Y Growth (%)	-14.5	-12.7	-3.5	0.7	-15.1	-4.4	-7.4	45.0	-21.2	21.2
Securitisation income	3,616	3,311	3,979	4,467	5,167	4,825	4,522	4,262	15,681	18,775
Net Income (Incl. Securitization)	6,742	6,997	8,367	7,710	7,821	8,347	8,586	8,965	28,010	33,718
Y-o-Y Growth (%)	43.7	32.9	45.3	19.3	16.0	19.3	2.6	16.3	26.3	20.4
Fees and Other Income	361	234	184	174	477	258	350	361	2,541	1,446
Net Operating Income	7,102	7,231	8,550	7,883	8,297	8,605	8,936	9,325	30,551	35,164
Y-o-Y Growth (%)	46.2	33.8	44.7	18.5	16.8	19.0	4.5	18.3	33.8	15.1
Operating Expenses	1,506	1,567	2,199	1,549	1,678	1,788	1,936	1,941	6,514	7,342
Operating Profit	5,596	5,665	6,351	6,334	6,620	6,818	7,000	7,384	24,037	27,822
Y-o-Y Growth (%)	64.4	35.5	38.3	23.3	18.3	20.4	10.2	16.6	38.8	15.7
Provisions	1,250	1,203	1,787	1,216	1,420	2,363	2,254	2,261	5,548	8,298
Profit before Tax	4,346	4,461	4,564	5,118	5,200	4,454	4,746	5,123	18,489	19,524
Tax Provisions	1,456	1,472	1,551	1,713	1,727	1,460	1,590	1,715	6,190	6,492
Net Profit	2,890	2,990	3,014	3,405	3,473	2,994	3,156	3,409	12,299	13,032
Y-o-Y Growth (%)	75.7	44.1	27.3	28.8	20.2	0.2	4.7	0.1	40.9	6.0
Int Exp/Int Earned (%)	64.2	61.4	55.2	64.1	68.3	63.6	62.2	60.3	65.8	63.2
Securitization Income/Net Income (%)	50.9	45.8	46.5	56.7	62.3	56.1	50.6	45.7	51.3	53.4
Cost to Income Ratio (%)	21.2	21.7	25.7	19.7	20.2	20.8	21.7	20.8	21.3	20.9
Tax Rate (%)	33.5	33.0	34.0	33.5	33.2	32.8	33.5	33.5	33.5	33.3

E: MOSL Estimates; * Quarterly nos and full year nos will not tally due to different way of reporting financial nos

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Quarterly performance v/s our estimates and reasons for deviation (INR m)

Y/E March	2QFY12A	2QFY12E	Var (%)	Comments
Int Inc (inc securitisation)	14,500	14,642	-1	
Interest Expense	6,153	6,514	-6	Lower cost of funds raised through securitisation positively impacted interest exp
Net Income	8,347	8,128	3	
% Change (Y-o-Y)	19	8		
Other Income	258	520	-50	Fee Inc booked under the separate subsidiary (Shriram AutoMall)
Total Net Income	8,605	8,648	0	
Operating Expenses	1,788	1,766	1	
Operating Profit	6,818	6,881	-1	
Other Provisions	2,363	1,540	53	Higher write-offs towards mining exposure resulted into higher provisions and write-offs
Profit before Tax	4,454	5,341	-17	
Tax Provisions	1,460	1,789	-18	
Net Profit	2,994	3,552	-16	Higher provisions and write-offs resulted into lower than expected PAT
% Change (Y-o-Y)	0	19		

Source: Company/MOSL

AUM up 3% QoQ to INR381b; disbursements stable QoQ at INR48b

AUM grew 20% YoY and 3% QoQ to INR381b on account of higher increase in on balance sheet AUM. On books AUM grew 19% YoY and 9% QoQ to INR243b, while off-books AUM declined 7% QoQ to INR137b despite loans worth INR4.9b securitized during the quarter. Disbursements remained flat QoQ at INR48b (up 5% YoY). Disbursements for old vehicles grew 18% YoY and 3% QoQ, while disbursements for new vehicles grew 27% YoY and 1% QoQ. The management has guided quarterly disbursement run rate of INR45b-50b. For FY12, the management has pruned its AUM growth guidance to 10% from 15% earlier.

Share of off balance sheet AUM continues to fall

During the quarter, SHTF securitized assets worth INR4.9b as against INR1.7b in 1QFY12. However, off balance sheet AUM declined 7% QoQ to INR137b. Consequently, the share of securitized portfolio continued to decline during the quarter and stood at ~36% v/s 40% a quarter ago and 45% as at end-FY11. The management reiterated its stance of maintaining an ideal mix of 70% on the balance sheet and 30% off-books. Unaccounted securitization income stood at ~INR30b. Going forward, a lot will depend on how securitization guidelines shape up, which would decide the quantum of securitization in coming quarters.

Reported NIM (on AUM) up 60bp QoQ to 8.19%

Net income (including securitization of INR4.8b) grew 7% QoQ and 19% YoY to INR8.3b. NIM on AUM improved 60bp to 8.19% v/s 7.59% a quarter ago (restated from 7.91% earlier). SHTF has reclassified the securitization income for 1QFY12 by netting off the provisions pertaining to the securitized assets from the securitization income, thereby lowering NIM for 1QFY12.

Calculated NIM improved 33bp QoQ to 8.9%. Excess liquidity on the balance sheet was utilized, as the proportion of liquid investment (cash and bank balance and investments) on the balance sheet declined to 17% v/s 21% a quarter ago. While cost of funds increased 31bp (calculated) to 11.96%, the yield on loans (including securitization) grew much faster by 64bp QoQ (calculated), which led to improvement in NIM.

Write-offs related to mining portfolio push up provisions and overall write-offs; GNPA up 9% QoQ; PCR improves to 85%

Provisions towards NPA/bad debts written off (excluding standard asset provision) as a percentage of total assets increased sharply to 2.8% from 1.68% in 1QFY12. Provisioning expenses increased to INR2.3b from INR1.3b in 1QFY12 on account of higher write-offs (~INR600m) towards SHTF's portfolio exposed to the mining sector in the states of AP, Karnataka and Goa.

GNPA increased by 9% QoQ due to increase in on-books AUM and normal slippages in the course of business. However, in percentage terms, GNPA remained largely stable QoQ at 2.69% v/s 2.66% in 1QFY12. Notably, the provision cover further improved to 85% from 82% in 1QFY12.

Other highlights

- SHTF's subsidiary, Shriram Equipment Finance Company, reported PAT of INR124m v/s INR74m in 1QFY12. It made total disbursements of INR3.9b during the quarter and has assets under finance amounting to INR12.9b, up 35% QoQ from INR9.6b in 1QFY12.
- Shriram Automall India earned fee income of INR132m v/s INR78m in 1QFY12. The company has four Automalls operational currently and plans to open six more Automalls by March 2012.
- SHTF's capital adequacy was robust at 23.8% as of September 2011, with tier-I ratio of ~17%.

Valuation and view

The management has toned down its AUM growth guidance for FY12 to 10% v/s 15% earlier on account of (1) sharp increase in interest rates and fuel prices, and (2) slowdown in economic growth. We model in AUM growth of ~9% v/s 15% earlier.

Besides slowdown in growth, other overhangs on the stock are: (1) pending clarity over regulatory issues like priority sector lending, asset securitization, asset classification and provisioning norms at par with banks, proposed increase in capital requirement, and (2) fears over deterioration in asset quality due to external issues.

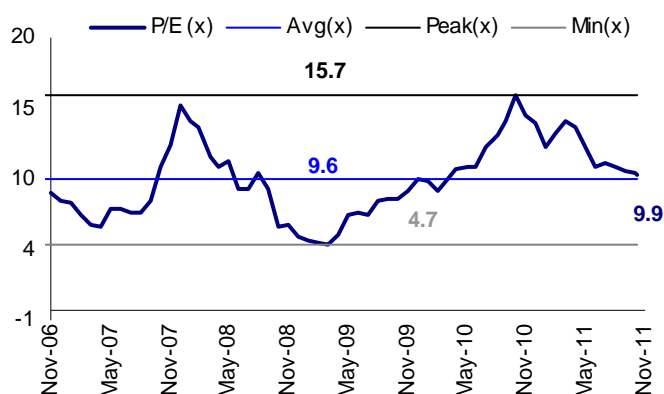
We downgrade our earnings estimates by 6%/11% for FY12/13 to factor lower asset growth. Though SHTF's earnings growth is likely to remain muted during FY11-13, return ratios are likely to remain healthy, with average RoA of ~3% during the same period. Moreover, the stock trades at an attractive 2.2x FY12E and 1.8x FY13E BV. We maintain **Buy**, with a price target of INR800 (2.5x FY13E BV).

We revise our estimates downwards by 6%/11% for FY12/13 (INR b)

	Old Estimates		Rev. Estimates		Change (%)	
	FY12	FY13	FY12	FY13	FY12	FY13
NII (inc securitisation inc)	32.6	36.9	33.7	35.7	3.5	-3.3
Other Income	2.8	3.1	1.4	2.2	-49.2	-27.6
Total Income	35.4	40.0	35.2	37.9	-0.8	-5.1
Operating Expenses	7.1	8.0	7.3	8.1	3.5	0.4
Operating Profits	28.3	31.9	27.8	29.9	-1.8	-6.5
Provisions	7.5	8.0	8.3	8.5	11.3	7.3
PBT	20.9	24.0	19.5	21.3	-6.5	-11.1
Tax	7.0	8.0	6.5	7.1	-7.2	-11.8
PAT	13.9	15.9	13.0	14.2	-6.2	-10.8
AUM	418	481	394	445	-5.6	-7.4
Loans	253	340	261	321	3.0	-5.6
Borrowings	254	354	262	323	3.0	-8.9
RoA on AUM	3.1	3.0	3.0	2.9		
RoE	25.3	23.5	23.9	21.6		

Source: MOSL

Shriram Transport Finance: One year forward P/E

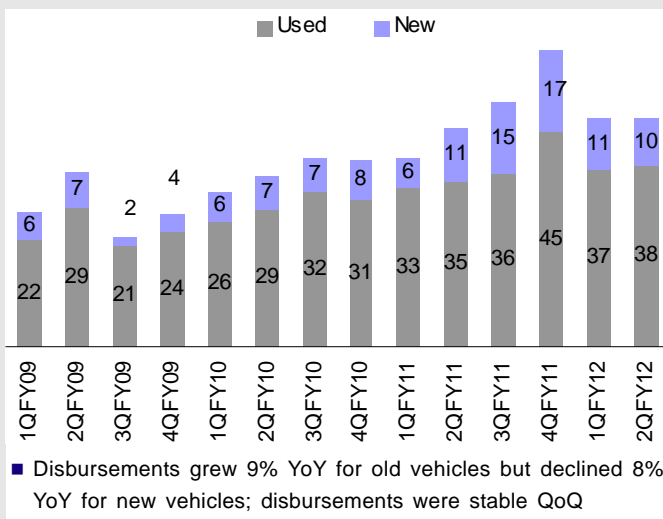


Shriram Transport Finance: One year forward P/BV

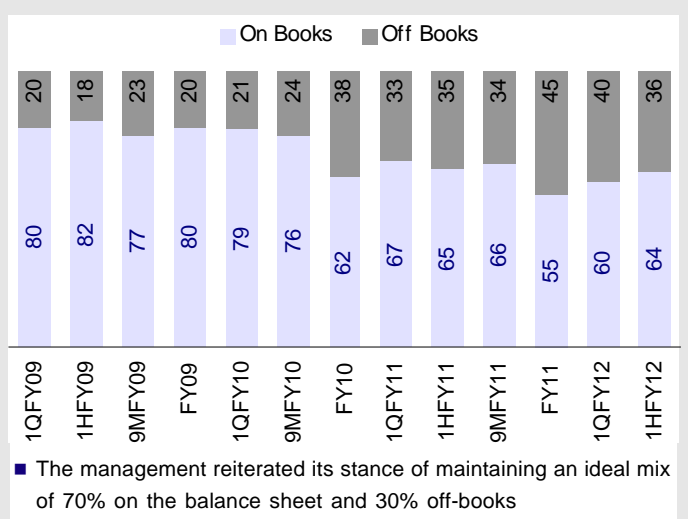


Quarterly trends

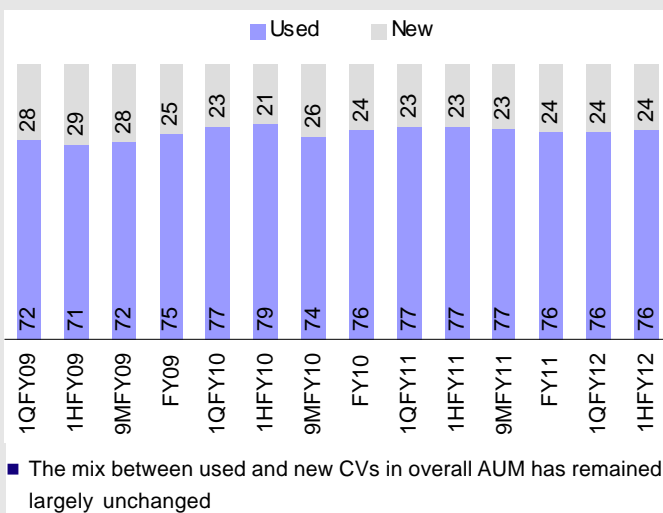
Disbursements remain flat QoQ (INR b)



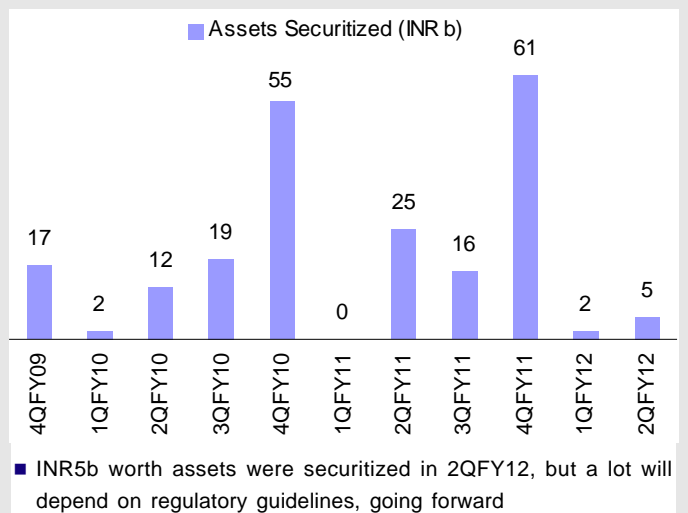
Proportion of on-book and off-book portfolio (%)



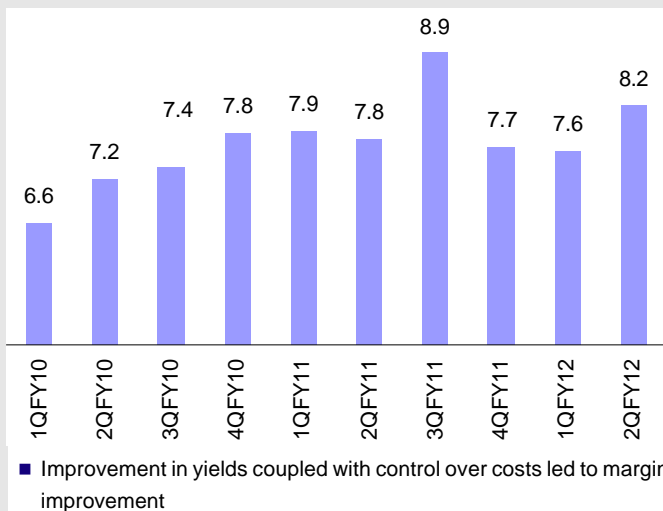
AUM mix between used and new CVs financed (%)



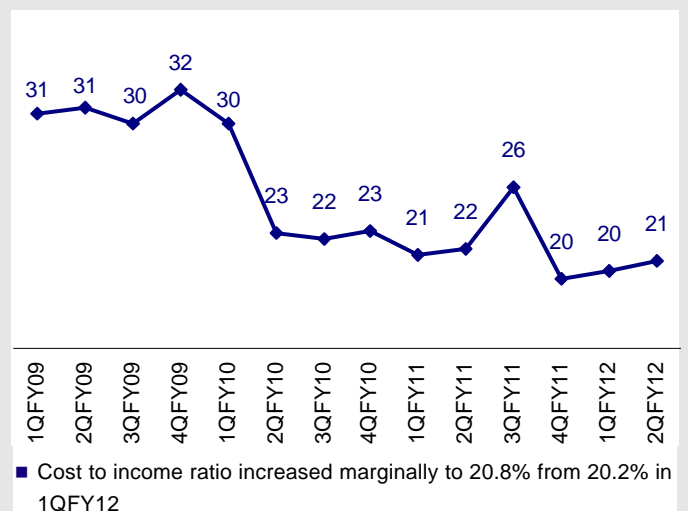
Quarterly trend in asset securitization (INR b)



NIM improves QoQ (%)



Cost to income ratio (%) largely stable QoQ



Quarterly Snapshot

	FY11				FY12		Variation (%)		Cumulative Numbers		
	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY	1H FY11	1H FY12	YoY Gr (%)
Profit and Loss (INR m)											
Interest Income	8,739	9,560	9,784	9,034	8,368	9,675	16	1	18,299	18,043	-1
Interest Expenses	5,613	5,874	5,396	5,791	5,714	6,153	8	5	11,487	11,867	3
Net Income	3,126	3,686	4,388	3,243	2,654	3,522	33	-4	6,812	6,177	-9
Securitisation income	3,616	3,311	3,979	4,467	5,167	4,825	-7	46	6,926	9,991	44
Net Inc. (Incl. Securitization)	6,742	6,997	8,367	7,710	7,821	8,347	7	19	13,738	16,168	18
Fee and miscellaneous inc	361	234	184	174	477	258	-46	10	595	735	24
Net total income	7,102	7,231	8,550	7,883	8,297	8,605	4	19	14,333	16,903	18
Operating Expenses	1,506	1,567	2,199	1,549	1,678	1,788	7	14	3,073	3,465	13
Employee	860	934	940	848	946	935	-1	0	1,794	1,881	5
Others	646	633	1,259	701	732	853	17	35	1,279	1,584	24
Operating Profits	5,596	5,665	6,351	6,334	6,620	6,818	3	20	11,260	13,437	19
Provisions	1,250	1,203	1,787	1,216	1,420	2,363	66	96	2,454	3,783	54
NPAs/ Bad debts	1,250	1,203	1,235	1,281	1,356	2,318	71	93	2,454	3,674	50
Standard assets	0	0	553	-65	64	45	-29	NA	0	109	NA
PBT	4,346	4,461	4,564	5,118	5,200	4,454	-14	0	8,807	9,654	10
Taxes	1,456	1,472	1,551	1,713	1,727	1,460	-15	-1	2,927	3,187	9
PAT	2,890	2,990	3,014	3,405	3,473	2,994	-14	0	5,879	6,467	10
Asset Quality											
GNPA	5,095	5,223	5,428	5,286	6,028	6,596	9	26			
NNPA	881	977	1,050	745	1,090	987	-9	1			
Gross NPAs (%)	2.5	2.5	2.4	2.6	2.7	2.7					
Net NPAs (%)	0.4	0.5	0.5	0.4	0.5	0.4					
PCR (Calculated, %)	82.7	81.3	80.7	85.9	81.9	85.0					
Ratios (%)											
Cost to Income	48.2	42.5	50.1	47.8	63.2	50.7			45.1	56.1	
Provision to operating profit	22.3	21.2	28.1	19.2	21.4	34.7			21.8	28.2	
Tax Rate	33.5	33.0	34.0	33.5	33.2	32.8			33.2	33.0	
Total CAR	23.2	23.7	23.6	24.9	23.4	23.7			23.7	23.7	
Business Details (INR B)											
AUM	302	318	338	361	370	381	3	20			
On book Loans	203	205	224	198	222	243	9	19			
Off book (Securitisation)	99	113	114	163	148	137	-7	22			
Total Borrowings	195	203	211	199	194	218	13	7			
AUM Mix (%)											
New CV Loans	23	23	23	24	24	24					
Used CV loans	77	77	77	76	76	76					
Disbursements Details (INR B)											
Total	39.7	45.6	51.4	62.0	47.8	47.9	0	5	85	96	12
New CV Loans	6.4	11.0	15.0	17.2	10.8	10.1	-6	-8	17	21	20
Used CV loans	33.3	34.6	36.4	44.8	37.1	37.8	2	9	68	75	10
Securitisation Details											
Done during quarter (INR B)	0.0	25.5	15.6	61.0	1.7	4.9			25	7	-74
Securitisation inc as a % to net inc	53.6	47.3	47.6	57.9	66.1	57.8					
Total Borrowing Mix (%)											
Banks / FIs	83.0	80.9	79.9	77.6	76.4	78.6					
Retail	17.0	19.1	20.1	22.4	23.6	21.4					
Other Details											
Branches	484	487	487	488	494	496					
Employees	14,254	14,936	15,947	16,919	16,486	16,404					

Source: Company/MOSL, For %age change QoQ and YoY is bp

Stock Info

EPS: MOSL forecast v/s consensus (Rs)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY12	57.6	62.1	-7.2
FY13	62.9	71.5	-12.1

Shareholding pattern (%)

	Sep-11	Jun-11	Sep-10
Promoter	41.4	41.3	41.4
Domestic Inst	2.0	2.2	3.7
Foreign	43.3	42.6	38.2
Others	13.2	14.0	16.7

1-year Sensex rebased



Financials: Valuation Matrix

	Rating	CMP (IHR)	Mkt. Cap (USDb)	EPS (IHR)		P/E (x)		P/BV (x)		RoA (%)		RoE (%)	
				FY12	FY13	FY12	FY13	FY12	FY13	FY12	FY13	FY12	FY13
ICICI*	Buy	862	20.1	55	65	11.7	9.6	1.6	1.4	1.4	1.5	13.9	14.9
HDFCB	Neutral	477	22.4	22	28	21.5	17.2	3.8	3.2	1.6	1.7	18.9	20.3
Axis	Buy	1,112	9.2	97	114	11.5	9.8	2.1	1.8	1.5	1.5	19.9	19.9
Kotak	Neutral	494	3.7	22	27	21.1	17.4	2.7	2.3	2.1	2.1	15.0	15.7
Yes	Buy	307	2.2	27	33	11.4	9.2	2.3	1.9	1.4	1.4	22.3	22.7
Indusind	Buy	270	2.5	17	21	16.3	13.1	2.8	2.4	1.5	1.5	18.6	19.9
ING Vysya	Buy	323	0.8	29	34	11.2	9.6	1.3	1.1	1.0	1.0	13.5	12.4
Federal	Buy	403	1.4	45	51	9.0	8.0	1.2	1.1	1.3	1.3	14.2	14.5
J&K Bk	Buy	817	0.8	151	168	5.4	4.9	1.0	0.9	1.3	1.2	19.4	18.7
SIB	Buy	23	0.5	3	4	7.2	6.0	1.3	1.1	1.0	0.9	20.0	20.2
Private Aggregate			64			15.1	12.6	2.2	1.9				
SBI (cons)*	Buy	1,863	23.9	213	271	8.3	6.5	1.2	1.0	0.8	0.9	16.0	17.4
PNB	Buy	968	6.2	171	203	5.7	4.8	1.3	1.0	1.3	1.3	24.3	23.7
BOI	Neutral	325	3.6	46	59	7.1	5.5	1.0	0.9	0.7	0.7	14.7	16.9
BoB	Neutral	789	6.3	118	136	6.7	5.8	1.3	1.1	1.2	1.1	21.3	20.7
Canara	Buy	477	4.3	80	96	6.0	5.0	1.0	0.9	1.0	1.0	18.2	18.7
Union	Buy	224	2.4	40	49	5.6	4.6	0.9	0.8	0.8	0.9	17.6	18.7
IOB	UR	101	1.3	22	18	4.7	5.6	0.7	0.6	0.7	0.5	15.6	12.0
OBC	Buy	297	1.8	42	54	7.1	5.5	0.8	0.7	0.7	0.8	11.4	13.4
Indian Bk	Buy	213	1.9	42	48	5.1	4.4	1.0	0.8	1.3	1.3	20.3	20.3
Corporation	Neutral	424	1.3	102	116	4.2	3.6	0.8	0.7	0.9	0.9	19.5	19.3
Andhra Bk	Buy	114	1.3	26	27	4.5	4.2	0.9	0.7	1.2	1.1	20.4	19.1
IDBI *	Neutral	111	2.2	20	21	4.3	4.1	0.6	0.5	0.7	0.7	14.5	14.1
Dena Bank	Buy	77	0.5	21.8	25.5	3.5	3.0	0.6	0.5	0.9	0.9	17.9	18.4
Public Aggregate			57			7.2	6.1	1.1	1.0				
HDFC*	Neutral	680	20.2	28	32	17.4	14.6	4.9	4.5	2.8	2.8	27.1	29.4
LICHF	Buy	232	2.2	23	28	9.9	8.2	2.2	1.8	2.0	1.9	24.2	24.3
DHFL	Buy	212	0.4	30	39	7.1	5.4	1.2	1.0	1.4	1.4	18.7	19.6
IDFC	Neutral	123	3.6	9.7	11.7	12.6	10.5	1.4	1.2	2.8	2.8	12.9	13.7
REC	Buy	203	4.0	29	35	7.0	5.7	1.4	1.2	3.1	3.1	20.9	22.0
PFC	Buy	169	3.9	20	28	8.3	6.0	1.1	1.0	2.4	2.7	15.1	17.1
STF	Buy	575	2.6	58	63	10.0	9.1	2.2	1.8	3.0	2.9	23.9	21.6
MMFSL	Neutral	686	1.4	56	70	12.2	9.8	2.4	2.0	4.1	4.1	21.3	22.4
IBFC Aggregate			38			13.1	10.7	3.1	2.6				

* Multiples adjusted for value of key ventures/investments; For ICICI Bank, HDFC Ltd BV is adjusted for investments in subsidiaries

Financials and Valuations

Income Statement					(INR MILLION)	
Y/E March	2008	2009	2010	2011	2012E	2013E
Financing Income	22,874	33,202	37,190	36,075	40,620	52,270
Financing charges	12,966	19,777	22,468	23,746	25,677	32,878
Net Financing income	9,908	13,426	14,722	12,329	14,943	19,392
Change (%)	50.5	35.5	9.7	-16.2	21.2	29.8
Income from securitisation	1,658	3,390	6,801	15,681	18,775	16,313
Net Income (Incl Secur)	11,567	16,815	21,522	28,010	33,718	35,704
Change (%)	72.0	45.4	28.0	30.1	20.4	5.9
Fee income	0	0	305	270	0	0
Other Income	557	719	663	2,270	1,446	2,231
Net Income	12,124	17,535	22,491	30,551	35,164	37,935
Change (%)	75.3	44.6	28.3	35.8	15.1	7.9
Employee Cost	1,255	2,005	2,251	3,582	3,940	4,334
Brokerage & Commission	653	867	501	794	952	1,047
Other Operating Exp.	1,691	2,399	2,424	2,138	2,450	2,693
Operating Income	8,525	12,264	17,315	24,037	27,822	29,860
Change (%)	87.1	43.9	41.2	38.8	15.7	7.3
Total Provisions	2,467	3,057	4,069	5,548	8,298	8,549
% to operating income	28.9	24.9	23.5	23.1	29.8	28.6
PBT	6,058	9,206	13,246	18,489	19,524	21,311
Tax	2,160	3,082	4,515	6,190	6,492	7,086
Tax Rate (%)	35.7	33.5	34.1	33.5	33.3	33.3
PAT	3,898	6,124	8,731	12,299	13,032	14,225
Change (%)	104.7	57.1	42.6	40.9	6.0	9.2
Proposed Dividend	1,030	1,019	1,360	1,468	1,825	1,992

Balace Sheet					(INR MILLION)	
Y/E March	2008	2009	2010	2011	2012E	2013E
Capital	2,032	2,035	2,255	2,262	2,262	2,262
Reserves & Surplus	15,707	20,676	36,092	46,747	57,644	69,539
Net Worth	17,739	22,711	38,348	49,008	59,906	71,801
Borrowings	147,730	201,213	184,599	198,817	261,759	322,744
Change (%)	69.1	36.2	-8.3	7.7	31.7	23.3
Other Liabilities & Prov.	784	455	76	35	35	35
Total Liabilities	166,253	224,379	223,023	247,861	321,700	394,580
Investments	13,851	6,548	18,560	36,507	21,904	24,095
Change (%)	516.8	-52.7	183.5	96.7	-40.0	10.0
Loans	150,727	179,535	179,792	198,656	260,549	321,251
Change (%)	83.7	19.1	0.1	10.5	31.2	23.3
Net Fixed Assets	1,426	1,343	464	384	419	444
Net Current Assets	249	36,954	24,206	12,314	38,828	48,790
Total Assets	166,253	224,379	223,023	247,861	321,700	394,580
E: MOSL Estimates						
ASSUMPTIONS	(%)					
Borrowings Growth	69.1	36.2	-8.3	7.7	31.7	23.3
Advances Growth	83.7	19.1	0.1	10.5	31.2	23.3
Investments Growth	516.8	-52.7	183.5	96.7	-40.0	10.0
Dividend	5.0	5.0	6.0	6.5	8.1	8.8
E: MOSL Estimates						

Financials and Valuations

Ratios

Y/E March	2008	2009	2010	2011	2012E	2013E
Spreads Analysis (%)						
Avg. Yield - on Financing portfolio	19.3	19.6	20.1	18.5	17.2	17.5
Avg Cost of funds	11.0	11.3	11.6	12.4	11.2	11.3
Int Spread on Financing portfolio	8.3	8.3	8.5	6.1	6.0	6.3
NIM (incl Securitisation)	7.3	7.9	8.2	8.6	8.9	8.5
NIM (Excl Securitisation)	8.5	8.1	8.2	6.5	6.5	6.7
Profitability Ratios (%)						
RoE	27.4	30.3	28.6	28.2	23.9	21.6
RoA on AUM	2.3	2.5	2.8	3.3	3.0	2.9
Int. Expended/Int.Earned	56.7	59.6	60.4	65.8	63.2	62.9
Other Inc./Net Income	18.3	23.4	33.2	58.8	57.5	48.9
Efficiency Ratios (%)						
Op. Exps./Net Income	29.7	30.1	23.0	21.3	20.9	21.3
Empl. Cost/Op. Exps.	34.9	38.0	43.5	55.0	53.7	53.7
Asset-Liability Profile (%)						
Loans/Borrowings Ratio	102.0	89.2	97.4	99.9	99.5	99.5
Net NPAs to Adv.	0.9	0.8	0.7	0.4	0.6	0.6
Leverage	9.4	9.9	5.8	5.1	5.4	5.5
Average leverage	9.3	9.7	7.3	5.4	5.2	5.4
CAR	12.7	16.4	21.4	24.9	15.0	15.0

Valuations

Book Value (INR)	87.3	111.6	170.0	216.7	264.9	317.4
Price-BV (x)	6.6	5.2	3.4	2.7	2.2	1.8
Adjusted BV (INR)	85.0	109.1	168.1	215.5	262.5	314.3
Price-ABV (x)	6.8	5.3	3.4	2.7	2.2	1.8
OPS (INR)	42.0	60.3	76.8	106.3	123.0	132.0
OPS Growth (%)	69.6	43.6	27.4	38.4	15.7	7.3
Price-OP (x)	13.7	9.5	7.5	5.4	4.7	4.4
EPS (INR)	19.2	30.1	38.7	54.4	57.6	62.9
EPS Growth (%)	85.6	56.8	28.7	40.5	6.0	9.2
Price-Earnings (x)	30.0	19.1	14.9	10.6	10.0	9.1
Dividend	5.0	5.0	6.0	6.5	8.1	8.8
Dividend Yield (%)	0.9	0.9	1.0	1.1	1.4	1.5

E: MOSL Estimates

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