



Rural Electrification Corp

BSE SENSEX 18,763	S&P CNX 5,704	CMP: INR220	TP: INR245	Buy							
Bloomberg Equity Shares (m)	RECL IN 987.5	Year	Net Inc.	PAT	EPS	EPS	P/E	BV	P/BV	RoAA	RoAE
52-Week Range (INR)	251/142	End	(INR m)	(INR m)	(INR)	Gr. (%)	(X)	(INR)	(X)	(%)	(%)
1,6,12 Rel.Perf.(%)	-2/5/6	3/11A	36,443	25,664	25.9	28.2	-	129	-	3.4	21.5
M.Cap. (INR b)	217.6	3/12A	40,777	28,170	28.6	10.1	7.7	149	1.5	3.0	20.5
M.Cap. (USD b)	4.0	3/13E	52,107	36,187	36.6	28.3	6.0	175	1.3	3.2	22.6
		3/14E	59,943	41,482	42.0	14.6	5.2	204	1.1	3.1	22.1

Rural Electrification Corp's (RECL) 2QFY13 PAT grew 52.8% YoY and 8.8% QoQ (14% above est), led by strong NII growth (9% above est). This was on the back of 23bp QoQ NIMs improvement, higher-than-expected fee-based income and nil provisions made during the quarter. **Key highlights:**

- Loans grew by 24% YoY and 5% QoQ to INR1.12t, led by both generation and T&D segment which grew by ~6% QoQ each and contributed almost equally to the incremental loans.
- NII grew by 35% YoY and 10% QoQ to INR12.8b led by healthy loan growth coupled with a 23bp QoQ improvement in margins to 4.76% (highest in past 22 quarters) - a positive surprise. Yield on loans improved by ~50bp in 1HFY13 led by higher short term loans disbursed during the period (16% of total disbursements) at an average yield of ~13%, thereby boosting margins.
- Sanctions' growth picked up 147% YoY and 22% QoQ, mainly driven by multi-fold growth (+243% YoY and 105% QoQ) in disbursements in the T&D segment.
- Asset quality was stable QoQ, with GNPA's and NNPA's remaining flat at 0.44% and 0.38% at end-2QFY13. No provisions were made during the quarter.

Valuation and view: We expect return ratios to remain healthy, with RoA's of 3%+ and RoE's at ~22% over FY12-14E. However, asset quality remains a key factor to watch. Stock trades at 1.3x FY13E and 1.1x FY14E BV. Maintain **Buy**.

REC: Quarterly Performance Y/E March	(INR Million)									
	FY12				FY13				FY12	FY13E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	9,097	9,497	10,052	10,207	11,654	12,802	12,697	12,668	38,852	49,821
YoY Gr (%)	17.3	21.7	18.5	19.5	28.1	34.8	26.3	24.1	19.3	28.2
Other Operational Income	393	288	136	595	717	514	200	255	736	1,686
Net Operational Income	9,490	9,784	10,188	10,803	12,372	13,316	12,897	12,923	39,588	51,507
YoY Gr (%)	18.9	19.4	12.6	22.2	30.4	36.1	26.6	19.6	16.2	30.1
Other Income	136	-988	1,221	145	-133	79	300	354	1,189	600
Total Net Income	9,625	8,796	11,408	10,948	12,239	13,394	13,197	13,278	40,777	52,107
YoY Gr (%)	16.3	0.6	21.4	9.2	27.2	52.3	15.7	21.3	11.9	27.8
Operating Expenses	419	436	779	671	456	585	660	806	2,326	2,506
YoY Gr (%)	22.2	13.3	101.6	19.7	8.7	34.2	-15.2	20.2	38.7	7.8
% to Income	4.4	5.0	6.8	6.1	3.7	4.4	5.0	6.1	5.7	4.8
Operating Profit	9,206	8,360	10,629	10,277	11,784	12,809	12,537	12,472	38,451	49,601
YoY Gr %	16.1	0.0	17.9	8.6	28.0	53.2	17.9	21.4	10.6	29.0
Op. Profit adj. forex gain /loss	9,278	9,616	9,763	10,341	11,924	13,009	12,723	13,372	38,999	80,747
YoY Gr (%)	16.9	18.9	8.6	16.2	28.5	35.3	30.3	29.3	15.0	107.1
Provisions	250	0	241	32	0	0	350	350	523	700
PBT	8,956	8,360	10,389	10,245	11,784	12,809	12,187	12,122	37,929	48,901
YoY Gr (%)	12.9	0.0	15.2	8.3	31.6	53.2	17.3	18.3	9.1	28.9
Tax	2,338	2,118	2,693	2,618	3,016	3,270	3,169	3,269	9,758	12,714
Tax Rate (%)	26.1	25.3	25.9	25.6	25.6	25.5	26.0	27.0	25.7	26.0
PAT	6,619	6,243	7,695	7,627	8,767	9,539	9,018	8,852	28,170	36,187
YoY Gr (%)	12.7	1.0	15.9	8.9	32.5	52.8	17.2	16.1	9.6	28.5
Adjusted PAT	6,672	7,180	7,054	7,675	9,046	9,643	9,166	8,988	28,580	36,843
YoY Gr (%)	13.5	20.1	6.5	16.5	35.6	34.3	30.0	17.1	14.0	28.9

E:MOSL Estimates; Quarterly and annual numbers would not match due to differences in classification

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Investors are advised to refer through disclosures made at the end of the Research Report.

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

Y/E March	2QFY13A	2QFY13E	Var (%)	Comments
Net Income	12,802	11,711	9	Higher short term loan disbursals in 1HFY13 resulted into higher than expected margins
Other Operating Inc.	514	250	106	Debt syndication fees of ~INR300m booked
Total Net Income	13,394	12,161	10	
Operating Expenses	585	560	4	
Operating Profit	12,809	11,601	10	
Other Provisions	0	250	-100	Stable asset quality led to NIL provisions
Profit before Tax	12,809	11,351	13	
Tax Provisions	3,270	2,951	11	
Net Profit	9,539	8,400	14	Higher NII, other income and NIL provisions led to higher than expected bottomline

Source: Company/MOSL

Loan growth remains healthy; Loans to private sector increase sharply

Loans during the quarter grew at a healthy pace by 24% YoY and 5% QoQ to INR1.12t. After a sharp increase in the previous quarter, short term loans declined by 12% QoQ. As a result, the share of short term loans declined from 7.4% to 6.2%, while the share of generation and the T&D segment increased marginally QoQ. Loans to both these segments grew by 6% QoQ each.

Based on borrower wise classification, RECL's exposure to private sector increased to 12% from 10.7% in 1QFY13 as it grew sharply by 33% YoY and 17% QoQ. Besides, state entities remained the largest borrowers constituting ~83% of RECL's exposure. Borrowings grew 26% YoY and 6% QoQ. Share of bank borrowings continued to decline as it stood at 5.7% v/s 7% in 1QFY13 and ~9% in FY12, as wholesale rates have declined substantially and remain relatively lower compared to bank lending rates.

Sanctions grow 22% QoQ led by strong growth in the T&D segment

Sanctions grew by 147% YoY and 22% QoQ to INR265b led by a multifold increase in the sanctions to the T&D segment (+243% YoY and 105% QoQ) contributing ~82% of the incremental sanctions during the quarter. Sanctions for short term loans were negligible during the quarter at INR2.5b as against INR20.9b in 1QFY13. Sanctions in the generation segment grew by 58% YoY, but declined 49% QoQ.

Disbursements grew by 25% YoY and 11% QoQ to INR76.3b. Disbursements to both the generation and the T&D segment grew by 40%+ QoQ and contributed largely equally to the incremental disbursements during the quarter. Disbursements in the form of short term loans contracted by 37%YoY and 79% QoQ to INR4b.

Reported margins improve 23bp QoQ to 4.76% - a positive surprise

Reported margins for the quarter improved by 23bp QoQ to 4.76% (highest in past 22 quarters), which surprised us positively. This coupled with healthy loan growth resulted into healthy NII growth (+35% YoY and 10% QoQ). Sequential improvement in margins could be attributed to a 34bp QoQ increase in yield on loans. Higher short term loans disbursed during 1HFY13 (16% of total disbursements) at an average yield of ~13% has resulted into ~50bp improvement in yields in 1HFY13.

The incremental cost of borrowings increased sharply to 8.67% from 7.71% in 1QFY13 due to (1) 17% of incremental borrowings done in the form of CPs at 9.2% and (2) the cost of foreign currency borrowings (11% of incremental borrowings) rose sharply to 7.3% (on a fully hedged basis) v/s 2.5% in previous quarter.

Asset quality remains stable

Asset quality remained stable QoQ with GNPA and NNPA at 0.44% and 0.38% respectively. As a result, provisioning expense was NIL during the quarter, thereby boosting the bottomline. Low provision cover (13% as on 2QFY13) and no standard asset provisioning increases the risk quotient for RECL.

Valuation and view

Loan growth continues to remain strong and with sanctions gaining momentum, we expect RECL to continue deliver healthy loan CAGR over FY12-14. However, in current macroeconomic environment, asset quality is a bigger concern than slowdown in growth.

While the MoP has announced the Financial Restructuring Plan for SEBs, we believe execution will be the key for success of this plan and cash flows of SEBs will depend on its effective implementation. Moreover, RECL's exposure in the private sector generation segment is driving up the risk quotient. However, government's continued thrust on power sector reforms, and recent tariff hikes by various SEBs provide comfort.

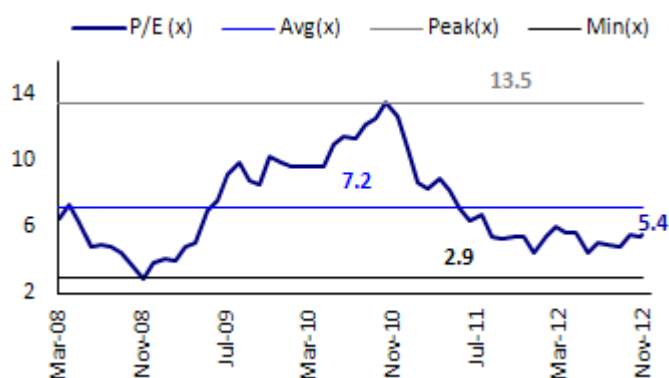
RECL has been able to maintain a tight leash on its cost of funds and which has helped it to maintain its superior margin performance. We expect return ratios to remain healthy with RoA's of 3%+ and RoE's at ~22% over FY12-14. However, asset quality remains a key monitorable. The stock trades at 1.3x FY13E BV of INR175 and 1.1x FY14E BV of INR204. Maintain **Buy** with a target price of INR245 (1.2x FY14E BV).

We upgrade our estimates for FY13 to factor in strong performance (INR b)

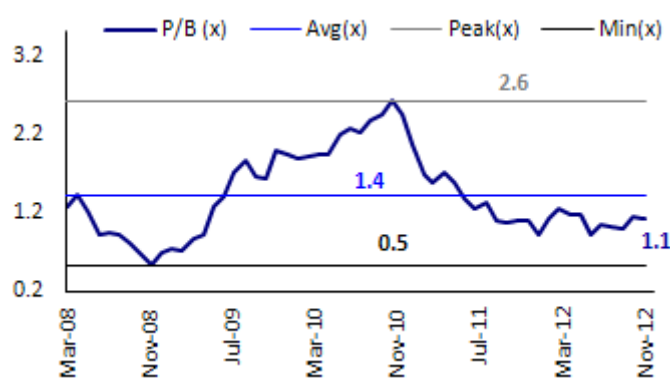
	Old Est.		New Est.		% Change	
	FY13	FY14	FY13	FY14	FY13	FY14
NII	47.6	57.4	49.8	57.8	4.6	0.6
Other Income	2.2	2.1	2.3	2.1	3.7	1.5
Total Income	49.8	59.6	52.1	59.9	4.6	0.6
Operating Expenses	2.5	2.9	2.5	2.9	0.0	0.0
Operating Profits	47.3	56.7	49.6	57.1	4.8	0.7
Provisions	0.8	1.0	0.7	1.0	-6.7	0.0
PBT	46.6	55.7	48.9	56.1	5.0	0.7
Tax	12.1	14.5	12.7	14.6	5.0	0.7
PAT	34.5	41.2	36.2	41.5	5.0	0.7
Margins (%)	4.3	4.3	4.5	4.4		
RoA (%)	3.1	3.1	3.2	3.1		
RoE (%)	21.6	22.2	22.6	22.1		

Source: MOSL

RECL: One year forward P/E (x)

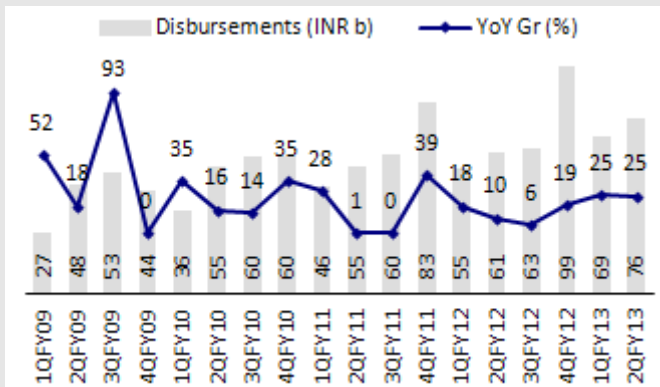


RECL: One year forward P/BV (x)



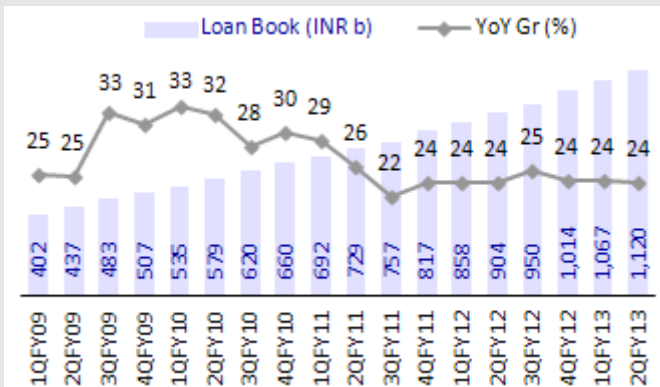
Quarterly trends

Disbursement growth remains strong



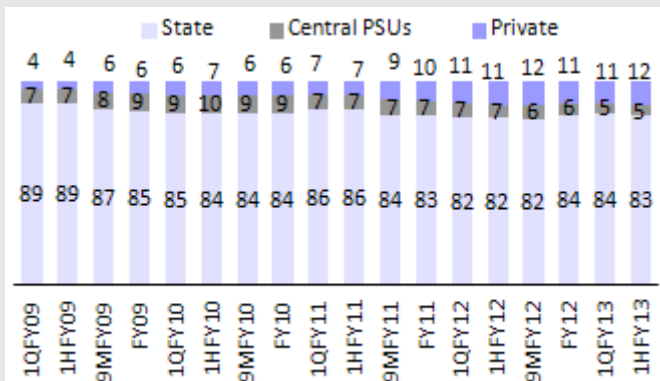
- Disbursement growth was strong led by 40%+ QoQ growth in both generation and the T&D segment

Loan growth remains healthy



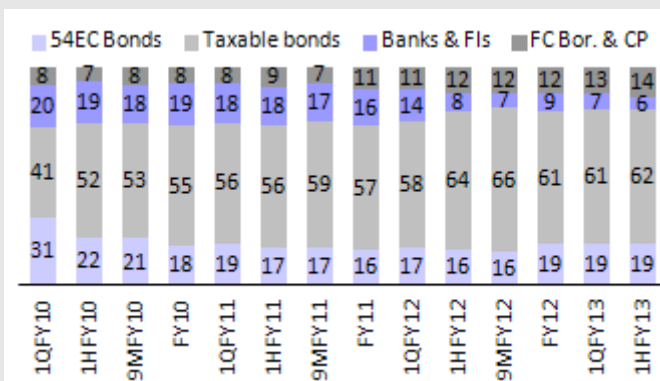
- Strong disbursements growth translated into healthy loan growth (+5% QoQ)

Borrower-wise loan mix remains largely stable (%)



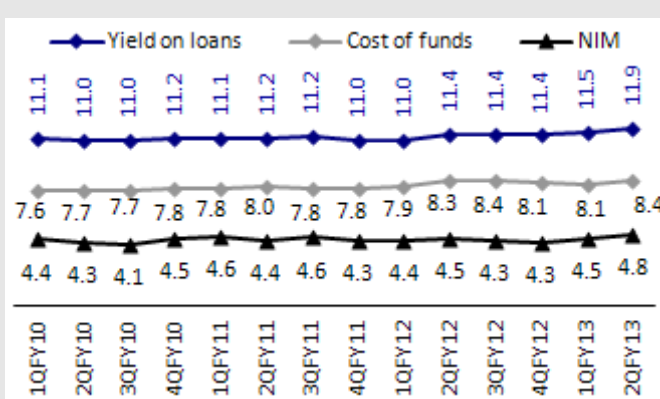
- Loans to private sector grew strongly by 33% YoY and 17% QoQ leading to some increase in its share in overall loan mix

Proportion of FC Borr. & CPs increase QoQ (%)



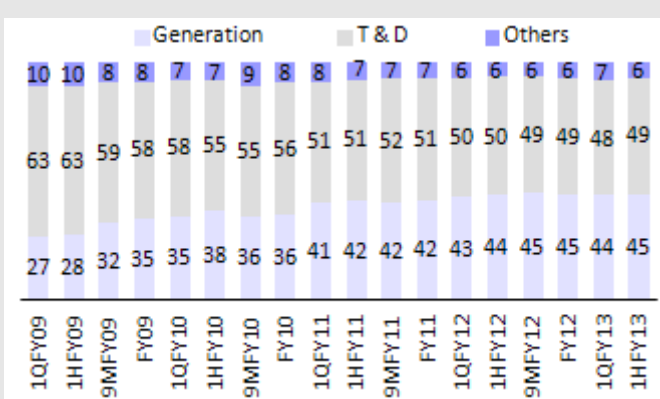
- Share of FC borrowings and CP increased QoQ as RECL made ~17% of incremental borrowings in the form of CPs

Reported margins improve 23bp QoQ (%)



- Healthy improvement in yields (due to higher short term disbursements) led to improvement in margins

Discipline-wise loan mix remains largely stable (%)



- Share of generation and T&D loans increased marginally QoQ on the back of strong disbursement growth in those segments

Quarterly Snapshot

	FY12				FY13		Variation (%)		Cumulative Numbers		
	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY	1HFY12	1HFY13	YoY Gr (%)
Profit and Loss (INR m)											
Net Interest Income	9,497	10,052	10,207	11,654	12,802	10	35	18,594	24,456	32	
Other operating income	288	136	595	717	514	-28	79	680	1,231	81	
Net operating Income	9,784	10,188	10,803	12,372	13,316	8	36	19,274	25,687	33	
Other income	-988	1,221	145	-133	79	-159	-108	-852	-54	N.A.	
Net total income	8,796	11,408	10,948	12,239	13,394	9	52	18,422	25,633	39	
Operating Expenses	436	779	671	456	585	28	34	855	1,040	22	
Employee	281	680	397	354	436	23	55	612	790	29	
Others	155	99	274	101	149	47	-4	243	250	3	
Operating Profits	8,360	10,629	10,277	11,784	12,809	9	53	17,567	24,593	40	
Provisions	0	241	32	0	0	NA	NA	250	0	NA	
PBT	8,360	10,389	10,245	11,784	12,809	9	53	17,317	24,593	42	
Taxes	2,118	2,693	2,618	3,016	3,270	8	54	4,455	6,286	41	
PAT	6,243	7,695	7,627	8,767	9,539	9	53	12,862	18,306	42	
Asset Quality											
GNPA	2,700	4,930	4,900	4,900	4,900	0	81				
NNPA	2,270	4,260	4,260	4,260	4,260	0	88				
Gross NPAs (%)	0.30	0.52	0.48	0.46	0.44						
Net NPAs (%)	0.25	0.45	0.42	0.40	0.38						
PCR (%)	15.9	13.6	13.1	13.1	13.1						
Ratios (%)											
Cost to Income	5.0	6.8	6.1	3.7	4.4						
Provision to operating profit	0.0	2.3	0.3	0.0	0.0						
Tax Rate	25.3	25.9	25.6	25.6	25.5						
Margins Reported (%)											
Yield on earning assets	11.4	11.4	11.4	11.5	11.9	34	44	11.2	11.7	47	
Cost of Funds	8.3	8.4	8.1	8.1	8.4	30	7	8.0	8.1	9	
Spreads	3.1	3.0	3.2	3.4	3.5	4	37	3.2	3.6	38	
NIMs	4.5	4.3	4.3	4.5	4.8	23	29	4.4	4.7	23	
Business Details (INR b)											
Sanctions	108	88	101	218	265	22	147	320	483	51	
Disbursements	61	63	99	69	76	11	25	116	145	25	
Loans	904	950	1,014	1,067	1,120	5	24	904	1,120	24	
Borrowings	757	811	900	896	951	6	26	757	951	26	
Sanctions discipline wise (%)											
Generation	27	46	10	42	17						
Trans & Dist	59	42	81	49	82						
Short term loans	14	12	9	10	1						
Disbursements discipline wise (%)											
Generation	49	43	37	34	44						
Trans & Dist	41	39	49	38	51						
Short term loans & Others	10	18	14	28	5						
Loans discipline wise (%)											
Generation	44	45	45	44	45						
Trans & Dist	50	49	49	48	49						
Short term loans and others	6	6	6	7	6						
Loans discipline wise (%)											
State	82	82	84	84	83						
Central PSUs	7	6	6	5	5						
Private	11	12	11	11	12						
Borrowing mix (%)											
Capital gains bonds	16	16	19	19	19						
Taxable Bonds	64	66	61	61	62						
Banks and Fis	8	7	9	7	6						
Foreign	12	12	12	13	13						

For %age change QoQ and YoY is bp

Source: Company, MOSL

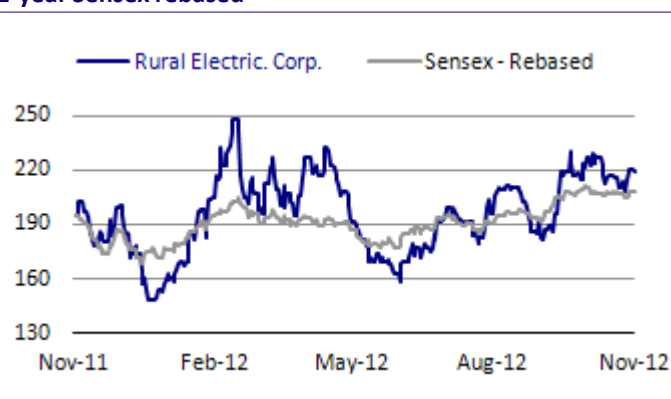
EPS: MOSL forecast v/s consensus (INR)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY13	36.6	33.2	10.4
FY14	42.0	37.9	10.8

Shareholding pattern (%)

	Sep-12	Jun-12	Sep-11
Promoter	66.8	66.8	66.8
Domestic Inst	6.1	6.1	6.6
Foreign	20.7	20.2	18.6
Others	6.3	7.0	8.0

1-year Sensex rebased



Financials: Valuation Matrix

	Rating	CMP (INR)	Mcap (USD\$b)	EPS (INR)		P/E (x)		P/BV (x)		RoA (%)		RoE (%)		Dividend Yield (%) #
				FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	
ICICIB*	Buy	1,077	23.2	70	80	12.6	10.7	1.9	1.7	1.6	1.6	14.4	14.8	1.5
HDFCB	Neutral	635	27.8	29	36	22.3	17.8	4.3	3.6	1.8	1.9	20.7	22.0	0.7
AXSB	Buy	1,215	9.4	114	131	10.7	9.3	1.9	1.6	1.6	1.5	19.5	19.1	1.3
KMB	Neutral	625	8.6	28	33	22.4	18.8	3.1	2.7	1.6	1.6	14.7	15.2	0.1
YES	Buy	418	2.8	36	43	11.7	9.7	2.6	2.1	1.5	1.5	24.3	23.9	1.0
IIB	Buy	364	3.2	22	27	16.5	13.5	3.2	2.6	1.6	1.6	20.8	21.3	0.6
VYSB	Buy	462	1.3	38	43	12.1	10.9	1.6	1.4	1.1	1.0	13.9	13.8	0.9
FB	Buy	480	1.5	47	56	10.3	8.6	1.3	1.2	1.2	1.3	13.3	14.2	1.9
J&KBK	Buy	1,215	1.1	208	230	5.8	5.3	1.2	1.0	1.6	1.5	22.5	21.1	2.8
SIB	Buy	23	0.2	3.4	4.0	6.7	5.7	1.1	0.9	1.0	1.0	18.8	17.6	2.6
Private Aggregate			79.1			16.1	13.6	2.5	2.2					
SBIN (cons)*	Buy	2,143	26.8	285	330	7.2	6.2	1.2	1.0	1.0	1.0	17.4	17.5	1.6
PNB	Buy	755	4.8	145	171	5.2	4.4	0.8	0.7	1.0	1.0	17.3	17.6	2.9
BOI	Neutral	280	3.0	42	53	6.6	5.3	0.8	0.7	0.6	0.6	12.2	13.7	2.5
BOB	Neutral	743	5.7	117	133	6.4	5.6	1.0	0.9	1.0	0.9	17.4	17.1	2.3
CBK	Buy	418	3.5	74	85	5.7	4.9	0.8	0.7	0.8	0.8	14.9	15.2	2.6
UNBK	Buy	222	2.3	40	48	5.6	4.6	0.8	0.7	0.8	0.8	15.9	16.9	3.6
IOB	Neutral	73	1.1	15	17	5.0	4.4	0.5	0.5	0.5	0.5	10.4	10.9	6.2
OBC	Buy	328	1.8	48	57	6.8	5.7	0.8	0.7	0.7	0.7	12.1	13.1	2.4
INBK	Buy	167	1.3	44	47	3.8	3.6	0.7	0.6	1.2	1.1	18.4	17.1	4.5
CRPBK	Neutral	394	1.1	111	119	3.6	3.3	0.6	0.5	0.9	0.9	18.4	17.3	5.2
ANDB	Buy	103	1.1	25	28	4.1	3.7	0.7	0.6	1.0	1.0	17.5	17.2	5.4
IDBI	Neutral	97	2.3	14	17	6.7	5.8	0.7	0.6	0.6	0.7	10.1	10.8	3.6
DBNK	Neutral	109	0.7	27	31	4.0	3.5	0.7	0.6	1.0	1.0	20.2	19.6	2.7
Public Aggregate			55.4			6.9	6.0	1.0	0.9					
HDFC*	Buy	769	21.2	32	38	17.7	14.0	5.3	4.2	2.9	2.9	29.2	30.4	1.4
LICHF	Buy	251	2.4	20	26	12.7	9.5	2.0	1.7	1.4	1.5	16.5	19.0	1.4
DEWH	Buy	201	0.4	38	51	5.3	3.9	1.1	0.9	1.5	1.4	21.8	22.6	1.7
IDFC	Buy	166	4.7	12	14	14.2	12.1	1.8	1.6	2.7	2.7	15.8	16.3	1.4
RECL	Buy	220	4.0	37	42	6.0	5.2	1.3	1.1	3.2	3.1	22.6	22.1	3.4
POWF	Buy	188	4.6	29	33	6.4	5.7	1.1	0.9	2.8	2.7	17.6	17.4	3.2
SHTF	Buy	628	2.7	61	72	10.3	8.8	2.0	1.7	2.7	2.7	21.0	20.6	1.0
MMFS	Buy	892	1.7	80	97	11.1	9.2	2.6	2.1	3.6	3.6	25.4	25.3	1.6
NBFC Aggregate			41.7			12.5	10.7	2.3	2.0					

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

Div Yield based on FY12 declared dividend

Financials and Valuation

Income Statement					(INR Million)	
Y/E March	2009	2010	2011	2012	2013E	2014E
Interest on Loans	46,649	64,309	81,088	102,640	129,880	148,854
Interest Exp and Other Charges	28,873	39,009	48,510	63,788	80,060	91,053
Net Financing Income	17,776	25,299	32,578	38,852	49,821	57,801
Change (%)	37.1	42.3	28.8	19.3	28.2	16.0
Other Operating Income	922	1,189	1,481	736	1,686	1,367
Other Income	1,741	1,578	2,384	1,189	600	775
Net Income	20,439	28,067	36,443	40,777	52,107	59,943
Change (%)	38.7	37.3	29.8	11.9	27.8	15.0
Employee Cost	872	1,171	1,275	1,710	1,795	2,064
Administrative Exp	224	277	340	584	671	772
Other Operating Exp.	112	172	63	33	40	50
Operating Income	19,231	26,446	34,765	38,451	49,601	57,057
Change (%)	42.1	37.5	31.5	10.6	29.0	15.0
Total Provisions	34	2	2	523	700	1,000
% to Operating Income	0.2	0.0	0.0	1.4	1.4	1.8
PBT	19,197	26,444	34,763	37,929	48,901	56,057
Prior Period Adjustments	4	-1	-32	0	0	0
PBT(post prior period adj)	19,201	26,443	34,731	37,929	48,901	56,057
Tax (Incl Deferred tax)	6,480	6,478	9,067	9,758	12,714	14,575
Tax Rate (%)	33.8	24.5	26.1	25.7	26.0	26.0
PAT	12,721	19,965	25,664	28,170	36,187	41,482
Change (%)	47.9	57.0	28.5	9.8	28.5	14.6
PAT (Incl DTL)	14,117	19,971	25,609	28,198	36,187	41,482
Change (%)	50.6	41.5	28.2	10.1	28.3	14.6
Proposed Dividend	3,864	6,032	7,406	7,406	8,887	10,862

Balance Sheet					(INR Million)	
Y/E March	2009	2010	2011	2012	2013E	2014E
Capital	8,587	9,875	9,875	9,875	9,875	9,875
Reserves & Surplus	62,881	100,855	117,884	137,474	163,263	192,036
Net Worth	71,468	110,730	127,758	147,349	173,137	201,911
Borrowings	449,360	559,482	700,038	900,565	1,046,538	1,237,525
Change (%)	31.1	24.5	25.1	28.6	16.2	18.2
Total Liabilities	520,827	670,212	827,797	1,047,913	1,219,676	1,439,436
Investments	10,049	9,099	8,124	7,576	7,955	8,352
Change (%)	-12.4	-9.5	-10.7	-6.7	5.0	5.0
Loans	513,814	664,526	821,321	1,013,620	1,216,905	1,438,983
Change (%)	30.7	29.3	23.6	23.4	20.1	18.2
Net Fixed Assets	809	899	881	785	890	915
Net current assets	-3,845	-4,312	-2,529	20,027	-6,074	-8,814
Total Assets	520,827	670,212	827,797	1,042,008	1,219,676	1,439,436

E: MOSL Estimates

Financials and Valuation

Ratios						
Y/E March	2009	2010	2011	2012	2013E	2014E
Spreads Analysis (%)						
Avg. Yield - on Financing Portfolio	10.3	10.9	10.9	11.2	11.6	11.2
Avg Cost of Funds	7.3	7.7	7.6	7.8	8.1	7.9
Interest Spread	3.0	3.2	3.3	3.4	3.5	3.3
Net Interest Margin	3.9	4.3	4.4	4.2	4.5	4.4
Profitability Ratios (%)						
RoE	21.2	21.9	21.5	20.5	22.6	22.1
RoA	3.1	3.4	3.4	3.0	3.2	3.1
Efficiency Ratios (%)						
Int. Expended/Int.Earned	61.9	60.7	59.8	62.1	61.6	61.2
Op. Exps./Net Income	5.9	5.8	4.6	5.7	4.8	4.8
Empl. Cost/Op. Exps.	72.2	72.3	76.0	73.5	71.6	71.5
Asset-Liability Profile (%)						
Loans/Borrowings Ratio	114.3	118.8	117.3	112.6	116.3	116.3
Debt/Equity Ratio	6.3	5.1	5.5	6.1	6.0	6.1
Valuations						
Book Value (INR)	83.2	112.1	129.4	149.2	175.3	204.5
Price-BV (x)				1.5	1.3	1.1
OPS (INR)	22.4	26.8	35.2	38.9	50.2	42.0
Price-OP (x)				5.7	4.4	5.2
EPS (INR)	16.4	20.2	25.9	28.6	36.6	42.0
EPS Growth (%)	50.6	23.0	28.2	10.1	28.3	14.6
Price-Earnings (x)				7.7	6.0	5.2
Dividend	4.5	6.5	7.5	7.5	9.0	11.0
Dividend Yield (%)				3.4	4.1	5.0

E: MOSL Estimates

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