

# LIC Housing Finance

Refer to important disclosures at the end of this report

## NIM expansion leads to earnings beat

<b>CMP</b>	<b>Target Price</b>
<b>Rs 354</b> as of (May 19, 2022)	<b>Rs 450 (▼)</b> 12 months
<b>Rating</b>	<b>Upside</b>
<b>BUY (■)</b>	<b>27.0 %</b>

- LIC Housing Finance (LICHF) reported Q4 earnings of Rs11.2bn, ~45% above our and consensus estimates. The beat was driven primarily by a 17bps decline in CoF, lower-than-expected taxes and recoveries aiding the interest income. Disbursements grew by 9% qoq, resulting in AUM growth of 3.2% qoq/8.2% yoy. While headline asset quality deteriorated with GS3 at 5.35% (Q3: 5.04%) and NS3 at 3.72% (Q3: 3.11%), core home loan GS3 improved qoq. GS3 for the developer portfolio stood at 31.8% (Q3: 27.0%) on a lower base. The restructured portfolio currently accounts for ~3.1% of loans. The overall ECL provisions were 2.33% of loans (Q3: 2.35%).
- Management commentary indicates that we are at the beginning of a turnaround in the real estate cycle, with sales improving and prices rising in line with input costs. We factor in an FY22-25E AUM CAGR of ~13%, resulting in an operating profit CAGR of 13% and RoE of 13.1%.
- We retain Buy on the stock with a Mar'23 TP of Rs450 (earlier Rs 550), valuing the firm using the excess return on equity (ERE) method. Our TP implies a Mar'24E P/BV of 0.8x. The TP reduction is driven by two factors: 1) unlike our earlier assumption of stable NIMs over the forecast period, we expect NIMs to peak in FY23 and then register a modest decline over FY24-25, resulting in moderation of RoE expectation of 13.1% vs. 14% earlier; 2) Higher cost of equity of 13.25% vs. earlier 13.0%. Key downside risks: asset quality deterioration in the non-core housing and project loans.

- Q4 result highlights:** AUM grew by 8% yoy/3% qoq, driven by 9% qoq growth in disbursements. The share of core housing loans rose 85bps in Q4 on the back of higher repayments and recoveries in the developer book. The developer loan portfolio was 5.2% vs. 5.8% in Q3FY22. The composition of the pure floating-rate loans within the outstanding portfolio has declined from 99% as of Dec'21 to 95% as of Mar'22.
- A lower proportion of higher-yielding non-core loans resulted in a 13bps qoq contraction in asset yields. However, NIMs improved to 2.7% (Q3: 2.4%) on a relatively larger 17bps qoq decline in CoF and a customer loan rate hike at the start of Jan'22. Other income saw strong growth, driven by gains in non-core income (ex-fee income) with recoveries of Rs1.7bn in written-off accounts. Operating expenses were seasonally strong in Q4, up 21% qoq, with the cost-to-income ratio up 65bps qoq, leading to PPOP of Rs15bn (+14% qoq/13% yoy).
- Collection efficiency for Mar'22 was similar to Dec'21 at 99%. Covid-related provisions declined from Rs3.3bn in Q3 to Rs3bn in Q4. While headline asset quality deteriorated with GS3 at 5.35% (Q3: 5.04%) and NS3 at 3.72% (Q3: 3.11%), core home loan GS3 improved qoq. GS3 for the individual and core loan books declined by 53bps and 36bps qoq to 3.2% and 1.7%, respectively. GS3 for the developer portfolio stood at 31.8% (Q3: 27.0%) on a lower base.

Please see our sector model portfolio (Emkay Alpha Portfolio): [BFSI-NBFCs \(Page 10\)](#)

### Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Net income	53,951	57,994	65,497	72,349	80,249
Net profit	27,343	22,873	34,341	38,220	41,788
EPS (Rs)	54.2	43.4	62.4	69.4	75.9
BV (Rs)	406.6	448.3	499.9	557.4	620.3
RoA (%)	1.2	0.9	1.3	1.3	1.2
RoE (%)	14.1	10.1	13.2	13.1	12.9
PE (x)	6.5	8.2	5.7	5.1	4.7
P/BV	0.9	0.8	0.7	0.6	0.6

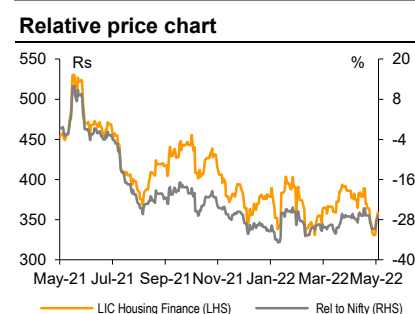
Change in Estimates	
EPS Chg FY23E/FY24E (%)	-/
Target Price change (%)	(18.2)
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus		
EPS Estimates		
	FY23E	FY24E
Emkay	62.4	69.4
Consensus	59.3	68.7
Mean Consensus TP (12M)	Rs 464	

Stock Details	
Bloomberg Code	LICHF IN
Face Value (Rs)	2
Shares outstanding (mn)	550
52 Week H/L	542 / 321
M Cap (Rs bn/USD bn)	195 / 2.51
Daily Avg Volume (nos.)	3,512,081
Daily Avg Turnover (US\$ mn)	16.4

Shareholding Pattern Mar '22	
Promoters	45.2%
FIIIs	23.0%
DIIIs	16.2%
Public and Others	15.5%

Price Performance				
(%)	1M	3M	6M	12M
<b>Absolute</b>	(6)	(5)	(13)	(21)
<b>Rel. to Nifty</b>	1	3	(2)	(25)



Source: Bloomberg

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- The overall restructured book stood at Rs78bn (3.1% of loans), split evenly between project loans and retail loans. Total ECL provisions were 2.33% of loans (Q3: 2.35%). Management has guided that the incremental share in disbursements for project loans will be ~10% in FY23. As a result, AUM is expected to grow by double digits. Margin guidance for FY23 is 2.4-2.5% vs. 2.3% in FY22 due to – 1) ~50% of liabilities being of fixed nature and ~95% of assets being floating; and 2) Re-pricing of ~Rs250bn of liabilities expected to be redeemed at current rates in FY23.
- **Forecasts:** We forecast a disbursement CAGR of ~19% over FY22-25E, resulting in an AUM CAGR of 13%. We assume ~8% of the incremental disbursements to be for the developer portfolio, resulting in an increase in its composition to 5.9% of the portfolio by FY25E. Management expects NIMs to improve to 2.4-2.5% (vs. 2.3% in FY22), while we forecast NIMs of ~2.37% in FY23. Thereafter, we build in moderation in NIMs in FY24-25E. Considering the prevalent proportion of restructured loans within the portfolio, we factor in PCR of 43% in FY25 from 37.4% in FY22. As a result, credit costs are expected to be ~ 36bps by FY25E. We expect RoA to average ~1.2% over FY22-25E, resulting in average RoE of 13.1% over the period. Our assumptions are detailed in Exhibit 3.
- **Valuations:** We retain Buy on the stock with a Mar'23 TP of Rs450 (earlier Rs 550), valuing the firm using the excess return on equity (ERE) method. Our TP implies a Mar'24E P/BV of 0.8x. The TP reduction is driven by two factors: 1) unlike our earlier assumption of stable NIMs over the forecast period, we expect the NIMs to peak in FY23 and then register a modest decline over FY24-25, resulting in moderation of RoE expectation of 13.1% vs. 14% earlier; and 2) higher cost of equity of 13.25% vs. earlier 13.0%. Key downside risks: asset quality deterioration in the non-core housing and project loans.

**Exhibit 1: Quarterly Financials**

Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ (%)	FY21	FY22	YoY (%)
Net Interest Income	15,092	12,769	11,701	14,604	16,468	9.1%	12.8%	52,540	55,542	5.7%
Other Income	623	322	389	640	1,101	76.6%	72.0%	1,411	2,452	73.7%
<b>Total Income</b>	<b>15,715</b>	<b>13,091</b>	<b>12,090</b>	<b>15,244</b>	<b>17,568</b>	<b>11.8%</b>	<b>15.2%</b>	<b>53,951</b>	<b>57,994</b>	<b>7.5%</b>
Operating Expenses	2,347	2,815	2,609	2,070	2,500	6.5%	20.7%	7,015	9,994	42.5%
<b>Operating Profit</b>	<b>13,368</b>	<b>10,276</b>	<b>9,481</b>	<b>13,174</b>	<b>15,069</b>	<b>12.7%</b>	<b>14.4%</b>	<b>46,936</b>	<b>48,000</b>	<b>2.3%</b>
Provisions	9,848	8,346	6,392	3,556	1,925	-80.5%	-45.9%	13,450	20,218	50.3%
CoR (%)	1.7%	1.4%	1.1%	0.6%	0.3%			0.6%	0.8%	
<b>PBT</b>	<b>3,520</b>	<b>1,929</b>	<b>3,090</b>	<b>9,618</b>	<b>13,144</b>	<b>273.4%</b>	<b>36.7%</b>	<b>33,486</b>	<b>27,782</b>	<b>-17.0%</b>
Tax	-469	395	611	1,945	1,958	-517.2%	0.6%	6,142	4,909	-20.1%
Tax rate (%)	-13.3%	20.5%	19.8%	20.2%	14.9%			18.3%	17.7%	
<b>PAT</b>	<b>3,989</b>	<b>1,534</b>	<b>2,479</b>	<b>7,673</b>	<b>11,186</b>	<b>180.4%</b>	<b>45.8%</b>	<b>27,343</b>	<b>22,873</b>	<b>-16.3%</b>
Disbursements	2,23,620	86,520	1,61,100	1,77,700	1,93,150	-13.6%	8.7%	5,52,230	6,18,480	12.0%
Loans	23,20,030	23,25,480	23,76,600	24,34,120	25,11,200	8.2%	3.2%	23,20,138	25,11,200	8.2%

Source: Company, Emkay Research

**Exhibit 2: Actual vs. Estimates (Q4FY22)**

Rs mn	Actuals	Estimate (Emkay)	% variation Emkay	Comments
Disbursement	1,93,150	2,05,000	-5.8%	Business disruptions from COVID resulted in below-estimate disbursements
AUM	25,11,200	25,28,224	-0.7%	
NII	16,468	14,870	10.7%	Lower than expected CoFs, interest rate hikes on customer loans and higher recoveries
PPOP	15,069	13,393	12.5%	
PAT	11,186	7,692	45.4%	Lower than estimated tax rate aided in higher earnings beat

Source: Company, Emkay Research

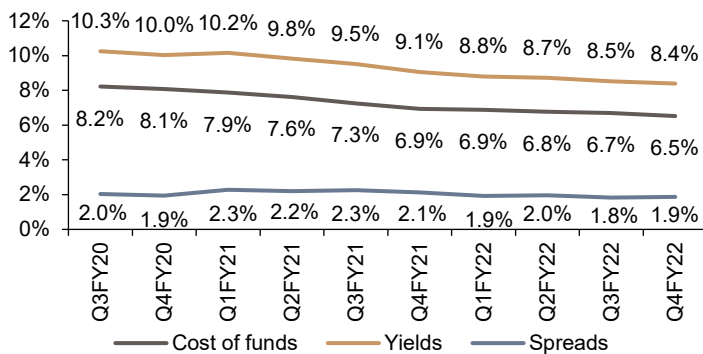
## Exhibit 3: Revision in earnings estimates

Y/e Mar (Rs mn)	FY22			FY23E			FY24E			FY25E
	Earlier	Revised	% change	Earlier	Revised	% change	Earlier	Revised	% change	
Loans	25,28,332	25,11,200	-0.7%	28,49,494	28,25,586	-0.8%	32,43,775	32,02,104	-1.3%	36,47,166
Disbursement	6,30,320	6,18,480	-1.9%	7,56,384	7,73,100	2.2%	8,84,969	8,92,931	0.9%	10,31,335
Net interest income	54,795	55,542	1.4%	63,449	63,176	-0.4%	72,932	69,788	-4.3%	77,408
PPOP	47,174	48,000	1.8%	56,953	55,883	-1.9%	65,504	61,988	-5.4%	68,663
PAT	20,010	22,873	14.3%	33,708	34,341	1.9%	41,095	38,220	-7.0%	41,788
EPS (Rs)	38	43	14.3%	61	62	1.8%	75	69	-7.1%	76
BV (Rs)	445	448	0.8%	494	500	1.1%	555	557	0.5%	620
NIM	2.26%	2.30%	1.7%	2.36%	2.37%	0.3%	2.39%	2.32%	-3.3%	2.26%

Source: Company, Emkay Research

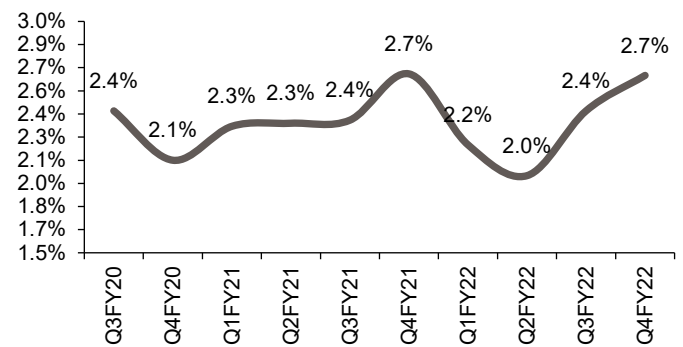
## Story in Charts

## Exhibit 4: Decline in CoF, coupled with customer rate hikes, mitigated spread pressure from decline in non-core portfolio



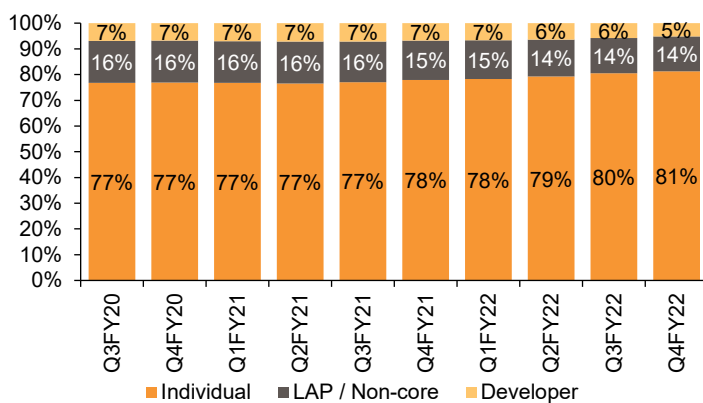
Source: Company, Emkay Research

## Exhibit 5: A greater decline in CoF than yield compression led to NIM improvement of 23bps qoq



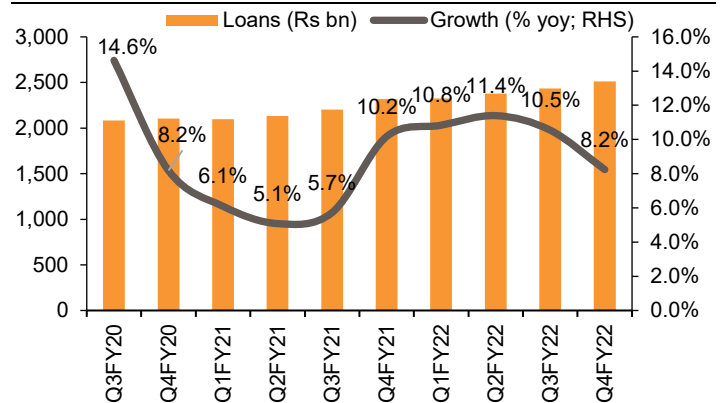
Source: Company, Emkay Research

## Exhibit 6: Developer book share declined due to higher repayments and recoveries, while the LAP/Non-core book share fell 23bps

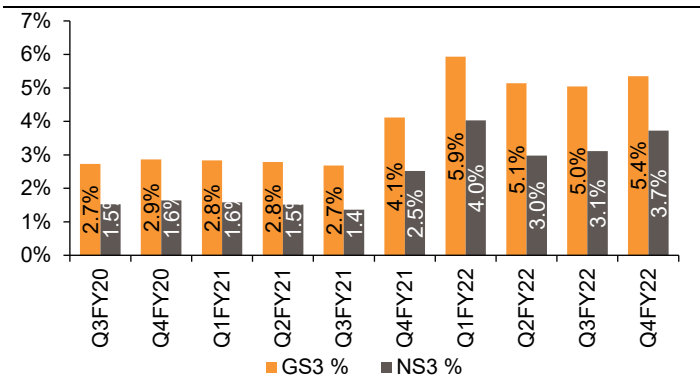


Source: Company, Emkay Research

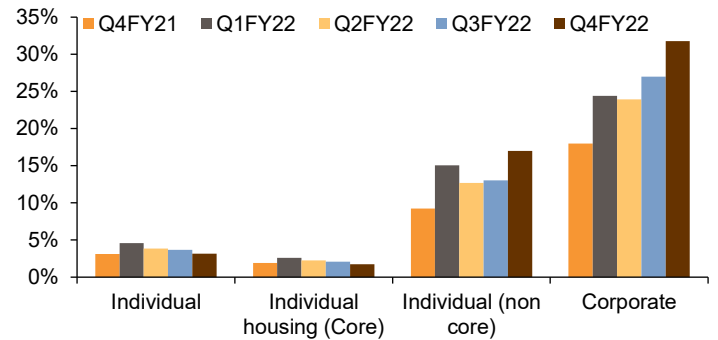
## Exhibit 7: The overall loan book grew by 8% yoy/ 3.2% qoq led by individual loans



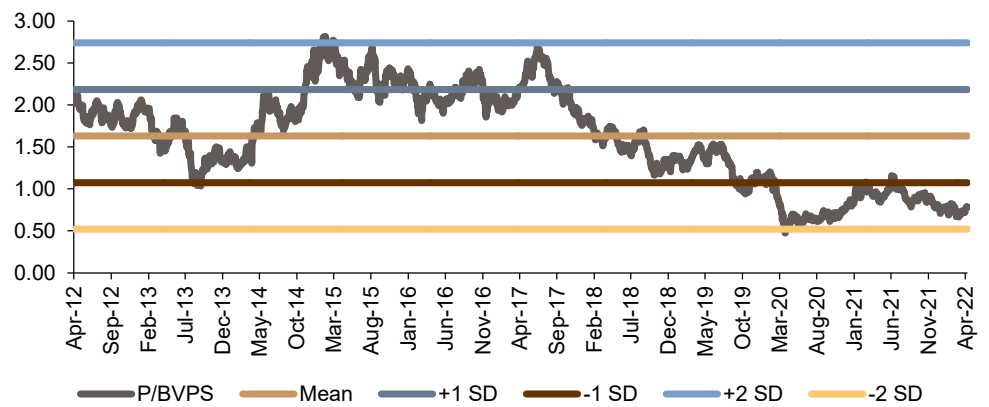
Source: Company, Emkay Research

**Exhibit 8: Headline asset quality deteriorated as GS3 and NS3 rose by 31bps and 61bps qoq respectively**

Source: Company, Company, Emkay Research

**Exhibit 9: While overall and core individual loans saw improvement in NPAs, the non-core and developer book witnessed decline in asset quality**

Source: Company, Company, Emkay Research

**Exhibit 10: LICHF currently trades at 0.7x one-year forward book value**

Source: Company, Emkay Research

**Exhibit 11: Key assumptions for our forecasts**

	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Disbursement Growth	12.0%	-15.1%	17.7%	12.0%	25.0%	15.5%	15.5%
Loan Growth	16.2%	8.2%	10.2%	8.2%	12.5%	13.3%	13.9%
Credit Cost	0.34%	0.49%	0.61%	0.84%	0.36%	0.35%	0.36%
Slippage Rate	1.18%	1.79%	1.63%	3.34%	1.40%	1.40%	1.80%
GS3	1.52%	3.00%	4.16%	5.35%	5.27%	4.94%	4.87%
NS3	0.74%	1.78%	2.59%	3.43%	3.29%	2.94%	2.85%
PCR (S3)	51.6%	41.4%	38.8%	37.4%	39.0%	42.0%	43.0%
ECL % of loans	0.9%	1.3%	1.7%	2.4%	2.4%	2.5%	2.5%

Source: Company, Emkay Research

**Exhibit 12: RoE decomposition for the business**

- As % of Average Loan	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Net Interest income	2.4	2.4	2.4	2.3	2.4	2.3	2.3
Fee Based Income + Other Income	0.1	0.0	0.1	0.1	0.1	0.1	0.1
Opex	0.3	0.3	0.3	0.4	0.4	0.3	0.3
Pre-Provisioning Profit	2.2	2.1	2.1	2.0	2.1	2.1	2.0
Provisions	0.3	0.5	0.6	0.8	0.4	0.4	0.4
PBT	1.9	1.6	1.5	1.2	1.7	1.7	1.6
(1-t)	0.7	0.7	0.8	0.8	0.7	0.7	0.7
RoAuM	1.3	1.2	1.2	0.9	1.3	1.3	1.2
Financial Leverage (Loan/Networth)	11.9	11.8	11.4	10.7	10.2	10.4	10.6
RoE	15.9	13.9	14.1	10.1	13.2	13.1	12.9

Source: Company, Emkay Research

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**Exhibit 13: Valuation matrix**

	FY22-25E	FY25E-31E	> FY31E
AUM CAGR	13.2%	11.7%	7.0%
PAT CAGR	22.2%	12.0%	7.0%
Avg RoA	1.2%	1.2%	1.2%
Avg RoE	13.1%	13.1%	13.2%
CoE	13.3%	13.3%	13.3%
Mar' 23E fair value (Rs/share)	450		
Mar'24E BV (Rs/share)	557		
Implied target P/B (x)	0.8		

Source: Company, Emkay Research

## Con-Call highlights

- FY23 appears to be better than FY22 despite hardening interest rates as the economic outlook is expected to be better.
- Growth momentum is positive in the individual home loan segment despite increasing rates. LICHF expects the project loan segment's share of incremental disbursement to be ~10%.
- In Q4, LICHF was able to recover NPAs worth Rs3.5bn, majorly in the high value and project loans segment, of which Rs1.7bn was from one written-off account.
- 50% of the liabilities are priced at a fixed rate and this will provide a cushion in the rising rate environment.
- LICHF has increased lending rates on fresh disbursements in all products in the past week by 20-25bps.
- In Q4FY22, the mid of Jan-Feb'22 was weak due to the third Covid wave as against Q4FY21 when all 90 days were available for business. This led to lower disbursements. An incremental growth rate of 15% in disbursements is something LICHF is confident to achieve in FY23.
- Its risk appetite will improve for the project loan segment in FY23. Existing projects may draw some more money, with the existing pipeline for project loans standing at Rs10bn-15bn.
- Q4 NPA for Individual home loans was 1.74%, it was 18.04% for non-housing commercial (including project) loans, 8.4% for non-housing individual, 3.16% for retail (Individual home loans+ non-housing individual). The project loan NPLs stood at Rs41.2bn (31% vs. 27% in Q3) due to the book shrinking. There have been no write-offs in Q4.
- PCR is currently at 43% and it will be gradually increased. It is nearing targeted PCR. Stage 1 PCR is 21bps and Stage 2 PCR is 3.1%. These have been broadly stable and should remain there.
- The back book repricing happens quarterly with the next review due on 1<sup>st</sup> July, 2022. Rs 250bn of liabilities will be redeemed in FY23. Margins will settle at 2.4-2.5% for full year FY23. There were no one-offs in NIMs for Q4. LICHF expects to see upside in fee income.
- If one were to raise 3-year money as of now, it would be an upside of 6% or maybe even closer to 7%.
- ECLGS outstanding disbursements as on Mar'22 were Rs9.3bn.
- As per the RBI circular, ECL provisions for assets re-categorized as NPA were Rs2.3bn which are in stage 1 and 2.
- In Q4 the tax rate was lower as higher taxes were paid in the earlier part of the year as advanced tax in anticipation of better project loans performance. The overall rate for FY22 was the same as FY21
- Speaking about the demand scenario, despite Individual loans disbursements growing 90%+ yoy, LICHF sees robust demand in all geographies. In FY23 it expects to have a minimum of 15% growth in disbursements for this segment.

- Yields will be in line with the interest rate movements. 90%+ of assets are linked to a floating rate, which gives LICHF the ability to pass on rate hikes.
- Going forward there will be a good recovery in project loan segments, and some resolutions are going on.
- There should be easing in competition on the back of lower liquidity in the system as lower-rated lenders may not be able to refinance at attractive rates.
- No further delinquencies are expected in project loans, in fact some may become regular. LICHF is witnessing some signs of a turnaround in the real estate cycle. Sales have improved and price points are moving up, along with the input costs.
- The total OTR book stands at Rs78bn (~3% of loan book), including Rs39bn project loans and Rs39.4bn retail.
- Q4 NIMs were driven by two factors – 1) they were able to reprice large bank loans; and 2) on 5<sup>th</sup> Jan'22 LICHF increased lending rates before everyone else across all product categories. Recoveries during the quarter added to interest income.
- Overall AUM growth will be in double digits in FY23.
- Some of high ticket size cases in the retail segment in the restructured book were recovered in Q4. LICHF have put in place a team to identify regularization opportunities, so the coming quarters should see a turnaround.
- No sale of accounts took place in the builder book. It declined due to repayments and recoveries.
- LICHF is comfortably within regulatory limits wrt gearing. It should improve going forward. Over the last two years, tier 1 capital has significantly eroded on account of provisions. On a “as is where is basis” it should improve.

**Key Financials (Standalone)****Income Statement**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Net interest income</b>	<b>52,540</b>	<b>55,542</b>	<b>63,176</b>	<b>69,788</b>	<b>77,408</b>
<b>Other income (including fee income)</b>	<b>1,411</b>	<b>2,452</b>	<b>2,321</b>	<b>2,561</b>	<b>2,841</b>
Fee income	788	982	1,160	1,339	1,547
<b>Net income</b>	<b>53,951</b>	<b>57,994</b>	<b>65,497</b>	<b>72,349</b>	<b>80,249</b>
Operating expenses	7,015	9,994	9,613	10,361	11,586
<b>Pre provision profit</b>	<b>46,936</b>	<b>48,000</b>	<b>55,883</b>	<b>61,988</b>	<b>68,663</b>
<b>PPP excl treasury</b>	<b>46,936</b>	<b>48,000</b>	<b>55,883</b>	<b>61,988</b>	<b>68,663</b>
Provisions	13,450	20,218	9,664	10,549	12,420
<b>Profit before tax</b>	<b>33,486</b>	<b>27,782</b>	<b>46,220</b>	<b>51,440</b>	<b>56,243</b>
Tax	6,142	4,909	11,878	13,220	14,454
Tax rate	18	18	26	26	26
<b>Profit after tax</b>	<b>27,343</b>	<b>22,873</b>	<b>34,341</b>	<b>38,220</b>	<b>41,788</b>

**Balance Sheet**

Y/E Year End (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity	1,010	1,101	1,101	1,101	1,101
Reserves	2,04,203	2,45,618	2,74,061	3,05,717	3,40,329
<b>Net worth</b>	<b>2,05,213</b>	<b>2,46,718</b>	<b>2,75,162</b>	<b>3,06,818</b>	<b>3,41,430</b>
Deposits	20,60,664	22,18,627	24,99,210	28,38,642	32,40,481
Other liabilities and provisions	90,456	80,329	87,925	97,023	1,07,776
<b>Total liabilities</b>	<b>23,56,333</b>	<b>25,45,675</b>	<b>28,62,298</b>	<b>32,42,483</b>	<b>36,89,687</b>
Cash and bank	13,467	9,374	11,248	13,394	13,864
Investments	46,356	61,986	69,825	79,309	90,535
Loans	22,81,143	24,52,963	27,58,313	31,25,165	35,58,809
Others	15,367	21,351	22,911	24,616	26,478
<b>Total assets</b>	<b>23,56,333</b>	<b>25,45,675</b>	<b>28,62,298</b>	<b>32,42,483</b>	<b>36,89,687</b>

**Key Ratios (%)**

Y/E Year End	FY21	FY22	FY23E	FY24E	FY25E
NIM	2.4	2.3	2.4	2.3	2.3
RoA	1.2	0.9	1.3	1.3	1.2
RoAE	14.1	10.1	13.2	13.1	12.9
GNPA (%)	4.2	5.4	5.3	4.9	4.9
NNPA (%)	2.6	3.4	3.3	2.9	2.8

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	54.2	43.4	62.4	69.4	75.9
BVPS	406.6	448.3	499.9	557.4	620.3
DPS	8.5	8.5	10.7	11.9	13.0

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	6.5	8.2	5.7	5.1	4.7
P/BV	0.9	0.8	0.7	0.6	0.6
Dividend Yield (%)	2.4	2.4	3.0	3.4	3.7

Source: Company, Emkay Research

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
NII	8.8	5.7	13.7	10.5	10.9
PPOP	9.9	2.3	16.4	10.9	10.8
PAT	13.8	(16.3)	50.1	11.3	9.3
Loans	9.7	7.5	12.4	13.3	13.9

Quarterly (Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
NII	15,092	12,769	11,701	14,604	16,468
NIM(%)	2.7	2.2	2.0	2.4	2.7
PPOP	13,368	10,276	9,481	13,174	15,069
PAT	3,989	1,534	2,479	7,673	11,186
EPS (Rs)	7.90	3.04	4.50	13.94	20.32

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Promoters	40.3	40.3	45.2	45.2	45.2
FIIIs	28.2	28.8	24.1	23.5	23.0
DIIIs	16.8	15.6	15.0	14.9	16.2
Public and Others	14.7	15.3	15.7	16.4	15.5

Source: Capitaline

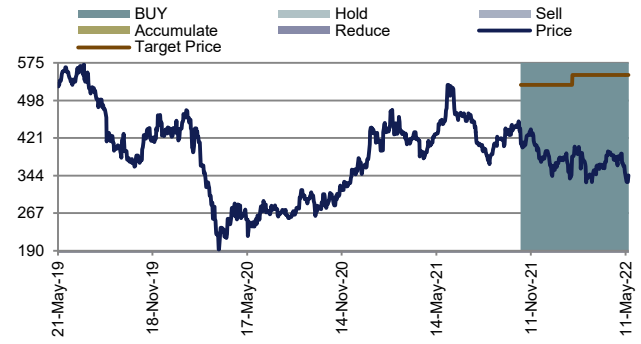


**RECOMMENDATION HISTORY TABLE**

Date	Closing Price	TP	Period (months)	Rating	Analyst
29-Jan-22	383	550	12m	Buy	Manjith Nair
22-Oct-21	409	530	12m	Buy	Manjith Nair

Source: Company, Emkay Research

**RECOMMENDATION HISTORY CHART**



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – BFSI-NBFCs



**Analyst: Manjith Nair**

### Contact Details

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+91 22 6612 1358

### Sector

Non-bank financial companies (NBFC)

### Analyst bio

Manjith R Nair holds a B.E, MBA (ISB). He has total 13 years of research experience covering financials. Prior to that, he was in Europe managing client account relations for an IT major.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
<b>BFSI-NBFCs</b>	<b>6.61</b>	<b>6.61</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>	
Bajaj Finance*	1.62	1.63	0%	1	24.60	0
Cholamandalam Investment	0.27	0.27	0%	0	4.16	0
Edelweiss Financial Services*	0.00	0.00	NA	0	0.00	0
HDFC	4.15	4.18	1%	2	63.14	0
L&T Finance Holdings	0.07	0.07	1%	0	0.99	0
LIC Housing Finance	0.11	0.11	0%	0	1.72	0
Mahindra Finance	0.11	0.00	-100%	-11	0.00	0
Nippon Life India Asset Management*	0.05	0.04	-8%	0	0.65	0
Ponawalla Finco*	0.00	0.05	NA	5	0.80	0
Shriram City Union Finance	0.00	0.03	NA	3	0.42	0
Shriram Transport Finance	0.23	0.23	0%	0	3.50	0
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.01</b>	<b>0</b>

Source: Emkay Research

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

### Sector portfolio NAV

	Base					Latest
	1-Apr-19	19-May-21	17-Nov-21	16-Feb-22	19-Apr-22	18-May-22
EAP - BFSI-NBFCs	100.0	136.0	167.2	141.3	134.3	127.0
BSE200 Neutral Weighted Portfolio (ETF)	100.0	127.7	156.7	132.4	125.8	119.1

\*Performance measurement base date 1<sup>st</sup> April 2019

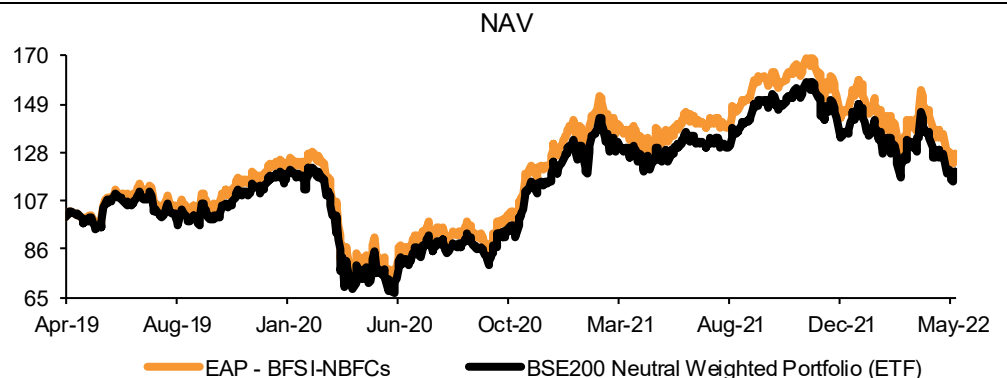
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - BFSI-NBFCs	-5.5%	-10.2%	-24.0%	-6.7%
BSE200 Neutral Weighted Portfolio (ETF)	-5.3%	-10.0%	-24.0%	-6.7%

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 19 May 2022 23:07:04 (SGT)  
Dissemination Date: 19 May 2022 23:08:04 (SGT)

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