

January 12, 2024

## Q3FY24 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	BUY		BUY	
Target Price	3,000		3,900	
Revenue (Rs. m)	29,939	33,713	27,716	30,175
% Chng.	8.0	11.7		
Opex (Rs. m)	7,682	8,376	7,549	7,851
% Chng.	1.8	6.7		
Core EPS (Rs.)	79.3	90.2	71.5	79.2
% Chng.	10.9	13.9		

### Key Financials - Company Type

Y/e Mar	FY23	FY24E	FY25E	FY26E
Revenue (Rs m)	21,668	25,705	29,870	33,988
Opex	6,120	6,929	7,676	8,398
Employee	3,127	3,589	3,978	4,368
Others	2,993	3,340	3,698	4,030
Core Inc. (Rs m)	15,549	18,775	22,194	25,591
PAT (Rs mn)	14,239	18,630	20,062	22,916
Core PAT (Rs m)	11,836	14,513	16,867	19,449
Core EPS (Rs.)	55.5	68.0	79.0	91.1
Gr. (%)	2.5	22.6	16.2	15.3
AAuM (Rs bn)	4,348	5,319	6,325	7,320
Gr. (%)	0.2	22.3	18.9	15.7
Core RoAAuM (%)	0.3	0.3	0.3	0.3
Core RoE (%)	25.6	30.1	33.9	37.4
P/Core EPS (x)	25.2	29.6	40.1	34.4

### Key Data [HDFC.BO](#) | [HDFCAMC IN](#)

52-W High / Low	Rs.3,543 / Rs. 1,595
Sensex / Nifty	71,721 / 21,647
Market Cap	Rs. 747.6bn/ \$ 9,004.1m
Shares Outstanding	213.5m
3M Avg. Daily Value	Rs. 1,596.4m

### Shareholding Pattern (%)

Promoter's	52.55
Foreign	17.99
Domestic Institution	19.51
Public & Others	9.95
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	13.2	46.9	58.9
Relative	9.8	35.4	37.9

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## Equity market share gains to continue

### Quick Pointers:

- Core income beat of 0.8%; raise core earnings for FY25/26E by 10.5%/15%.
- Equity market share further enhanced by 26bps QoQ to 12.6%.

**We upgrade core earnings for by 10.5%/15.1% led by strong equity MAAuM growth in FY24 YTD (+46% for HDFC AMC vs +37% for industry). The company saw a good quarter yet again. QAAuM was a bit lower; revenue was in-line suggesting tad better realization at 48.7bps (49bps in Q2'24). Change in TER slabs for 61% of active equity was offset by increase in equity mix by 2.9% QoQ and fall in debt/liquid, protecting blended yields. Equity performance within 1-yr and 3-yr buckets remains best-in-class which has resulted in strong net flows' market share of 23% over Apr-Nov'23 (vs 8.6% in FY23). Hence equity market share at 12.6% further expanded (+26bps QoQ). Over FY23-26E we see core PAT CAGR of 18.0% (earlier 12.5%). Stock is trading at 34.4x; rolling forward to FY26E core EPS we raise multiple to 39x from 35x (5yr avg. of 40x) since HDFC AMC should continue to deliver better than industry equity returns. Our TP rises to Rs3,900 from Rs3,000. Retain BUY.**

- Healthy equity growth drives better revenue:** QAAuM was a tad lower at Rs5514bn (PLe Rs5538bn) growing by 5.1% QoQ; equity QAAuM grew by 10.5% QoQ. Revenue was exactly in-line at Rs6.71bn led by increasing equity share. Hence annualised yields were slightly ahead at 48.7bps (PLe 48.5bps). Opex was largely as expected at Rs1.76bn (PLe Rs1.79bn). ESOP cost was Rs130mn for Q3'24. Led by strong revenue, core income was higher at Rs4.96bn (+0.8% ahead of PLe) resulting in operating yields at 36bps (35.6bps last qtr). Other income was ahead at Rs1.4bn (PLe Rs1.1bn). Tax rate was a bit lower at 23.3% compared to 25.7% last quarter due to increase in DTA led by certain investments transitioning from short-term to long-term. Hence core PAT yields were a shade better and inched up to 27.6bps from 26.4bps QoQ. PAT was 4.0% ahead of PLe at Rs3.81bn due to higher other income.
- Equity share continues to improve protecting yields:** During Q3FY24, due to strong equity market growth, 61% of equity AuM (incl. balanced) saw a change in its TER threshold causing tailwinds to yields. However, this was offset by increase in (1) Equity mix (incl. balanced) QoQ from 55.1% to 57.9% (2) fall in debt/liquid share by 1.5%/1.7% to 23.3%/11.3% respectively, protecting blended yields. Driven by superior equity performance leading to market share gains in net equity flows, market share in equity+bal QAAuM has been enhancing post Q1FY23; it improved QoQ by 26bps to 12.6%. As of Dec'23, basis weighted average equity performance, HDFC AMC remains the top performing fund (rank 1) in the 1-yr and 3-yr bucket.
- Retail contribution increasing; 24 branches added in Jan'24:** Retail AuM (stickier) is enhancing; in Nov'23 individual MAAuM accounted for 70% of total, compared to 59% for the industry. Over the last 1-yr the market share in unique investors has enhanced from 17% to 21% while incremental market share in a quarter was strong at 50%. Yields as at Dec'23 end were: equity-63bps and debt at 28-29bps. On opex, 24 branches were in Jan'24 of which 22 were opened in B-30. Hence, as per the company, additional cost in Q4'24 may not be material. On staff cost, management had hinted last quarter that annual increase in employee cost could range between 10-12%.

**Exhibit 1: PAT beat at Rs4.89bn led by AUM growth**

Financials (Rs m)	Q3FY24	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)
Revenue	6,713	5,596	20.0	6,431	4.4
Total Expenses	1,751	1,622	8.0	1,761	(0.5)
Employees	774	790	(2.1)	798	(3.1)
Other expenses	848	832	1.9	832	2.0
<b>Operating Income</b>	<b>4,962</b>	<b>3,974</b>	<b>24.9</b>	<b>4,670</b>	<b>6.3</b>
Other Income	1,424	1,034	37.8	1,221	16.6
<b>Profit before tax</b>	<b>6,386</b>	<b>5,007</b>	<b>27.5</b>	<b>5,891</b>	<b>8.4</b>
Tax	1,489	1,313	13.4	1,516	(1.8)
<b>Profit after tax</b>	<b>4,897</b>	<b>3,694</b>	<b>32.6</b>	<b>4,376</b>	<b>11.9</b>
<b>Core PAT</b>	<b>3,805</b>	<b>2,931</b>	<b>29.8</b>	<b>3,468</b>	<b>9.7</b>
<b>Profitability ratios (bps)</b>					
Revenue yield	48.7	50.3	(163)	49.0	(32)
Employee to AuM	5.6	7.1	(149)	6.1	(47)
Opex to AuM	12.2	14.0	(177)	12.2	(5)
Core income/AuM	<b>36.0</b>	<b>35.7</b>	<b>26</b>	<b>35.6</b>	<b>40</b>
PAT/AuM	35.5	33.2	230	33.4	N.A.
Core PAT/AuM	27.6	26.4	124	26.4	N.A.
<b>QAAuM (Rs. mn)</b>					
<b>QAAuM</b>	<b>5,513,799</b>	<b>4,447,201</b>	<b>24.0</b>	<b>5,247,903</b>	<b>5.1</b>
Equity	2,096,053	1,440,754	45.5	1,872,234	12.0
Balanced	1,098,955	855,643	28.4	1,018,495	7.9
Debt	1,283,817	1,134,354	13.2	1,300,726	(1.3)
Liquid	624,392	759,078	(17.7)	685,081	(8.9)
ETF	102,316	59,254	72.7	96,921	5.6
Index	218,257	128,692	69.6	201,232	8.5
Arbitrage	79,047	59,275	33.4	63,067	25.3
FoF overseas	10,960	10,151	8.0	10,149	8.0

Source: Company, PL.

Revenue was in-line, growing 4.4% QoQ led by increase in equity market share.

Operating expenses too was in-line growing 8% YoY/ (0.5)% QoQ.

Other income was higher at 1.42bn.

Revenue yield declined to 48bps, while RoAAuM increased to 35.5bps

QAAuM growth of 24% YoY continues to be driven by equity (+45.5% YoY) and balanced (+28.4% YoY)

## Key Q3FY24 Conference Call Highlights

### Industry:

- **Industry QAAuM stood at Rs49.2trn** growing by 22% YoY. Actively managed equity oriented schemes are 50% of total AUM, QAAuM stood at Rs25.9trn growing 29% YoY in Q3FY24.
- **Debt fund QAAuM stood at Rs10.2trn in Q3FY24 vs Rs8.6trn in Q3FY23** growing 19% YoY.
- **B30 MAAuM continued healthy growth in Q3FY24**, share of B30 in overall MAAuM and Equity MAAuM stood steady at 18% and 27% respectively.
- **SIP flows for the month of Dec'23 was Rs176bn** as against Rs136bn in Dec'22. AUM through SIP has reached Rs10trn indicating 40% of Equity oriented funds.

### Company Performance

- **QAAuM in Q3FY24 stood at Rs5.51trn**, witnessing a growth of 24% YoY. Overall QAAuM market share stood at 12.5% ex-ETF. Actively managed equity oriented funds stood at Rs3.4trn whereas debt funds stood at Rs1.34trn.
- **Asset mix in Q3FY24 further shifted towards equity at 61%** of the total QAAUM, which is relatively better than the industry at 53%.
- **SIP flows in Q3FY24 stood at Rs26.3bn growing 67.5% YoY** majorly led by improvement in performance of funds, focus on distribution channels, better engagement with customers via marketing and communication. Management suggested focus would continue to build systematic transaction book.
- **Company had 8.7mn unique investors at the end of Q3FY24** and processed 6.81mn systematic transactions totaling to Rs26.3bn vs Rs15.7bn in Dec'23. In Nov'23 Individual investor MAAuM accounted for 70% of total MAAuM, compared to industry average of 59%.
- **On 2<sup>nd</sup> Jan 2024, company launched 24 new branches** out of which 22 branches were in B30 cities. Out of the total 253 branches, 173 branches are present in B30 cities while 80 branches are in T30 cities.

### Financial Performance

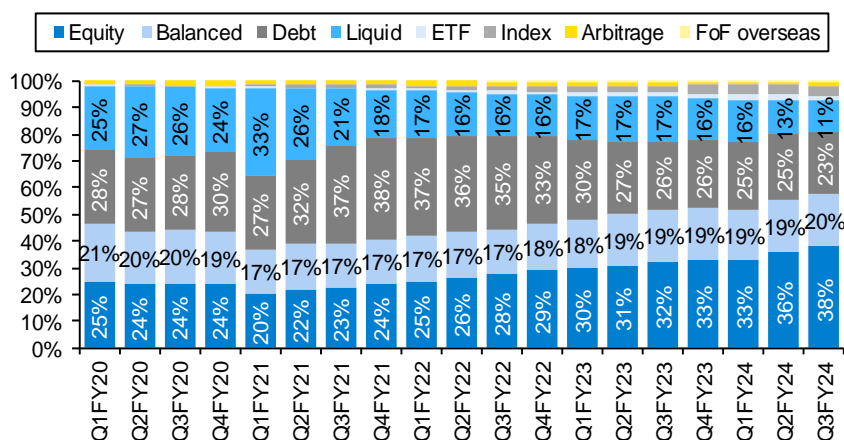
- **Blended yields for the equity were ~63bps in Q3FY24**, debt at ~28-29bps and liquid at ~12bps. Management suggested book margins are higher than flow margins although the flow margins.
- **As funds grow in size, scale benefits are passed on to investors.** With size, TER for funds like HDFC Balanced advantage reduced from 1.52% in Dec'22 to 1.42% in Dec'23. The drop in TER has made the fund more attractive for investors leading to further increase in AUM. Management guided, in absolute terms, higher AUM with lower TER is better as incremental revenues are higher.
- **Opex in Q3FY24 stood at Rs1.7bn vs Rs1.6bn in Q2FY24**, majorly led by employee expenses, going further employee costs are expected to increase in current range.

- Effective tax rate in Q3FY24 was a bit lower at 23.3% primarily due to increase in deferred tax charge towards holding period of certain investments transitioning from short-term to long-term.

## Outlook

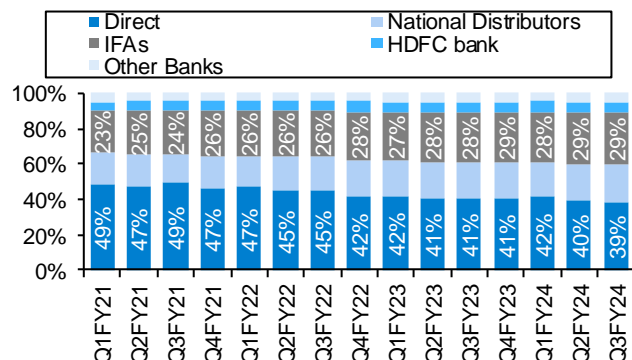
- With the change in control of the promoters from HDFC Ltd to HDFC bank, management is optimistic of the opportunity to tap the distribution channel of HDFC bank and would capitalize on the customer base. Management reiterated, flow market share from bank's book is higher than book market share.
- In terms of overall distribution mix, fin-tech and other channels are bringing in higher flows compared to HDFC Bank leading to decrease in share of HDFC bank in overall distribution mix.
- Regarding debt and liquid funds, over the longer tenure the market share will normalize and expected to grow steadily led by strong product portfolio and healthy distributor relationship.
- Management suggested SIP book remains attractive given the increasing unique investors in the industry and company would focus on growing SIP book.
- Focus for the company would be to scale existing funds in sectoral and thematic side. Management guided large cap category have not grown in the industry and hence there is potential to grow the segment.
- On the passive income side, management guided there is full range of portfolio to cater the needs of all investors and focus would be on growing both active as well as passive portfolios.
- There is healthy pipeline of products in AIF with FOF of Rs8bn commitment from more than 300 family offices, institutions and HNIs. Further capital is expected to be raised in Q4FY24 while new products would be launched in later half of calendar year. There are also 3 products in PMS as well.

### Exhibit 2: Equity + Bal share increased to ~58% liquid declined to ~11%



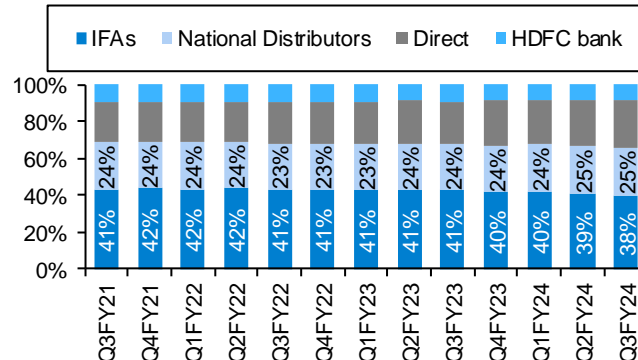
Source: Company, PL

**Exhibit 3: Total distribution: Direct dominates at 39%**



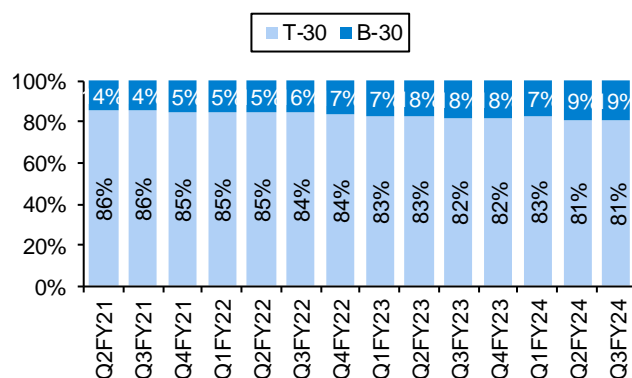
Source: Company, PL

**Exhibit 4: Equity Distribution: IFAs dominate at 38%**



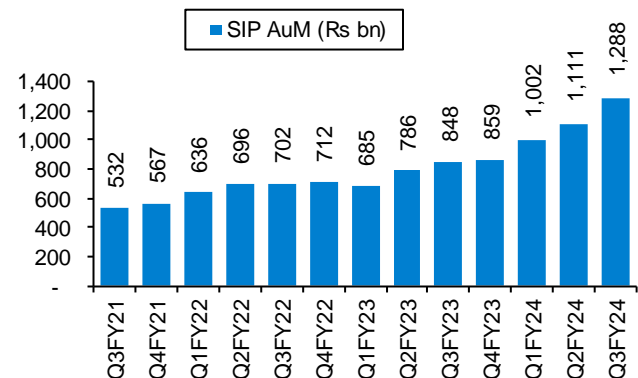
Source: Company, PL

**Exhibit 5: T-30: B-30 mix declines to 81:19**



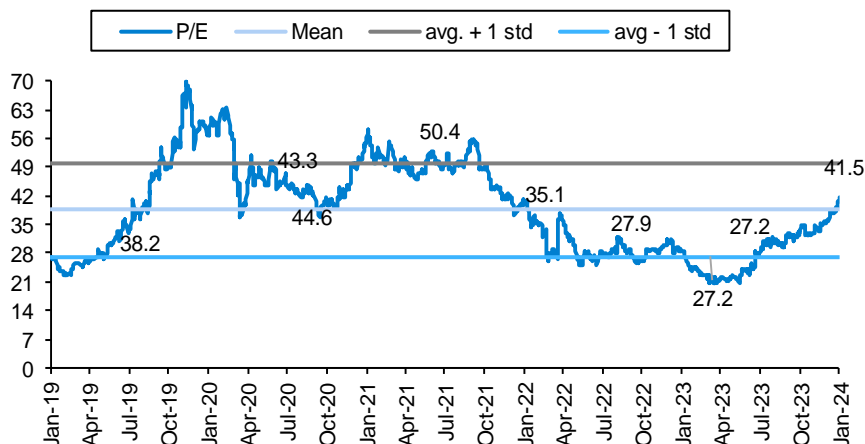
Source: Company, PL

**Exhibit 6: SIP AuM continues to grow (+52%YoY/16%QoQ)**



Source: Company, PL

**Exhibit 7: HDFCAMC 1-yr fwd. P/Core EPS trades at 41.5x (5-yr avg. 38.6x)**



Source: Company, PL

## Financials

### Exhibit 8: Quarterly Financials

Particulars (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
<b>Revenue</b>	<b>5,497</b>	<b>5,163</b>	<b>5,216</b>	<b>5,447</b>	<b>5,596</b>	<b>5,410</b>	<b>5,745</b>	<b>6,431</b>	<b>6,713</b>
<b>Expenses</b>	<b>1,507</b>	<b>1,383</b>	<b>1,479</b>	<b>1,558</b>	<b>1,622</b>	<b>1,460</b>	<b>1,612</b>	<b>1,761</b>	<b>1,751</b>
Employee	775	714	780	839	790	719	731	798	774
Others	599	534	564	587	699	609	645	702	718
Depreciation	133	134	135	132	134	133	129	130	131
<b>Core Income</b>	<b>3,989</b>	<b>3,780</b>	<b>3,737</b>	<b>3,889</b>	<b>3,974</b>	<b>3,949</b>	<b>4,133</b>	<b>4,670</b>	<b>4,962</b>
Other Income	862	647	113	1,042	1,034	969	1,580	1,221	1,424
<b>PBT</b>	<b>4,852</b>	<b>4,427</b>	<b>3,850</b>	<b>4,931</b>	<b>5,007</b>	<b>4,918</b>	<b>5,714</b>	<b>5,891</b>	<b>6,386</b>
Tax	1,254	991	708	1,290	1,313	1,156	939	1,516	1,489
<b>PAT</b>	<b>3,598</b>	<b>3,436</b>	<b>3,142</b>	<b>3,641</b>	<b>3,694</b>	<b>3,762</b>	<b>4,775</b>	<b>4,376</b>	<b>4,897</b>
<b>Core PAT</b>	<b>2,958</b>	<b>2,934</b>	<b>3,050</b>	<b>2,872</b>	<b>2,931</b>	<b>3,021</b>	<b>3,454</b>	<b>3,468</b>	<b>3,805</b>
<b>QAAuM</b>	<b>44,69,904</b>	<b>43,21,336</b>	<b>41,53,319</b>	<b>42,92,511</b>	<b>44,47,201</b>	<b>44,97,151</b>	<b>48,56,309</b>	<b>52,47,903</b>	<b>55,13,799</b>
Equity	27.5%	28.9%	29.7%	31.1%	32.4%	32.7%	32.8%	35.7%	38.0%
Balanced	17.0%	17.5%	18.4%	18.8%	19.2%	19.4%	19.0%	19.4%	19.9%
Debt	35.0%	32.7%	29.9%	27.3%	25.5%	25.7%	25.3%	24.8%	23.3%
Liquid	15.7%	15.9%	16.6%	17.2%	17.1%	15.8%	15.9%	13.1%	11.3%
ETF	1.0%	1.1%	1.1%	1.2%	1.3%	1.7%	1.9%	1.8%	1.9%
Index	1.7%	2.0%	2.4%	2.7%	2.9%	3.2%	3.7%	3.8%	4.0%
Arbitrage	1.7%	1.6%	1.6%	1.5%	1.3%	1.3%	1.1%	1.2%	1.4%
FoF overseas	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
<b>Market share (%)</b>	<b>11.7</b>	<b>11.3</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.1</b>	<b>11.3</b>	<b>11.2</b>	<b>11.2</b>
Equity	9.3	9.3	9.3	9.3	9.4	9.7	9.8	10.2	10.5
Balanced	19.3	18.5	18.5	18.6	19.0	19.4	19.9	20.3	20.4
Eq+Bal	11.6	11.5	11.4	11.4	11.6	11.9	12.0	12.3	12.6
Debt	14.9	14.6	14.3	14.7	14.8	15.1	14.7	14.7	14.5
Liquid	14.7	13.3	13.1	13.2	13.7	12.8	13.7	11.9	11.5
ETF	1.1	1.1	1.1	1.1	1.2	1.5	1.7	1.7	1.7
Index	19.2	16.6	13.4	11.6	10.9	10.3	10.5	11.2	11.5
<b>QAAuM Growth (%)</b>	<b>1.8</b>	<b>-3.3</b>	<b>-3.9</b>	<b>3.4</b>	<b>3.6</b>	<b>1.1</b>	<b>8.0</b>	<b>8.1</b>	<b>5.1</b>
Equity	6.1	1.5	-1.4	8.1	8.1	2.2	8.1	17.6	12.0
Balanced	2.6	-0.6	0.7	5.9	5.9	1.9	6.0	10.1	7.9
Eq+Bal	4.7	0.7	-0.6	7.3	7.3	2.1	7.3	14.9	10.5
Debt	-1.1	-9.7	-12.2	-5.5	-3.3	1.8	6.5	5.8	-1.3
Liquid	-2.3	-2.5	0.8	7.0	2.6	-6.1	8.5	-11.4	-8.9
ETF	8.4	7.9	3.1	8.0	15.1	27.9	20.3	6.3	5.6
Index	22.0	14.4	14.6	14.3	12.6	10.3	28.3	10.5	8.5
Arbitrage	-3.5	-10.9	-2.0	-6.6	-5.7	-1.6	-6.8	16.0	25.3
FoF overseas		2.6	-10.0	0.2	-3.6	-0.9	0.8	0.0	8.0
<b>Dupont (bps)</b>									
Revenue yield	49.2	47.8	50.2	50.8	50.3	48.1	47.3	49.0	48.7
Opex to AuM	13.5	12.8	14.2	14.5	14.6	13.0	13.3	13.4	12.7
Staff cost	6.9	6.6	7.5	7.8	7.1	6.4	6.0	6.1	5.6
Other opex	5.4	4.9	5.4	5.5	6.3	5.4	5.3	5.3	5.2
Depreciation	1.2	1.2	1.3	1.2	1.2	1.2	1.1	1.0	0.9
Core income/AuM	35.7	35.0	36.0	36.2	35.7	35.1	34.0	35.6	36.0
PAT/AuM	32.2	31.8	30.3	33.9	33.2	33.5	39.3	33.4	35.5
Core PAT/AuM	26.5	27.2	29.4	26.8	26.4	26.9	28.5	26.4	27.6
<b>Profitability (%)</b>									
Staff cost/revenue	14.1	13.8	15.0	15.4	14.1	13.3	12.7	12.4	11.5
Other opex/revenue	10.9	10.4	10.8	10.8	12.5	11.3	11.2	10.9	10.7
Core income/revenue	72.6	73.2	71.6	71.4	71.0	73.0	71.9	72.6	73.9
Tax rate	25.8	22.4	18.4	26.2	26.2	23.5	16.4	25.7	23.3
PAT margin	65.4	66.5	60.2	66.8	66.0	69.5	83.1	68.0	72.9
Core PAT margin	53.8	56.8	58.5	52.7	52.4	55.8	60.1	53.9	56.7

Source: Company, PL

## Exhibit 9: Summary Financials (Rs mn)

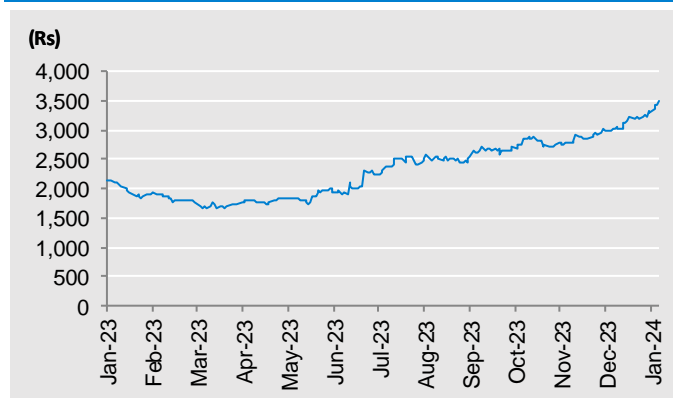
Particulars	FY23	FY24E	FY25E	FY26E	Particulars	FY23	FY24E	FY25E	FY26E
<b>Profit &amp; Loss</b>					<b>Balance Sheet</b>				
<b>Revenue</b>	<b>21,668</b>	<b>25,705</b>	<b>29,870</b>	<b>33,988</b>	<b>Net Worth</b>	<b>61,084</b>	<b>66,114</b>	<b>71,331</b>	<b>77,289</b>
Investment mgmt.	21608	25617	29781	33887	Capital (FV Rs5)	1,067	1,067	1,067	1,067
PMS / Advisory	60	88	89	102	Reserves	60,017	65,047	70,264	76,222
<b>Expenses</b>	<b>6,120</b>	<b>6,929</b>	<b>7,676</b>	<b>8,398</b>	Employee benefit	731	877	1,052	1,262
Employee	3,127	3,589	3,978	4,368	Others	4,139	4,538	4,975	5,456
Others	2,460	2,821	3,137	3,440	<b>Total Liabilities</b>	<b>65,954</b>	<b>71,529</b>	<b>77,358</b>	<b>84,007</b>
Depreciation	533	520	561	589	Cash and Bank	40	40	40	40
<b>Core Income</b>	<b>15,549</b>	<b>18,775</b>	<b>22,194</b>	<b>25,591</b>	Investment	60,792	65,943	71,311	77,457
Other Income	3,158	5,326	4,203	4,562	Fixed assets	1,526	1,602	1,683	1,767
PBT	<b>18,706</b>	<b>24,101</b>	<b>26,397</b>	<b>30,153</b>	Others	3,596	3,943	4,325	4,743
Tax	4,467	5,471	6,335	7,237	<b>Total Assets</b>	<b>65,954</b>	<b>71,529</b>	<b>77,358</b>	<b>84,007</b>
<b>PAT</b>	<b>14,239</b>	<b>18,630</b>	<b>20,062</b>	<b>22,916</b>	<b>AuM Data</b>				
<b>Core PAT</b>	<b>11,836</b>	<b>14,513</b>	<b>16,867</b>	<b>19,449</b>	<b>AAuM</b>	<b>43,47,546</b>	<b>53,19,136</b>	<b>63,25,157</b>	<b>73,20,005</b>
Dividend	<b>10,244</b>	<b>13,600</b>	<b>14,846</b>	<b>16,959</b>	Equity	13,69,580	19,34,940	25,43,976	31,37,491
<b>Growth ratios (%)</b>					Balanced	8,24,645	10,43,499	12,57,813	14,87,382
<b>Revenue</b>	<b>2.4</b>	<b>18.6</b>	<b>16.2</b>	<b>13.8</b>	Debt	11,75,816	12,78,340	13,53,679	14,28,883
<b>Opex</b>	<b>5.9</b>	<b>13.2</b>	<b>10.8</b>	<b>9.4</b>	Liquid	7,25,511	6,76,166	7,08,759	7,30,305
Employee	0.2	14.8	10.8	9.8	ETF	58,539	99,622	1,23,443	1,47,240
Others	16.1	14.7	11.2	9.7	Index	1,21,215	2,10,835	2,46,383	2,86,768
<b>Core income</b>	<b>1.1</b>	<b>20.8</b>	<b>18.2</b>	<b>15.3</b>	Arb & FoF	72,239	75,733	91,104	1,01,936
PAT	2.2	30.8	7.7	14.2	<b>Mix</b>				
<b>Core PAT</b>	<b>2.5</b>	<b>22.6</b>	<b>16.2</b>	<b>15.3</b>	Equity	31.5	36.4	40.2	42.9
<b>DuPont analysis (%)</b>					Balanced	19.0	19.6	19.9	20.3
<b>Revenue</b>	<b>0.50</b>	<b>0.48</b>	<b>0.47</b>	<b>0.46</b>	Debt	27.0	24.0	21.4	19.5
<b>Expenses</b>	<b>0.14</b>	<b>0.13</b>	<b>0.12</b>	<b>0.11</b>	Liquid	16.7	12.7	11.2	10.0
Employee	0.07	0.07	0.06	0.06	ETF	1.3	1.9	2.0	2.0
Others	0.06	0.05	0.05	0.05	Index	2.8	4.0	3.9	3.9
Depreciation	0.01	0.01	0.01	0.01	Arb & FoF	1.7	1.4	1.4	1.4
<b>Core Income</b>	<b>0.358</b>	<b>0.353</b>	<b>0.351</b>	<b>0.350</b>	<b>Growth</b>				
Other Income	0.07	0.10	0.07	0.06	<b>Overall</b>	<b>0.2</b>	<b>22.3</b>	<b>18.9</b>	<b>15.7</b>
PBT	<b>0.43</b>	<b>0.45</b>	<b>0.42</b>	<b>0.41</b>	Equity	17.0	41.3	31.5	23.3
Tax	0.10	0.10	0.10	0.10	Balanced	11.1	26.5	20.5	18.3
<b>PAT (RoAAuM)</b>	<b>0.33</b>	<b>0.35</b>	<b>0.32</b>	<b>0.31</b>	Debt	-23.0	8.7	5.9	5.6
<b>Core RoAAuM</b>	<b>0.27</b>	<b>0.27</b>	<b>0.27</b>	<b>0.27</b>	Liquid	2.4	-6.8	4.8	3.0
ROE	24.5	29.3	29.2	30.8	ETF	42.3	70.2	23.9	19.3
<b>Core RoE</b>	<b>25.6</b>	<b>30.1</b>	<b>33.9</b>	<b>37.4</b>	Index	74.3	73.9	16.9	16.4
<b>Other Ratios (%)</b>					<b>Valuations</b>				
Staff cost/revenue	14.4	14.0	13.3	12.9	<b>EPS</b>	<b>66.7</b>	<b>87.3</b>	<b>94.0</b>	<b>107.4</b>
Other opex/revenue	11.4	11.0	10.5	10.1	<b>Core EPS</b>	<b>55.5</b>	<b>68.0</b>	<b>79.0</b>	<b>91.1</b>
<b>Core Income/revenue</b>	<b>71.8</b>	<b>73.0</b>	<b>74.3</b>	<b>75.3</b>	CPS	285.0	309.2	334.3	363.1
Other Income/revenue	14.6	20.7	14.1	13.4	DPS	48.0	63.7	69.6	79.5
Yield on Investments	5.3	8.6	6.0	6.0	Dividend yield	2.4	2.4	2.0	2.3
Effective tax rate	23.9	22.7	24.0	24.0	BVPS	286	310	334	362
PAT margin	65.7	72.5	67.2	67.4	P/B	6.4	8.6	10.5	9.7
<b>Core PAT margin</b>	<b>54.8</b>	<b>56.7</b>	<b>56.6</b>	<b>57.4</b>	P/E	22.9	30.4	37.2	32.6
<b>Dividend payout (%)</b>	<b>71.9</b>	<b>73.0</b>	<b>74.0</b>	<b>74.0</b>	<b>P/core EPS</b>	<b>25.2</b>	<b>29.6</b>	<b>40.1</b>	<b>34.4</b>

Source: Company, PL



## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Mar-23	BUY	2,100	1,797
2	11-Apr-23	BUY	2,100	1,751
3	26-Apr-23	BUY	2,100	1,766
4	07-Jul-23	BUY	2,100	2,260
5	25-Jul-23	BUY	2,800	2,502
6	07-Oct-23	BUY	2,800	2,648
7	13-Oct-23	BUY	2,757	3,000
8	10-Nov-23	BUY	2,762	3,000
9	8-Jan-24	BUY	3,326	3,000

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Hold	1,560	1,566
2	Axis Bank	BUY	1,250	1,137
3	Bank of Baroda	BUY	240	235
4	Can Fin Homes	BUY	900	781
5	City Union Bank	Accumulate	160	153
6	DCB Bank	BUY	160	158
7	Federal Bank	BUY	180	154
8	HDFC Asset Management Company	BUY	3,000	3,326
9	HDFC Bank	BUY	2,025	1,682
10	ICICI Bank	BUY	1,280	994
11	IndusInd Bank	BUY	1,620	1,643
12	Kotak Mahindra Bank	BUY	2,250	1,848
13	LIC Housing Finance	Hold	460	575
14	State Bank of India	BUY	770	642
15	UTI Asset Management Company	BUY	900	875

## PL's Recommendation Nomenclature (Absolute Performance)

Buy	: >15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly



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