

IIFL Finance

Estimate changes

TP change

Rating change



Bloomberg	IIFL IN
Equity Shares (m)	381
M.Cap.(INRb)/(USD\$b)	243.7 / 2.9
52-Week Range (INR)	704 / 408
1, 6, 12 Rel. Per (%)	-1/6/7
12M Avg Val (INR M)	495

Financials Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
NII	58.9	74.2	90.4
PPOP	38.5	48.8	59.7
NP	19.4	24.8	31.0
EPS (Rs)	50.9	65.0	81.4
EPS Gr. (%)	29	28	25
BV/Share	279	339	415

Ratios

NIM	8.0	8.0	7.9
C/I ratio	42.3	41.0	40.2
Credit cost	2.2	2.3	2.2
RoE (%)	3.7	3.9	4.1
RoA (%)	19.8	21.0	21.6

Valuations

P/E (x)	12.6	9.9	7.9
P/BV (x)	2.3	1.9	1.5

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	24.8	24.8	24.9
DII	8.3	7.3	3.9
FII	31.3	28.3	27.8
Others	35.7	41.0	43.4

FII Includes depository receipts

CMP: INR639

TP: INR800 (+25%)

Buy

Healthy profitability aided by NIM expansion

AUM grew 34% YoY; PAT up 30% YoY despite lower non-interest income

- IIFL's 3QFY24 PAT (post-NCI) grew 30% YoY/3% QoQ to ~INR4.9b, while its 9MFY24 PAT increased by ~28% YoY to INR13.9b. 3QFY24 RoA/RoE stood at 3.8%/19.7%.
- NII grew 45% YoY to ~INR15.7b. Non-interest income stood at INR1.1b (down ~40% QoQ/~55% YoY) due to lower assignment and fee income. PPOP stood at INR9.6b, up ~25% YoY.
- Credit costs declined to ~2.1% (PQ and PY: 2.4%), which included ~INR400m provisions on investments in AIF. **IIFL has also taken a charge of ~INR1.6b (impact of the RBI AIF circular) on the capital of its HFC subsidiary.**

Strong business momentum despite calibration in MFI business

- Consol. AUM jumped 34% YoY and ~6% QoQ to INR774b. On-book loans grew ~30% YoY. Off-book formed ~39% of the AUM mix, including co-lending, which contributed ~15% of the AUM mix.
- Disbursements (core products) rose ~27% YoY/5% QoQ. MFI disbursements declined ~8% QoQ because of the company's conscious decision to calibrate growth and improve the credit underwriting in the segment. IIFL Samasta is not giving loans to customers who have four/five loans from other MFI lenders or already have a high FOIR ratio.
- Urban affordable housing growth in Metro and Tier 1 cities was sluggish, but the management expects demand improvement over the next few quarters. In terms of digital loans, the management has scaled down and discontinued many of its fintech partnerships and is disbursing PL only as a cross-sell product to its existing customers.
- We estimate AUM CAGR of ~25% over FY23-26.

Expansion in spreads aided by healthy improvement in gold loan yields

- Consolidated yields rose ~20bp QoQ to 17.2% (aided by ~50bp QoQ rise in gold loan yields). Consol. borrowing costs rose ~5bp QoQ to 9.1%. This resulted in average interest spreads of 8.2% (1HFY24: 8.1%).
- IIFL expects MFI yields to decline by ~50bp over the next few quarters. Further, it expects gold loan yields to moderate in 4Q due to seasonality in gold loan demand leading to high competitive intensity.
- We model NIM of ~7.8%/7.7% in FY25E/FY26E (vs. 7.7% in FY24E).

Cost ratios expected to moderate, operating leverage to kick in

- Opex grew 28% YoY to INR7.3b, with the cost-income ratio at ~43% due to marketing/branding campaigns undertaken during the quarter. The management has paused branch expansions in the HFC and has opted for a measured approach in adding branches in gold and MFI loans.

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- With a moderation in branch additions and operating leverage kicking in, the cost/income ratio is expected to moderate to ~41%/40% in FY25E/FY26E.

Asset quality continues to strengthen; NNPA now below 1%

- GS3 declined ~10bp QoQ to 1.7%, while NS3 declined ~15bp QoQ to 0.9%.
- The full impact of the RBI's RWA circular and AIF circular has been accounted for in 3QFY24. The company has earlier shared that these are performing exposures in AIF and it expects a full recovery as and when the recoveries accrue in AIF.

Highlights from the management commentary

- IIFL has guided for a stable NIM trajectory. NIM stability will be aided by an expected decline in CoF across its three entities and the product mix change in favor of higher-yielding products.
- The company expects credit costs to remain around 2%.
- IIFL board has approved a resolution (valid for one year) to raise equity capital at an opportune time.

Valuation and view

- IIFL has morphed into a franchise that has a robust distribution network, strong presence in co-lending, and superior digital loan origination and underwriting capabilities. It can effectively leverage fintech partnerships to deliver ~25% AUM CAGR over FY23-FY26E. We believe the company can sustainably deliver RoE of 20%+ in the medium term.
- The stock trades at 1.9x FY25E P/BV and ~10x P/E for a PAT CAGR of ~27% over FY23-FY26E. IIFL can see further re-rating as investors get more confidence in its core retail business. We have a BUY rating on the stock and a TP of INR800 (based on SOTP valuation; refer table below).

IIFL Finance: SOTP - Mar'26E

Particulars	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Target Multiple(x)	Basis
IIFL Finance (Standalone)	100	132	1.6	346	43	1.8	PBV
IIFL Home Finance (HFC)	80	115	1.4	303	38	2.0	PBV
IIFL Samasta Finance (MFI)	100	58	0.7	151	19	1.7	PBV
Target Value		305	3.6	800	100		
Current market cap.		244	2.9	639			
Upside (%)				25			

IIFL Finance (Consolidated): Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	16,567	17,613	18,980	20,454	21,989	23,576	25,630	26,275	73,693	97,470
Interest Expenses	7,760	7,758	8,095	8,606	8,878	9,321	9,885	10,440	32,218	38,524
Net Interest Income	8,807	9,855	10,885	11,849	13,111	14,255	15,745	15,835	41,474	58,946
YoY Growth (%)	19.9	27.7	39.3	38.5	48.9	44.7	44.7	33.6	31.9	42.1
Other Income	3,186	2,901	2,464	2,306	1,306	1,878	1,120	3,457	10,778	7,762
Total Income	11,992	12,756	13,349	14,155	14,417	16,134	16,865	19,292	52,253	66,708
YoY Growth (%)	44	32	25	22	20	26	26	36	29.6	27.7
Operating Expenses	5,166	5,502	5,667	6,132	6,332	6,772	7,272	7,827	22,466	28,203
Operating Profit	6,827	7,255	7,682	8,023	8,085	9,361	9,593	11,465	29,787	38,504
YoY Growth (%)	32.4	24.7	18.1	16.0	18.4	29.0	24.9	42.9	22.0	29.3
Provisions & Loan Losses	2,487	1,960	2,132	2,083	1,901	2,526	2,430	3,216	8,661	10,073
Profit before Tax	4,340	5,294	5,550	5,941	6,184	6,835	7,163	8,250	21,125	28,432
Tax Provisions	1,042	1,324	1,319	1,365	1,455	1,580	1,711	2,143	5,050	6,889
PAT (Pre NCI)	3,298	3,971	4,231	4,576	4,729	5,255	5,452	6,107	16,076	21,543
NCI	0	175	449	448	475	513	548	605	1,072	2,140
PAT (Post NCI)	3,298	3,796	3,782	4,128	4,254	4,743	4,904	5,502	15,003	19,403
YoY Growth (%)	24	30	22	29	29	25	30	33	26	29
Key Parameters (%)										
Yield on AUM	12.7	13.0	13.4	13.3	13.2	13.4	13.6			
Cost of funds	8.8	8.9	9.2	9.1	9.1	9.5	9.5			
Spread	3.9	4.1	4.3	4.2	4.1	3.9	4.1			
NIM (on AUM)	6.8	7.3	7.7	7.7	7.9	8.1	8.4			
Credit cost	2.9	2.3	2.4	2.2	1.9	2.4	2.1			
Cost to Income Ratio (%)	43.1	43.1	42.5	43.3	43.9	42.0	43.1			
Tax Rate (%)	24.0	25.0	23.8	23.0	23.5	23.1	23.9			
Balance Sheet Parameters										
Consol. AUM (INR B)	528	553	579	646	682	731	774			
Change YoY (%)	22	25	24	26	29	32	34			
Disbursements - Core (INR B)	116	120	131	193	150	159	166			
Change YoY (%)	118	45	23	37	30	32	27			
Borrowings (INR B)	348	348	360	396	385	404	430			
Change YoY (%)	25	19	7	11	11	16	19			
Borrowings/AUM (%)	65.9	62.9	62.1	61.3	56.4	55.3	55.5			
Debt/Equity (x)		4.3	4.1	4.4	4.1	4.1	4.1			
Asset Quality (%)										
GS 3 (INR M)	8,850	8,500	7,540	7,380	7,639	7,931	8,026			
G3 %	2.6	2.4	2.1	1.8	1.8	1.8	1.7			
NS 3 (INR M)	5,098	4,284	3,853	3,771	4,400	4,402	4,045			
NS3 %	1.5	1.2	1.1	0.9	1.1	1.0	0.9			
PCR (%)	42.4	49.6	48.9	48.9	42.4	44.5	49.6			
ECL (%)	3.6	3.6	3.4	3.2	2.9	2.9	2.6			
Return Ratios - YTD (%)										
ROA (Rep)	2.9	3.5	3.4	3.3	3.6	3.9	3.8			
ROE (Rep)	20.5	19.6	17.9	19.9	19.1	20.1	19.7			

E: MOFSL Estimates



Highlights from the management commentary

Business Update

- Liquidity has been tight and interest rates have peaked. However, the impact on IIFL has not been as much. It expects that the interest rate will start declining in the later part of CY24.
- Affordable housing growth has been slower and there are signs a pick-up.

Equity Raise

- IIFL board has approved a resolution (valid for one year) to raise equity capital at an opportune time.

Guidance

- Guided for a stable NIM trajectory and the asset quality continues to improve. NIM stability will be aided by an expected decline in CoF across its three entities and the product mix change in favor of higher-yielding products.
- Expects credit costs to remain around 2%.
- Stopped branch expansions in Home Finance, while branch expansions will be slower in Gold loans and Microfinance.
- Expects gold loan growth to improve in 4Q.
- Crisil has upgraded its outlook to AA (Positive) and it expects credit rating upgrade over a period of time. This should help the company bring down its borrowing costs for its three entities.

Financial Performance

- Consolidated AUM grew 34% YoY and 6% QoQ to INR774b. Core AUM grew 35% YoY and it contributes ~96% to the total AUM. HFC crossed the milestone of ~INR250b in Home Loans.
- NNPA stood at 0.9%. PCR (total ECL provisions) on NPA stood at ~151%.
- In line with its capital optimization strategy, it has a ~39% off-book mix and will see a higher proportion of co-lending emerging in the mix.
- CoB rose ~5bp QoQ to 9.1%.
- Executed marketing and branding campaigns in 3Q, which impacted its opex and cost-income ratio, but expects operating leverage to start kicking in now.
- 3QFY24 RoA/RoE stood at 3.8/19.7%.

Digital Loans - Personal Loans

- In the last quarter, IIFL scaled down and discontinued many of its fintech partners. Incrementally, it is doing personal loans only as a cross-sell product to its existing non-personal loan customers.
- Short-duration supply chain financing and invoice discounting are 2-6-month duration products. It will also have an impact on the yield of digital loans since supply chain financing is typically done at yields of 11-14%.
- Digital loans segment continues to see forward flows from the lower-ticket personal loans, which were done in partnership with fintechs in FY23.
- In digital loans, the customer profile is largely traders and shop-keepers.

Gold Loans

- Gold loan ticket sizes have gone up, driven by higher gold prices. Gold loan yields would moderate in 4Q given that it is a peak quarter for gold loans and competitive intensity among gold lenders will increase.
- LTV of 68-69% in gold loans against the regulatory capping of ~75%. Gold tonnage stood at ~64tonne.
- Bullet loan portfolio in Gold loans is a very small proportion of the overall gold loans. Most of them will be monthly/quarterly interest repayment loans. This allows the company to do gold loan assignment transactions, which are otherwise not allowed in bullet repayment gold loans.

Home Loans

- Expects that the Union Budget will have a housing incentive scheme.
- Constraint of supply in metros and Tier 1 in urban affordable housing; IIFL has penetrated deeper into Tier3/4 cities. The branches are yet to reach optimum productivity.
- Hub and expansion branches led the distribution model in HFC.
- AIF positioning and the RBI norms - Investments in certain sub-ordinated AIF units from the HFC worth ~INR1.6b. IIFL has taken a 100% capital charge on this exposure. It will look to liquidate this exposure by Jun'24.
- Sitting on high capital adequacy and principal business criteria, which has kicked in now. This is the main reason why co-lending in Home Loans has been slowing down and IIFL HFC is doing more home loans from its own balance sheet.

LAP

- LAP is a small-ticket product; Collection is done physically and 1+dpd can be higher than the normal LAP.
- Mostly in Tier 3 and 4 towns; self-occupied residential property. 1+dpd will remain elevated.
- It has yields of ~18.7% and the risk-adjusted yields are commensurate with its relatively higher levels of Stage 2.

Microfinance

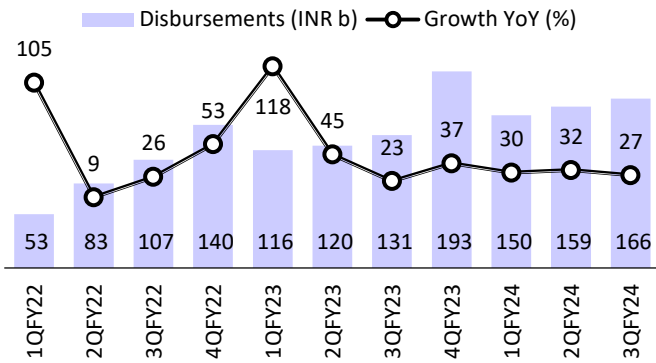
- MFI yields will decline by ~50bp over the next few quarters. Many small MFIs are charging >28% and that must be on the regulator's mind.
- A conscious strategy to tighten credit underwriting in MFI; not giving loans to customers who have 4 or 5 loans from other MFI lenders or already have a high FOIR ratio.
- From 3QFY24 onward, it has reduced the pricing by ~50bp. It is taking a cautious approach to growing the MFI business. Overall rejection percentage has also gone up substantially.
- New-to-credit will be ~9% and New-to-Samasta will be ~40%.
- Samasta does not lend to customers for whom it is the fourth lender. It is giving higher ticket sizes loans to existing customers rather than become the fourth lender.
- Certain geographies and economies have not been supportive; if the rains are not good, they slow down in those geographies.
- Samasta has got a credit rating of AA (Positive) from India Ratings.

Others

- Construction finance done in the HFC - Ticket Size is INR300-500m and they can get preferred partnership for Home Loans.
- CRE book in the Standalone entity - Projects have been delayed and they are looking at various options such as transfer to a different entity, convert the debt, and have another builder take up the loan. Looking at different alternatives, which will help it restore the capital adequacy as well.
- Toward AIF, IIFL has taken ~INR400m provisions in 3Q and it also did ~INR100m in provisions in 2Q (from the standalone entity).
- Over 500 people in collections in HFC and overall ~700-800 people in collections along with multiple agencies, which help in collections.

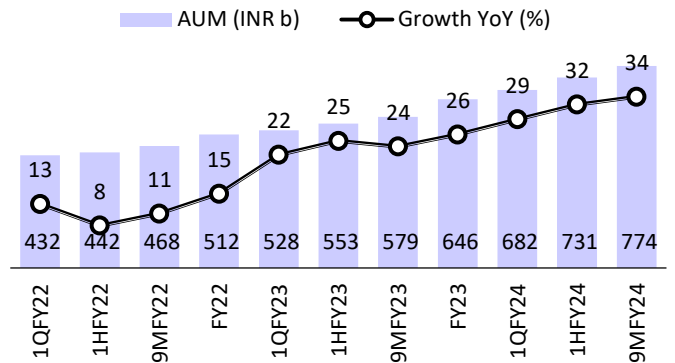
Key exhibits

Exhibit 1: Disbursement rose 27% YoY



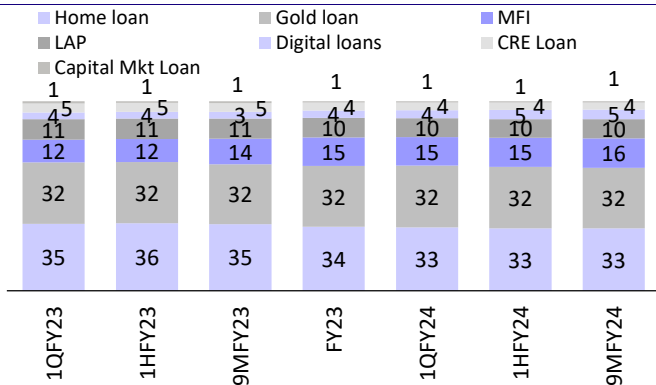
Source: MOFSL, Company

Exhibit 2: AUM growth of 34% YoY



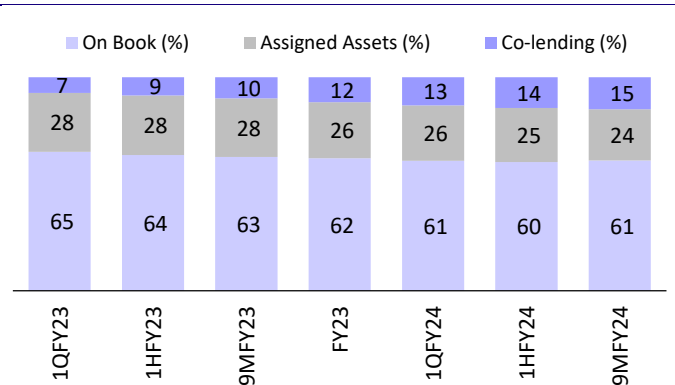
Source: MOFSL, Company

Exhibit 3: AUM Mix remained stable (%)



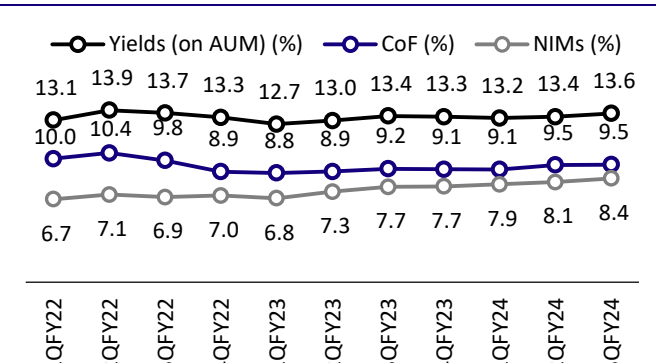
Source: MOFSL, Company

Exhibit 4: Off-book loans constituted 39% of total mix (%)



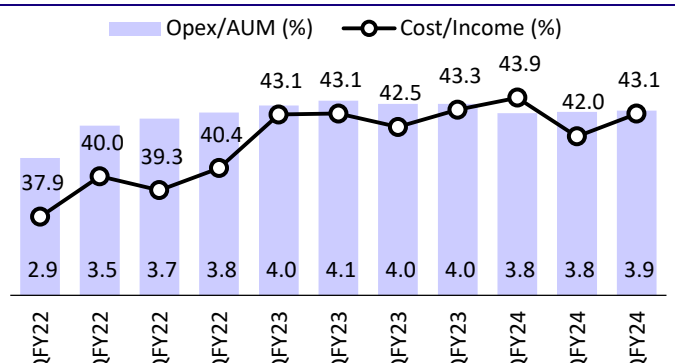
Source: MOFSL, Company

Exhibit 5: NIMs expanded due to ~20bp rise in average yields (%)



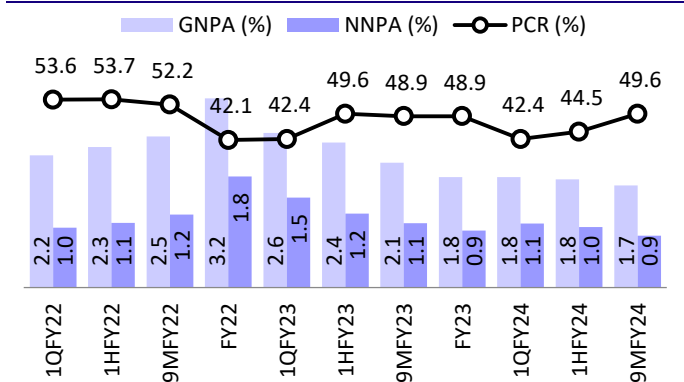
Source: MOFSL, Company

Exhibit 6: Cost/Income ratio elevated due to marketing campaigns undertaken (%)



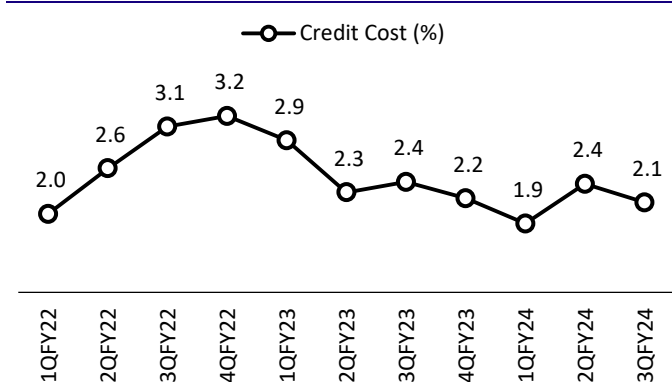
Source: MOFSL, Company

Exhibit 7: Asset quality improved with NNPA <1% (%)



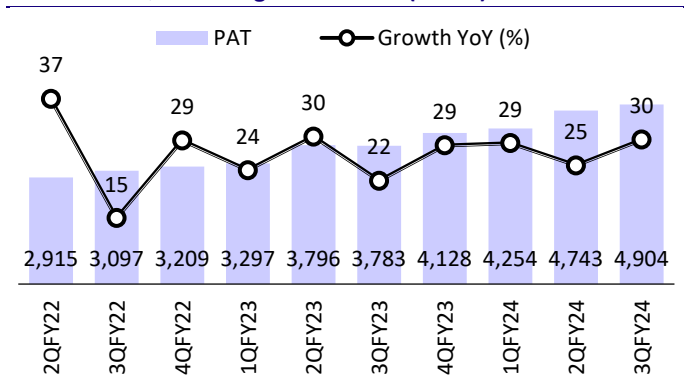
Source: MOFSL, Company

Exhibit 8: Credit Costs improved sequentially by ~30bp (%)



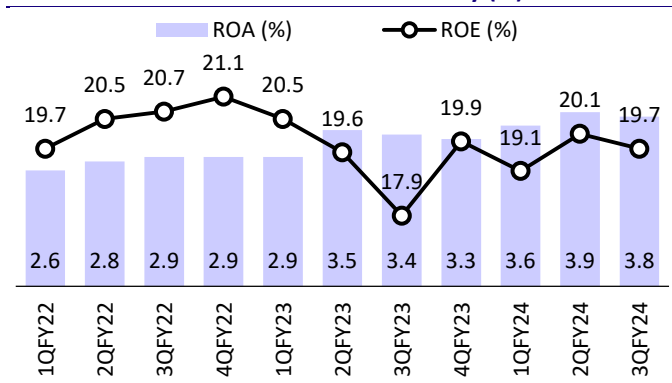
Source: MOFSL, Company

Exhibit 9: 3QFY24 PAT grew 30% YoY (INR m)



Source: MOFSL, Company

Exhibit 10: Return ratios remained healthy (%)



Source: MOFSL, Company

Exhibit 11: Cut our FY24 PAT estimates by ~2% to factor in lower non-interest income

INR B	Old Est.			New Est.			% change		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
NII	55,382	70,635	86,782	58,946	74,188	90,430	6.4	5.0	4.2
Other Income	11,351	12,335	13,410	7,762	8,509	9,386	-31.6	-31.0	-30.0
Total Income	66,733	82,970	100,192	66,708	82,696	99,816	0.0	-0.3	-0.4
Operating Expenses	28,196	33,985	40,240	28,203	33,931	40,101	0.0	-0.2	-0.3
Operating Profits	38,537	48,985	59,952	38,504	48,765	59,715	-0.1	-0.4	-0.4
Provisions	9,661	12,936	15,088	10,073	13,021	15,107	4.3	0.7	0.1
PBT	28,876	36,049	44,865	28,432	35,744	44,608	-1.5	-0.8	-0.6
Tax	6,862	8,561	10,631	6,889	8,488	10,571	0.4	-0.9	-0.6
PAT (pre-NCI)	22,015	27,488	34,233	21,543	27,256	34,037	-2.1	-0.8	-0.6
NCI	2,140	2,500	3,000	2,140	2,500	3,000	0.0	0.0	0.0
PAT (post-NCI)	19,875	24,988	31,233	19,403	24,756	31,037	-2.4	-0.9	-0.6
AUM	829,790	1,035,485	1,265,827	829,925	1,025,413	1,252,542	0.0	-1.0	-1.0
Borrowings	454,328	558,236	661,823	466,543	567,736	677,109	2.7	1.7	2.3
RoA	3.8	4.0	4.1	3.7	3.9	4.1	-3.1	-2.3	-1.9
RoE	20.2	21.1	21.6	19.8	21.0	21.6	-2.1	-0.4	-0.1

Financials and Valuation

Income Statement (Consol.)								(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	47,547	46,189	54,212	61,345	73,693	97,470	120,060	145,046
Interest Expenses	25,850	24,050	26,258	29,910	32,218	38,524	45,872	54,616
Net Interest Income	21,697	22,139	27,954	31,435	41,474	58,946	74,188	90,430
Change (%)		2	26	12	32	42	26	22
-NII on on-book	19,245	16,380	20,934	23,713	30,183	43,395	54,972	66,714
-NII on off-book	2,452	5,758	7,020	7,722	11,291	15,551	19,216	23,716
Other Operating Income	2,230	1,635	4,186	7,202	8,896	5,448	5,964	6,587
Other Income	1,071	818	1,499	1,689	1,883	2,313	2,545	2,799
Total Income	24,998	24,591	33,639	40,326	52,253	66,708	82,696	99,816
Change (%)		-2	37	20	30	28	24	21
Operating Expenses	11,734	12,677	11,904	15,918	22,466	28,203	33,931	40,101
Operating Profit	13,265	11,914	21,734	24,408	29,787	38,504	48,765	59,715
Change (%)		-10	82	12	22	29	27	22
Provisions and write-offs	3,012	4,662	11,686	9,048	8,661	10,073	13,021	15,107
PBT	11,299	7,252	10,048	15,359	21,125	28,432	35,744	44,608
Tax Provisions	3,342	2,217	2,440	3,477	5,050	6,889	8,488	10,571
Tax Rate (%)	29.6	30.6	24.3	22.6	23.9	24.2	23.7	23.7
PAT (pre-NCI)	7,957	5,035	7,608	11,882	16,076	21,543	27,256	34,037
Change (%)		-37	51	56	35	34	27	25
Non-Controlling Interest (NCI)	-11	-16	-7	-4	-1,072	-2,140	-2,500	-3,000
PAT (post-NCI)	7,946	5,018	7,601	11,879	15,003	19,403	24,756	31,037
Change (%)		-37	51	56	26	29	28	25
Balance Sheet								(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	756	757	758	759	761	762	762	762
Reserves & Surplus	42,831	46,899	53,177	63,879	89,160	105,431	128,472	157,603
Non-controlling interest				59.0	12,101	14,241	16,741	19,741
Net Worth	43,587	47,656	53,934	64,697	102,021	120,434	145,975	178,106
Borrowings	265,171	277,177	322,645	357,255	396,040	466,543	567,736	677,109
Change (%)		4.5	16.4	10.7	10.9	17.8	21.7	19.3
Other Liabilities	23,631	18,901	30,090	37,150	31,951	43,122	51,493	60,014
Total Liabilities	332,389	343,734	406,669	459,102	530,012	630,099	765,204	915,229
Cash and Bank	25,216	32,159	47,841	81,569	58,390	34,348	43,694	52,630
Investments	2,124	7,704	316	11,922	35,110	38,314	43,782	49,805
Loans	273,775	285,347	335,332	336,929	400,011	516,089	627,972	754,772
Change (%)		4.2	17.5	0.5	18.7	29.0	21.7	20.2
Fixed Assets	1,112	3,950	4,102	4,777	5,708	6,196	7,264	8,501
Other Assets	30,162	14,574	19,079	23,908	30,794	35,153	42,492	49,521
Total Assets	332,389	343,734	406,669	459,104	530,013	630,099	765,204	915,229
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
AUM	349,035	379,511	446,880	512,098	646,376	829,925	1,025,413	1,252,542
Change (%)	12	9	18	15	26	28	24	22
On-book/Off-book Mix (%)								
On-book AUM (%)		74	75	67	62	61	61	60
Assignments (%)		26	25	28	26	23	22	20
Co-lending (%)		0	0	6	12	15	18	20
Total (%)		100	100	100	100	100	100	100
Disbursements			278,300	383,090	559,630	694,090	842,501	1,000,572
Change (%)				38	46	24	21	19

Financials and Valuation

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Spreads Analysis (%)								
Avg. Yield on Loans	17.0	16.5	17.5	18.3	20.0	21.3	21.0	21.0
Avg Cost of Funds	9.7	8.9	8.8	8.8	8.6	8.9	8.9	8.8
Spread of loans	7.3	7.7	8.7	9.5	11.4	12.3	12.1	12.2
NIM (as % of total AUM)	6.2	6.1	6.8	6.6	7.2	8.0	8.0	7.9
On-book NIM (% of on-book AUM)	6.8	5.9	6.8	7.0	8.1	9.5	9.7	9.8

Profitability Ratios (%)

RoE	19.6	11.0	15.0	20.0	19.4	19.8	21.0	21.6
RoA	2.4	1.5	2.0	2.7	3.3	3.7	3.9	4.1
Int. Expended / Int.Earned	54.4	52.1	48.4	48.8	43.7	39.5	38.2	37.7
Other Inc. / Net Income	13.2	10.0	16.9	22.0	20.6	11.6	10.3	9.4

Efficiency Ratios (%)

Op. Exps. / Avg AUM	3.6	3.5	2.9	3.3	3.9	3.8	3.7	3.5
Op. Exps. / Net Income	46.9	52	35	39	43	42	41	40
Empl. Cost/Op. Exps.	58.8	59	61	58	59	60	61	62

Asset-Liability Profile (%)

Debt-Equity Ratio	6.1	5.8	6.0	5.5	4.4	4.4	4.4	4.3
Assets/Equity	7.6	7.2	7.5	7.1	5.9	5.9	5.9	5.8

Asset Quality (%)

GNPA (INR m)			6,620	10,740	7,380	7,851	9,448	10,443
GNPA (%)	1.7	2.3	2.1	3.2	1.8	1.5	1.5	1.4
NNPA (INR m)			2,986	6,218	3,771	3,747	4,333	4,611
NNPA (%)	0.5	1.0	1.0	1.8	1.1	0.7	0.7	0.6
PCR (%)			55	42	49	52	54	56
Credit costs	1.1	1.7	3.8	2.7	2.4	2.2	2.3	2.2

Valuations

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Book Value (INR)	115	126	142	170	236	279	339	415
BV Growth (%)		9	13	20	39	18	22	23
P/BV	5.5	5.1	4.5	3.8	2.7	2.3	1.9	1.5
EPS (INR)	21	13	20	31	39	51	65	81
EPS Growth (%)		-37	51	56	26	29	28	25
P/E	30.4	48.3	31.9	20.5	16.2	12.6	9.9	7.9
Dividend	5.0	2.3	3.0	3.5	4.0	4.5	5.0	5.5
Dividend yield	0.8	0.4	0.5	0.5	0.6	0.7	0.8	0.9

E: MOFSL Estimates

Du-Pont (% of avg. assets)

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	14.5	13.7	14.4	14.2	14.9	16.8	17.2	17.3
Interest Expended	7.9	7.1	7.0	6.9	6.5	6.6	6.6	6.5
NIM	6.6	6.5	7.5	7.3	8.4	10.2	10.6	10.8
Other income	1.0	0.7	1.5	2.1	2.2	1.3	1.2	1.1
Total income	7.6	7.3	9.0	9.3	10.6	11.5	11.9	11.9
Operating cost	3.6	3.8	3.2	3.7	4.5	4.9	4.9	4.8
PPOP	4.1	3.5	5.8	5.6	6.0	6.6	7.0	7.1
Provision	0.9	1.4	3.1	2.1	1.8	1.7	1.9	1.8
PBT	3.5	2.1	2.7	3.5	4.3	4.9	5.1	5.3
Tax	1.0	0.7	0.7	0.8	1.0	1.2	1.2	1.3
ROA (pre-NCI)	2.4	1.5	2.0	2.7	3.3	3.7	3.9	4.1
NCI	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
ROA (post-NCI)	2.4	1.5	2.0	2.7	3.0	3.3	3.5	3.7
Avg. leverage (x)	8.1	7.4	7.4	7.3	6.4	5.9	5.9	5.8
RoE	19.6	11.0	15.0	20.0	19.4	19.8	21.0	21.6

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NOTES

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