

LIC Housing Finance

Estimate change	↔
TP change	↓
Rating change	↔

CMP: INR686

TP: INR860 (+25%)

Buy

Weak operating performance; NIM contracts ~40bp QoQ

Credit costs benign at ~20bp, aided by provision releases

- LICHF's 1QFY25 PAT declined ~2% YoY to ~INR13b (in line). NII declined ~10% YoY to ~INR19.9b (8% miss). NII included NPA recoveries of INR900m (vs. INR2.3b in 4QFY24).
- Opex grew ~8% YoY to INR2.6b, and the cost-to-income ratio rose ~2pp YoY to ~13% (vs. ~11% in 1QFY24). PPop at ~INR17.7b (8% miss) declined ~12% YoY.
- Reported yields and CoF stood at 9.8% and ~7.8%, respectively, leading to spreads of 2.1% (vs. 2.15% in 4QFY24). **NIM dipped ~40bp QoQ to ~2.75%, partly due to lower NPA recoveries vs. 4QFY24.** However, the management expects NIM to recover in the coming quarters and to be around 2.7%-2.9% in FY25. We estimate NIM of 2.9%/2.7% in FY25/FY26.
- We keep our FY25E/FY26E estimates largely unchanged. We estimate a CAGR of 9%/4% in advances/PAT over FY24-26 and RoA/RoE of 1.6%/14% in FY26.
- The company is looking to diversify its product mix by increasing the proportion of non-housing loans and the self-employed customer mix. Risk-reward is favorable at 1.0x FY26 P/BV. Reiterate **BUY with a TP of INR860 (premised on 1.2x FY26E P/BV).**

Disbursements muted; loan growth weak

- For LICHF, the base quarter, 1QFY24, was severely affected by technology changes. Loan disbursements rose ~16% YoY in individual home loans and 23% YoY in non-housing individual/commercial loans. Project loan disbursements grew ~108% YoY. Total disbursements increased by ~19% YoY to ~INR129b (muted vs. expectations).
- Overall loan book grew ~4% YoY and ~1% QoQ. Home loans grew ~7% YoY, while developer loan book declined ~51% YoY.
- The management shared that it continues to see downward pressure on the repricing of loans at lower interest rates to retain customers. The company also aims to increase its other loans (NHI, NHC and Project Loans) to ~20% of disbursements by FY25 (vs. ~13% in FY24). We model a CAGR of ~9% in advances over FY24-FY26E.

Highlights from the management commentary

- 1QFY25 credit costs stood at ~19bp and the company guided for FY25 credit costs of ~25-30bp.
- The management expects Stage 1 PCR to remain around 18-20bp; Stage 2 PCR in the range of 4%-5%, Stage 3 PCR at ~50% and ECL/EAD to remain around ~2%.

Valuation and View

- LICHF has strong moats in retail mortgages and on the liability side. It has demonstrated its ability to transmit higher borrowing costs to customers. We model higher credit costs of ~40bp for FY25 (vs. guidance of ~25-30bp).

Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USDb)	377.4 / 4.5
52-Week Range (INR)	827 / 410
1, 6, 12 Rel. Per (%)	-13/-3/38
12M Avg Val (INR M)	1704

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	86.5	83.3	86.2
PPP	77.0	73.4	75.5
PAT	47.7	49.6	51.2
EPS (INR)	86.6	90.1	93.0
EPS Gr. (%)	64.8	4.0	3.3
BV/Sh (INR)	570	642	716

Ratios

NIM (%)	3.2	2.9	2.7
C/I ratio (%)	13.0	14.2	14.8
RoAA (%)	1.7	1.6	1.6
RoE (%)	16.3	14.9	13.7
Payout (%)	10.4	10.5	10.6

Valuations

P/E (x)	7.9	7.6	7.4
P/BV (x)	1.2	1.1	1.0
Div. Yield (%)	1.3	1.4	1.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	45.2	45.2	45.2
DII	21.2	22.3	25.2
FII	23.2	22.3	17.0
Others	10.4	10.2	12.6

FII Includes depository receipts

- LICHF's valuation of ~1.0x FY26E P/BV reflects volatility in its provision cover and NIM profile, along with muted execution on loan growth. We estimate RoA/RoE of 1.6%/14% in FY26 and reiterate our **BUY** rating with a TP of INR860 (based on 1.2x FY26E BV).
- **Key downside risks:** a) elongated period of weak loan growth because of muted demand or high competitive intensity; and b) volatility in NIM profile and ECL provisioning.

Quarterly Performance**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E	1QFY25E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	67,037	67,066	67,437	68,875	67,391	68,537	70,319	72,614	2,70,416	2,78,862	69,633	-3
Interest Expenses	44,942	46,000	46,465	46,499	47,501	48,166	49,321	50,573	1,83,907	1,95,560	48,127	-1
Net Interest Income	22,094	21,066	20,972	22,376	19,891	20,371	20,997	22,042	86,509	83,301	21,506	-8
YoY Growth (%)	37.2	81.2	30.6	12.4	-10.0	-3.3	0.1	-1.5	36.7	-3.7	-2.7	
Fees and other income	429	521	488	493	446	625	585	573	1,931	2,230	515	-13
Net Income	22,523	21,587	21,460	22,869	20,337	20,997	21,583	22,615	88,440	85,531	22,021	-8
YoY Growth (%)	36.4	79.1	30.6	12.8	-9.7	-2.7	0.6	-1.1	36.3	-3.3	-2.2	
Operating Expenses	2,425	2,595	2,615	3,829	2,621	2,805	2,917	3,792	11,463	12,135	2,862	-8
Operating Profit	20,098	18,993	18,845	19,041	17,715	18,192	18,666	18,823	76,976	73,396	19,159	-8
YoY Growth (%)	38.8	101.1	39.0	8.7	-11.9	-4.2	-1.0	-1.1	40.0	-4.7	-4.7	
Provisions and Cont.	3,608	4,192	4,358	4,279	1,431	3,291	3,620	3,325	16,437	11,668	3,789	-62
Profit before Tax	16,490	14,801	14,487	14,762	16,285	14,901	15,046	15,497	60,539	61,729	15,370	6
Tax Provisions	3,253	2,920	2,858	3,854	3,282	2,935	2,964	2,979	12,885	12,161	2,920	12
Net Profit	13,237	11,881	11,629	10,908	13,002	11,966	12,082	12,519	47,654	49,568	12,450	4
YoY Growth (%)	43	290	142	-8	-2	1	4	15	65	4	-6	
Key Operating Parameters (%)												
Yield on loans (Cal)	9.72	9.68	9.65	9.70	9.37	9.41	9.46	9.51	9.9	9.6		
Cost of funds (Cal)	7.40	7.59	7.61	7.47	7.50	7.52	7.54	7.57	7.4	7.5		
Spreads (Cal)	2.33	2.09	2.04	2.23	1.87	1.89	1.92	1.95	2.5	2.1		
Margins (Cal)	3.21	3.04	3.00	3.15	2.76	2.80	2.83	2.89	3.1	2.8		
Credit Cost (Cal)	0.52	0.60	0.62	0.60	0.20	0.45	0.49	0.44	0.6	0.4		
Cost to Income Ratio	10.8	12.0	12.2	16.7	12.9	13.4	13.5	16.8	13.0	14.2		
Tax Rate	19.7	19.7	19.7	26.1	20.2	19.7	19.7	19.2	21.3	19.7		
Balance Sheet Parameters												
Loans (INR B)	2,764	2,780	2,812	2,868	2,887	2,940	3,004	3,102	2806	3028		
Change YoY (%)	8.1	6.0	4.8	4.3	4.4	5.8	6.8	8.2	4.8	7.9		
Indiv. Disb. (INR B)	106	142	148	167	124	0	0	0	564	654		
Change YoY (%)	-28.8	-13.1	-5.5	15.6	16.9	-100.0	-100.0	-100.0	-8.2	16.0		
Borrowings (INR B)	2,414	2,436	2,451	2,530	2,537	2,587	2,644	2,704	2525	2704		
Change YoY (%)	6.8	4.6	2.0	3.4	5.1	6.2	7.9	6.9	3.2	7.1		
Loans/Borrowings (%)	114.5	114.1	114.7	113.4	113.8	113.6	113.6	114.7	111.1	112.0		
Asset Quality Parameters												
GS 3 (INR B)	137.1	120.4	119.8	94.9	95.3				94.9	84.3		
Gross Stage 3 (% on Assets)	5.0	4.3	4.3	3.3	3.3				3.3	2.7		
NS 3 (INR B)	79.2	70.8	61.6	46.2	48.0				46.2	43.8		
Net Stage 3 (% on Assets)	2.9	2.6	2.2	1.6	1.7				1.6	1.4		
PCR (%)	42.3	41.2	48.6	51.4	49.6				51.4	48.1		
ECL (%)	2.75	2.34	2.45	2.19	1.96							
Loan Mix (%)												
Home loans	83.2	84.4	84.9	85.1	85.3							
LAP	12.3	12.1	12.1	12.8	12.7							
Non Individual loans	4.3	3.5	3.0	2.1	2.0							
Borrowing Mix (%)												
Banks	31.0	33.0	35.0	34.0	34.0							
NCD	54.0	53.0	52.0	52.0	54.0							
Sub Debt	1.0	1.0	1.0	1.0	1.0							
Deposits	5.0	5.0	4.0	4.0	3.0							
NHB	5.0	4.0	4.0	4.0	4.0							
CP	4.0	4.0	4.0	5.0	4.0							

E: MOFSL Estimates



Asset quality largely stable; sharp PCR decline across Stage 1 and 2

- GS3 and NS3 were broadly stable at ~3.3% and 1.7%, respectively. Stage 1 PCR declined to ~18bp (PQ: ~24bp), Stage 2 PCR declined to ~3.9% (PQ: 6.4%) and Stage 3 PCR declined to ~50% (PQ: ~51%).
- Stage 2 + 3 assets (30+ dpd) declined ~15bp QoQ to 7.35% (vs. 7.5% in 4QFY24). ECL/ EAD declined ~20bp QoQ to ~2.0% (vs. 2.2% in 4QFY24).
- The company took technical write-offs in 1QFY25 of ~INR7.4b (PQ: INR10.8b).
- The company guided for write-offs of ~INR4-5b in the remaining part of the year. It has two projects under the NCLT with exposures of ~INR2.5b and ~INR3.75b, which are expected to be resolved in the next two quarters. Annualized credit costs were benign at ~20bp (PY: ~50bp). We model credit costs of ~40bp in FY25E/FY26E.

Highlights from the management commentary

Business Update

- As announced in the Union Budget, the government will continue to focus on affordable housing.
- In terms of interest rates, a gradual downward trend is expected in the coming year. RBI August MPC will provide clarity on the way forward.
- Outstanding loan portfolio grew ~4% YoY, individual loan portfolio grew 7% YoY, individual home loan disbursements grew 16% YoY, and project disbursements grew ~108% YoY.
- PAT stood at ~INR13b, down 2% YoY.
- CoF remained stable QoQ at 7.76% (despite elevated yields in the market in 1QFY25).

Guidance

- LICHF guided for stronger growth in Retail Finance and Project Finance and maintained its guidance of double-digit loan growth in FY25.
- The company aims to increase its other loans (NHI, NHC and Project Loans) to ~20% of disbursements by FY25 (vs. ~13% in FY24).
- Confident of achieving its NIM guidance of 2.7%-2.9%; the NIM decline was because of lower NPA recoveries of ~INR900m (vs. INR2.3b in 4QFY24). NIM has hit rock bottom and is expected to improve in the coming quarters.
- 1QFY25 credit costs stood at ~19bp and the company guided for FY25 credit costs of ~25-30bp.
- Stage 1 PCR should remain in the band of 18-20bp; Stage 2 PCR will remain between 4%-5%; Stage 3 PCR will remain around ~50% and ECL/EAD will remain around ~2%.

Disbursements and Loan growth

- Total disbursements stood at ~INR130b, up 19% YoY.
- Portfolio run-off rate is ~4% (~16% annualized). There is still re-writing pressure (i.e. repricing of loans), with faster rewriting in higher RoI loans.
- The company is taking a re-look at interest rates and expects this exercise to bring down the repayments and re-writing of loans.

Asset quality

- As a practice, the provision cover is retained at Stage 2 levels for a curation period of a quarter. About ~INR2b of Stage 2 assets were upgraded to Stage 1 in

Mar'24. However, provisions were retained at same levels as Stage 2 for one quarter (curation period). In 1QFY25, the requisite provisions as per Stage 1 were restored, which led to a decline in Stage 2 PCR.

- In the builder segment, LICHF recovered ~INR900m in 4QFY24, which declined to ~INR100m in 1QFY25. In 4QFY24, there were ~INR700-800m of lumpy recoveries (one-offs) from project loans. The company guided for quarterly recoveries of ~INR1.4b-1.5b.
- Guided for write-offs of ~INR4-5b in the remaining part of the year. LICHF expects two projects of ~INR2.5b and ~INR3.75b which are in NCLT, to get resolved over the next two quarters.
- Some wrong decisions were taken in Non-Housing Individual/LAP. LAPs were sold incrementally; not many NPAs. Those mistakes will not be repeated. There was a particular phase between 2016 and 2019, wherein more than ~60-65% of project loans became NPAs. LICHF has learnt its lessons from the past. Now it will lend only to good quality and top builders.
- There was no monitoring aspect earlier; it has now built a strong monitoring team.
- Out of total ECL provisions of ~INR56.7b, the management overlay is ~INR17.7b.

Yields

- Lowering interest rates is out of question. LICHF is looking at smaller ranges of CIBIL score, so that it can price customers better. It will not impact the company's growth but will give it better margins.
- LICHF will be looking to penetrate the self-employed segment – Risk-based pricing is revisited and it will price the products based on the creditworthiness of the borrower.

Liabilities

- Out of ~INR820b Bank borrowings, ~INR400b linked to external benchmark rates, ~INR250b linked to the repo rate and ~INR170b linked to MCLR rates.
- The company has seen improvement in liquidity. A decline in G-Sec yields and global benchmarks in 1QFY25 will augur well for CoF.
- About ~INR75b of liabilities (at CoF of ~8%) will get re-priced in the current quarter at incremental CoF of 7.5%-7.6%.

Product mix

- Diversify from IHL to the other Loans - Lending to corporates, non-housing loans to individuals; it is also looking to grow its builder book. It expects to increase other loan disbursements (ex of Home Loans) to ~20% of total disbursements (vs. ~13% in FY24).
- Competitive intensity remains the same; Banks have increased their lending rates slightly by 10-15bp. LICHF is trying to be competitive but also diversifying its product mix to improve its margins.

Project Loans

- It will target large builders and good projects. It plans to increase the proportion of project loans in the loan mix.
- Project loans have bottomed out and the company will look to start increasing it now.

Others

- Individual retail sanctions were up ~30% YoY.
- ~85% of the book is individual home loans (IHL); Segment is mostly salaried with excellent CIBIL scores - cream of the market - lot of competition from banks and it needs to be competitive to get this segment on the book.
- Whenever write-offs happen, the Stage 3 account related management overlay gets released. When Stage 2 accounts move to Stage 1, there is again a commensurate adjustment in the required PCR.
- Collections overall dipped in 1Q; In 1QFY25, there was a reduction of ~INR3.5b from Retail book in Stage 2 EAD - Part of which moved from S2 to S3 and part of it moved from Stage 2 to 1.

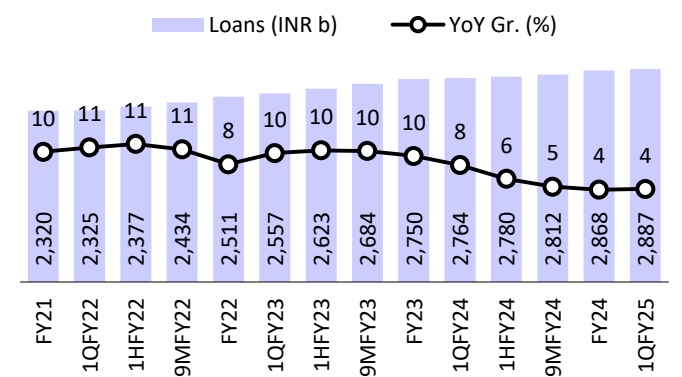
Exhibit 1: Segment-wise split of Stage 3

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Individual home loans (IHL)	1.68%	1.62%	1.60%	2.20%	1.2%	1.7%	1.5%	1.4%
Non-housing individual (NHI)	6.9%	6.7%	6.6%	7.8%	7.1%	6.5%	5.5%	5.4%
Non-housing commercial (NHC)	22.4	22.5%	22.0%	24.0%	35.5%*	40.8%*	30.7%*	33.1%*
Project loans	42.2%	45.6%	40.0%	42.1%				

*Including Project loans

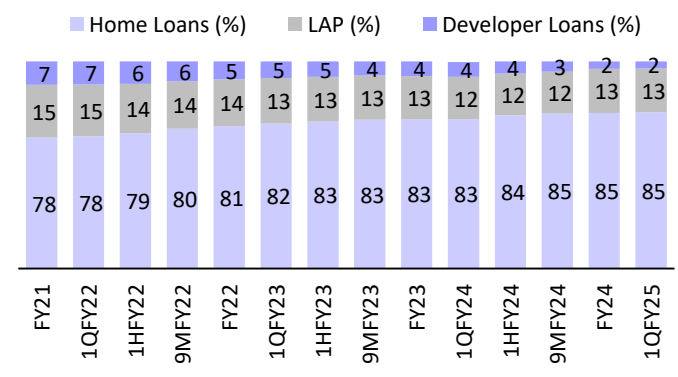
Story in charts

Exhibit 2: Loan book grew 4% YoY



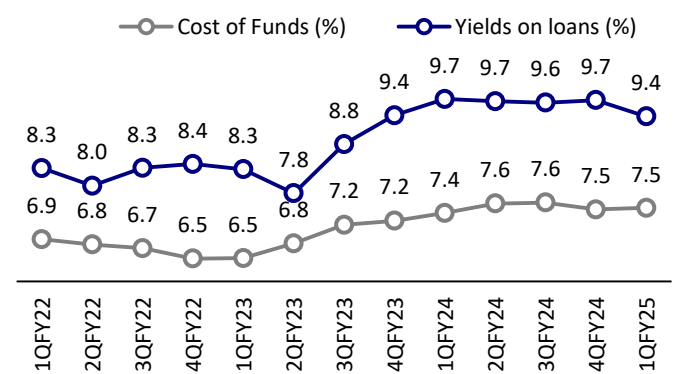
Source: MOFSL, Company

Exhibit 3: Loan mix stable QoQ (%)



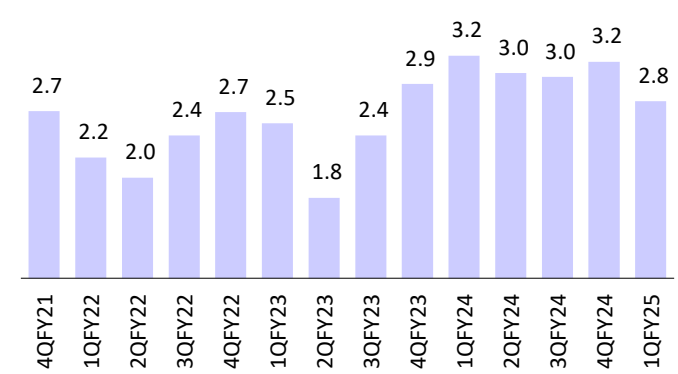
Source: MOFSL, Company

Exhibit 4: Calculated yields declined ~35bp QoQ



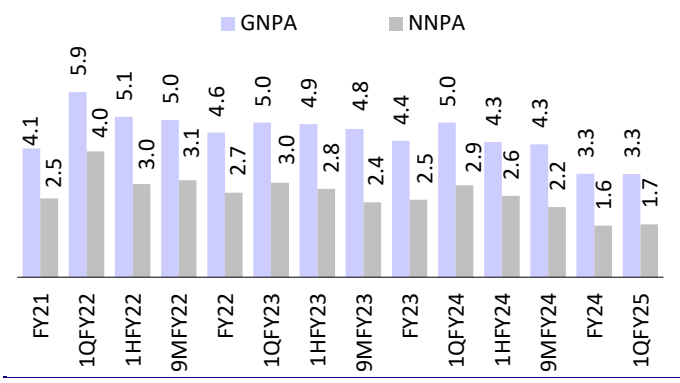
Source: MOFSL, Company

Exhibit 5: NIMs declined ~40bp QoQ (%)



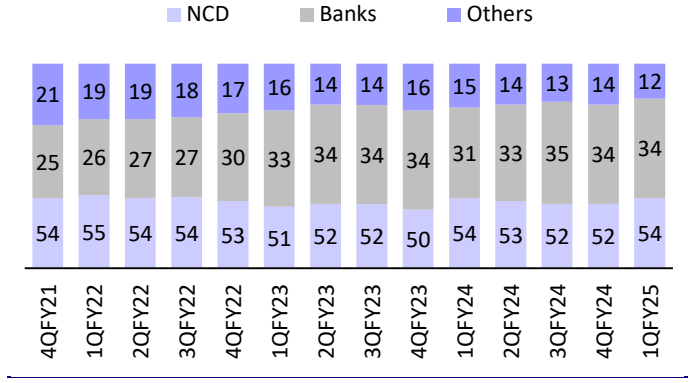
Source: MOFSL, Company

Exhibit 6: GS3 was stable QoQ at 3.3



Source: MOFSL, Company

Exhibit 7: Share of NCD borrowings increased ~2pp QoQ (%)

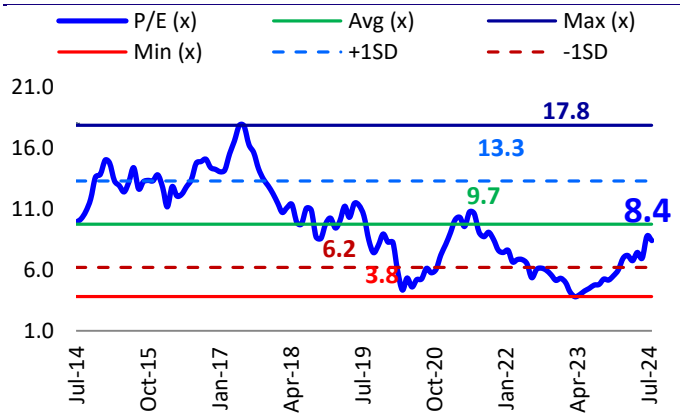


Source: MOFSL, Company

Exhibit 8: We largely maintain our earnings estimates

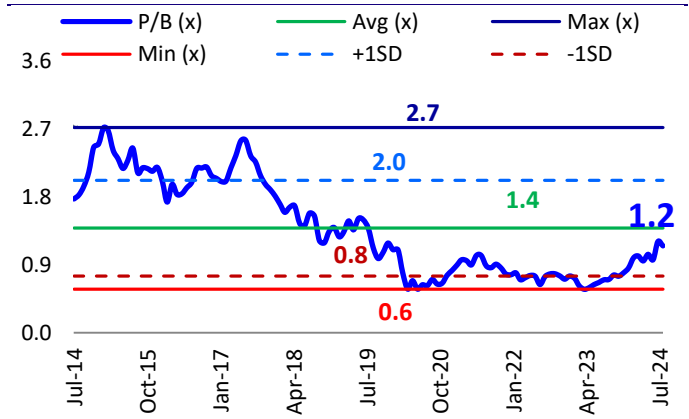
INR B	Old Est.		New Est.		% Change	
	FY25	FY26	FY25	FY26	FY25	FY26
NII	84.4	86.6	83.3	86.2	-1.3	-0.4
Other Income	2.3	2.4	2.2	2.4	-1.0	-1.1
Net Income	86.7	89.0	85.5	88.6	-1.3	-0.4
Operating Expenses	12.0	12.9	12.1	13.1	1.3	1.2
Operating Profits	74.7	76.1	73.4	75.5	-1.7	-0.7
Provisions	13.2	12.9	11.7	11.8	-11.5	-8.5
PBT	61.5	63.2	61.7	63.8	0.4	0.9
Tax	11.7	12.0	12.2	12.6		
PAT	49.8	51.2	49.6	51.2	-0.5	0.0
Loans	3,051	3,378	3,028	3,330	-0.7	-1.4
Borrowings	2,724	3,014	2,704	2,967	-0.7	-1.6
Spreads (%)	2.09	1.87	2.08	1.90		
RoAA (%)	1.6	1.5	1.6	1.6		
RoAE (%)	14.9	13.7	14.9	13.7		

Exhibit 9: One-year forward P/E



Source: MOFSL, Company

Exhibit 10: One-year forward P/B



Source: MOFSL, Company

Financials and valuations

Income Statement									(INR M)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	1,46,662	1,71,628	1,96,054	1,96,971	1,96,885	2,25,162	2,70,416	2,78,862	3,00,297
Interest Expense	1,11,439	1,28,915	1,47,839	1,44,526	1,41,537	1,61,860	1,83,907	1,95,560	2,14,066
Net Interest Income	35,223	42,713	48,215	52,445	55,348	63,303	86,509	83,301	86,231
Change (%)	-3.4	21.3	12.9	8.8	5.5	14.4	36.7	-3.7	3.5
Fee Income	356	348	394	788	982	448	491	574	661
Other Income	1,388	1,669	250	718	1,664	1,132	1,440	1,656	1,738
Net Income	36,968	44,730	48,859	53,951	57,994	64,882	88,440	85,531	88,631
Change (%)	-4.0	21.0	9.2	10.4	7.5	11.9	36.3	-3.3	3.6
Operating Expenses	4,396	4,754	6,167	7,015	9,994	9,883	11,463	12,135	13,103
Operating Profits	32,572	39,976	42,692	46,936	48,000	55,000	76,976	73,396	75,528
Change (%)	0.6	22.7	6.8	9.9	2.3	14.6	40.0	-4.7	2.9
Provisions/write offs	4,917	6,181	10,002	13,450	20,218	19,430	16,437	11,668	11,761
PBT	27,655	33,796	32,690	33,486	27,782	35,570	60,539	61,729	63,767
Tax	7,630	9,486	8,672	6,142	4,909	6,660	12,885	12,161	12,562
Tax Rate (%)	27.6	28.1	26.5	18.3	17.7	18.7	21.3	19.7	19.7
PAT	20,025	24,310	24,018	27,343	22,873	28,910	47,654	49,568	51,205
Change (%)	3.7	21.4	-1.2	13.8	-16.3	26.4	64.8	4.0	3.3
Adjusted PAT	20,025	24,310	24,018	27,343	22,873	28,910	47,654	49,568	51,205
Change (%)	3.7	21.4	-1.2	13.8	-16.3	26.4	64.8	4.0	3.3
Proposed Dividend	3,998	4,471	4,040	4,292	4,678	4,678	4,954	5,205	5,428

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Capital	1,010	1,010	1,010	1,010	1,101	1,101	1,101	1,101	1,101
Reserves & Surplus	1,41,402	1,61,583	1,80,921	2,04,203	2,45,618	2,69,903	3,12,846	3,52,255	3,92,828
Net Worth	1,42,412	1,62,593	1,81,931	2,05,213	2,46,718	2,71,003	3,13,946	3,53,356	3,93,929
Borrowings	14,53,099	17,06,670	19,13,317	20,78,615	22,36,582	24,47,742	25,24,968	27,03,913	29,66,697
Change (%)	15.0	17.5	12.1	8.6	7.6	9.4	3.2	7.1	9.7
Other liabilities	1,15,387	1,36,572	72,808	72,505	62,375	65,374	73,132	80,445	88,490
Total Liabilities	17,10,898	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,37,714	34,49,116
Investments	19,722	35,951	54,964	46,357	61,986	69,764	62,770	65,909	69,204
Change (%)	-41.5	82.3	52.9	-15.7	33.7	12.5	-10.0	5.0	5.0
Loans	16,61,623	19,29,927	20,79,880	22,81,143	24,52,963	26,78,348	28,05,898	30,27,898	33,29,627
Change (%)	14.8	16.1	7.8	9.7	7.5	9.2	4.8	7.9	10.0
Net Fixed Assets	971	1,359	2,544	2,469	2,876	3,570	3,609	4,150	4,772
Other assets	28,582	38,598	30,669	26,364	27,849	32,439	39,770	39,758	45,513
Total Assets	17,10,898	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,37,714	34,49,116

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Spreads Analysis (%)									
Yield on loans	9.4	9.6	9.8	9.0	8.3	8.8	9.9	9.6	9.4
Cost of funds	8.2	8.2	8.2	7.2	6.6	6.9	7.4	7.5	7.6
Spreads Analysis (%)	1.2	1.4	1.6	1.8	1.76	1.87	2.46	2.08	1.90
Margins	2.3	2.4	2.4	2.4	2.3	2.5	3.2	2.9	2.7

Profitability Ratios (%)

Adj RoAE	14.9	15.9	13.9	14.1	10.1	11.2	16.3	14.9	13.7
Adj RoAA	1.2	1.3	1.2	1.2	0.9	1.1	1.7	1.6	1.6
Int. Expended/Int.Earned	76.0	75.1	75.4	73.4	71.9	71.9	68.0	70.1	71.3
Other Inc./Net Income	3.8	3.7	0.5	1.3	2.9	1.7	1.6	1.9	2.0

Efficiency Ratios (%)

Fees/Operating income	0.2	0.2	0.2	0.4	0.5	0.2	0.2	0.2	0.2
Op. Exps./Net Income	11.9	10.6	12.6	13.0	17.2	15.2	13.0	14.2	14.8
Empl. Cost/Op. Exps.	50.8	52.1	48.5	41.8	56.4	47.9	53.2	52.4	52.9

Asset-Liability Profile (%)

Loans/Borrowings Ratio	114.4	113.1	108.7	109.7	109.7	109.4	111.1	112.0	112.2
Debt/Equity (x)	10.2	10.5	10.5	10.1	9.1	9.0	8.0	7.7	7.5
Gross NPAs (Rs m)	13,036	30,754	59,594	95,585	1,16,520	1,20,196	94,945	84,348	76,024
Gross NPAs to Adv.	0.8	1.6	2.8	4.1	4.7	4.4	3.3	2.7	2.3
Net NPAs (Rs m)	7,117	15,514	33,474	57,414	66,314	66,383	46,178	43,806	39,754
Net NPAs to Adv.	0.4	0.8	1.6	2.5	2.7	2.5	1.6	1.4	1.2

Valuation

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Book Value (INR)	282	322	360	406	448	492	570	642	716
Growth (%)	12.9	14.2	11.9	12.8	10.3	9.8	15.8	12.6	11.5
Price-BV (x)	2.4	2.1	1.9	1.7	1.5	1.4	1.2	1.1	1.0
Adjusted BV (INR)	278.2	313.7	342.4	375.7	415.7	459.8	547.7	620.5	696.2
Price-ABV (x)	2.4	2.1	1.9	1.7	1.5	1.4	1.2	1.1	1.0
OPS (INR)	64.5	79.2	84.5	93.0	87.2	99.9	139.9	133.4	137.2
Growth (%)	0.6	22.7	6.8	9.9	-6.2	14.6	40.0	-4.7	2.9
Price-OP (x)	10.6	8.7	8.1	7.4	7.9	6.9	4.9	5.1	5.0
EPS (INR)	39.7	48.1	47.6	54.2	41.6	52.5	86.6	90.1	93.0
Growth (%)	3.7	21.4	-1.2	13.8	-23.3	26.4	64.8	4.0	3.3
Price-Earnings (x)	17.3	14.2	14.4	12.6	16.5	13.0	7.9	7.6	7.4
Adj. EPS (INR)	39.7	48.1	47.6	54.2	41.6	52.5	86.6	90.1	93.0
Growth (%)	3.7	21.4	-1.2	13.8	-23.3	26.4	64.8	4.0	3.3
Price-Earnings (x)	17.3	14.2	14.4	12.6	16.5	13.0	7.9	7.6	7.4
Dividend Per Share	6.8	7.6	8.0	8.5	8.5	8.5	9.0	9.5	9.9
Dividend Yield (%)	1.0	1.1	1.2	1.2	1.2	1.2	1.3	1.4	1.4

E: MOFSL Estimates

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