

Estimate change 

TP change 

Rating change 

Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USDb)	359.2 / 4.3
52-Week Range (INR)	683 / 363
1, 6, 12 Rel. Per (%)	-1/28/43
12M Avg Val (INR M)	1405

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	86.5	84.6	87.2
PPP	77.0	74.9	76.7
PAT	47.7	50.0	51.7
EPS (INR)	86.6	90.8	94.0
EPS Gr. (%)	64.8	4.9	3.5
BV/Sh (INR)	570	643	717

Ratios

NIM (%)	3.2	2.9	2.7
C/I ratio (%)	13.0	13.7	14.4
RoAA (%)	1.7	1.6	1.6
RoE (%)	16.3	15.0	13.8
Payout (%)	10.4	10.5	10.6

Valuations

P/E (x)	7.5	7.2	7.0
P/BV (x)	1.1	1.0	0.9
Div. Yield (%)	1.4	1.5	1.5

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	45.2	45.2	45.2
DII	22.3	21.8	24.4
FII	22.3	21.6	17.5
Others	10.2	11.4	12.9

FII Includes depository receipts

CMP: INR653

TP: INR790 (+21%)

Buy

Operationally healthy quarter despite one-offs

NIM rose ~15bp QoQ; sharp improvement in asset quality

- LICHF's 4QFY24 PAT declined ~8% YoY to ~INR10.9b (8% miss) due to one-offs in opex and tax. FY24 PAT grew ~65% YoY to INR47.6b. 4QFY24 NII at ~INR22.4b (9% beat) grew ~12% YoY. PPOp grew ~9% YoY to ~INR19b.
- Opex grew ~39% YoY to INR3.8b (32% above MOFSLe) and the cost-income ratio rose ~3pp YoY to ~17% (~14% in 4QFY23). Employee expenses rose ~INR600m QoQ, which included one-off items related to gratuity (INR220m) and arrears on wage revisions (~INR320m).
- 4QFY24 NIM expanded ~15bp QoQ to ~3.15%. As of Mar'24, reported yields and CoF stood at 9.9% and ~7.8%, respectively, leading to spreads of 2.15% (Dec'23: 2.3%). Management guided for NIM of 2.7-2.9% in FY25 and sounded confident of sustaining it at the upper end of the guidance. We model NIM of 2.9%/2.7% in FY25/FY26.
- Effective tax rate in 4Q rose to ~26% (vs. ~19.7% for the last three quarters). The 4Q tax rate included a one-off tax adjustment for DTL of prior years (~INR1.3b). Tax rate is expected to revert to ~19-20% in FY25.
- We increase our FY25E EPS by ~4% to factor in higher NIM (vs. earlier expectations). We model a CAGR of 10%/4% in advances/PAT over FY24-26 and RoA/RoE of 1.6%/14% in FY26.
- Interest income write-backs resulting from the recovery and resolution of NPA accounts have contributed significantly to achieving historically high levels of NIM in FY24. High competitive intensity and lower support from recoveries in the interest income can lead to a contraction in NIM in FY25. We see far better earnings predictability in LICHF as the asset quality continues to improve through resolutions of stressed exposures. Risk-reward is favorable at 0.9x FY26 P/BV. We reiterate our **BUY rating with a TP of INR790 (premised on 1.1x FY26E P/BV)**.

Highlights from the management commentary

- Management guided for double-digit loan growth. It also guided for credit costs of ~40bp, and cost-income ratio of 13-14% in FY25.
- PCR on Stage 3 (S3) is one of the best among peers and it will maintain S3 PCR at its current levels of ~50%. LICHF has technical written-off pool of ~INR40b and management overlay of ~INR17-18b (over and above ECL)

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 credit costs of ~45bp for FY25 (vs. guidance of 40bp).
- LICHF's valuation of ~0.9x FY26E P/BV reflects the frequent one-offs in expenses and NIM volatility. We estimate RoA/RoE of 1.6%/14% in FY26 and reiterate our **BUY** rating with a TP of INR790 (based on 1.1x 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	FY23				FY24				FY23	FY24	4Q Act. v/s FY24E est. (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	52,502	50,493	58,387	63,780	67,037	67,066	67,437	68,875	2,25,162	2,70,416	67,982	1
Interest Expenses	36,400	38,864	42,328	43,877	44,942	46,000	46,465	46,499	1,61,860	1,83,907	47,410	-2
Net Interest Income	16,102	11,629	16,059	19,903	22,094	21,066	20,972	22,376	63,303	86,509	20,571	9
YoY Growth (%)	26.3	-0.4	10.4	21.5	37.2	81.2	30.6	12.4	14.4	36.7	3.4	270
Fees and other income	407	427	374	371	429	521	488	493	1,580	1,931	506	-2
Net Income	16,509	12,056	16,432	20,274	22,523	21,587	21,460	22,869	64,882	88,440	21,077	9
YoY Growth (%)	26.1	-0.3	7.8	15.4	36.4	79.1	30.6	12.8	11.9	36.3	4.0	223
Operating Expenses	2,029	2,610	2,876	2,759	2,425	2,595	2,615	3,829	9,883	11,463	2,893	32
Operating Profit	14,481	9,447	13,557	17,515	20,098	18,993	18,845	19,041	55,000	76,976	18,184	5
YoY Growth (%)	40.9	-0.4	2.9	16.2	38.8	101.1	39.0	8.7	14.6	40.0	3.8	128
Provisions and Cont.	3,077	5,658	7,627	3,068	3,608	4,192	4,358	4,279	19,430	16,437	3,901	10
Profit before Tax	11,404	3,789	5,930	14,448	16,490	14,801	14,487	14,762	35,570	60,539	14,283	3
Tax Provisions	2,149	739	1,127	2,645	3,253	2,920	2,858	3,854	6,660	12,885	2,380	62
Net Profit	9,255	3,050	4,803	11,803	13,237	11,881	11,629	10,908	28,910	47,654	11,903	-8
YoY Growth (%)	503	23	-37	6	43	290	142	-8	26	65	1	
Key Operating Parameters (%)												
Yield on loans (Cal)	8.29	7.80	8.80	9.39	9.72	9.68	9.65	9.70	8.78	9.9		
Cost of funds (Cal)	6.47	6.78	7.15	7.24	7.40	7.59	7.61	7.47	6.91	7.4		
Spreads (Cal)	1.81	1.02	1.65	2.15	2.33	2.09	2.04	2.23	1.87	2.5		
Margins (Cal)	2.54	1.80	2.42	2.93	3.21	3.04	3.00	3.15	2.40	3.1		
Credit Cost (Cal)	0.49	0.87	1.15	0.45	0.52	0.60	0.62	0.60	0.76	0.6		
Cost to Income Ratio	12.3	21.6	17.5	13.6	10.8	12.0	12.2	16.7	15.2	13.0		
Tax Rate	18.8	19.5	19.0	18.3	19.7	19.7	19.7	26.1	18.7	21.3		
Balance Sheet Parameters												
Loans (INR B)	2,557	2,623	2,684	2,750	2,764	2,780	2,812	2,868	2,678	2806		
Change YoY (%)	10.0	10.4	10.3	9.5	8.1	6.0	4.8	4.3	9.2	4.8		
Indiv. Disb. (INR B)	149	164	157	145	106	142	148	167	614	564		
Change YoY (%)	77.0	3.9	-10.3	-23.4	-28.8	-13.1	-5.5	15.6	1.5	-8.2		
Borrowings (INR B)	2,260	2,329	2,404	2,447	2,414	2,436	2,451	2,530	2,448	2525		
Change YoY (%)	9.5	11.4	11.4	9.3	6.8	4.6	2.0	3.4	9.4	3.2		
Loans/Borrowings (%)	113.2	112.6	111.7	112.4	114.5	114.1	114.7	113.4	109.4	111.1		
Asset Quality Parameters												
GS 3 (INR B)	126.8	128.5	127.5	120.2	137.1	120.4	119.8	94.9	120.2	94.9		
Gross Stage 3 (% on Assets)	5.0	4.9	4.8	4.4	5.0	4.3	4.3	3.3	4.4	3.3		
NS 3 (INR B)	75.6	72.3	62.6	66.4	79.2	70.8	61.6	46.2	66.4	46.2		
Net Stage 3 (% on Assets)	3.0	2.8	2.4	2.5	2.9	2.6	2.2	1.6	2.5	1.6		
PCR (%)	40.4	43.7	50.9	44.8	42.3	41.2	48.6	51.4	44.8	51.4		
ECL (%)	2.40	2.49	2.71	2.63	2.75	2.34	2.45	2.19	2.63			
Loan Mix (%)												
Home loans	82.0	82.6	83.1	83.2	83.2	84.4	84.9	85.1	83.2			
LAP	13.2	12.9	12.9	12.5	12.3	12.1	12.1	12.8	12.5			
Non Individual loans	4.8	4.5	4.0	4.3	4.3	3.5	3.0	2.1	4.3			
Borrowing Mix (%)												
Banks	33.0	34.0	33.9	34.0	31.0	33.0	35.0	34.0	34.0			
NCD	51.0	52.0	51.9	50.0	54.0	53.0	52.0	52.0	50.0			
Sub Debt	1.0	1.0	0.8	1.0	1.0	1.0	1.0	1.0	1.0			
Deposits	8.0	7.0	5.9	5.0	5.0	5.0	4.0	4.0	5.0			
NHB	4.0	4.0	3.6	5.0	5.0	4.0	4.0	4.0	5.0			
CP	3.0	2.0	3.9	5.0	4.0	4.0	4.0	5.0	5.0			

E: MOFSL Estimates

Disbursements picked up; loan growth remained weak

- Loan disbursements in individual home loans (IHL) rose ~15% YoY, while non-housing individual/commercial disbursements rose 18% YoY. Builder/project loan disbursements declined ~4% YoY. Total disbursements rose ~14% YoY.
- Overall loan-book grew ~4% YoY/2% QoQ. Home loans grew ~7% YoY, while developer loan book declined ~49% YoY.

- Technological upgrades and organizational restructuring initiatives seems to have stabilized. Against FY24 which was a consolidation phase, LICHF anticipates double-digit growth in disbursements and loan growth in FY25. We model a CAGR of ~10% in advances over FY24-FY26.

Strong improvement in asset quality through resolutions and write-offs

- GS3/NS3 improved ~95bp/~60bp QoQ to ~3.3%/~1.6%. Improvement in NS3 was driven by a ~3pp QoQ increase in PCR on S3 loans to ~51.4%.
- The company took technical write-offs of INR10.8b in 4QFY24 (FY24: INR20.1b).
- LICHF has put up a large account on the block to the ARCs. It anticipates proposals from 6-7 ARCs and will make a decision within a month. Positive experience in this ARC transaction might prompt LICHF to further evaluate more such ARC resolutions throughout the year.
- Credit costs stood at ~INR4.3b (est. INR3.9b), translating into annualized credit costs of ~60bp (~45bp in 4QFY23). We model credit costs of ~45bp/40bp in FY25E/FY26E.



Highlights from the management commentary

Macro outlook

- Expectations of rate cuts have been pushed further
- Tighter liquidity conditions and geo-political conditions kept the interest rates elevated

Guidance

- Guided for a double-digit growth in disbursements and Loans in FY25
- Guided for credit costs of ~40bp in FY25
- NIM improvement is structural in nature: Guided for NIM of 2.7-2.9%; NIM could be closer to the higher end of this range.
- Guided for cost-income ratio in the range of 13-14%

Business Update

- Individual Home Loans (IHL) stood at INR2.44t and grew 7% YoY. IHL comprises ~85% of the total portfolio of the company.
- Disbursed ~INR143b in Individual Home Loans and ~INR15b in Project Loans
- NIM stood at 3.15% (vs. 2.93% in 4QFY23).
- PAT in 4QFY24 stood at INR10.9b. FY24 PAT stood at ~INR47.7b and grew 65% YoY.
- Stage 3 declined to ~3.3% (vs. ~4.4% as on FY23).
- Total ECL stood at INR62.7b and S3 PCR stood at ~51%.
- During the quarter, there were recoveries and consistent reduction in the Stage 3. Recovered ~INR5b during 4QFY24.
- Technical write-offs in 4QFY24 stood at INR10.8b (FY24: INR20.1b).
- FY24 NIM stood at ~3.08% (FY23: ~2.41%).
- Renegotiated on the outstanding borrowings and was able to maintain the CoB in a tight range despite the tight liquidity.

Asset quality

- Write-offs taken on builder loans as well as IHL which were provided to the extent of ~100% and were eligible for technical write-offs
- Repossessed assets are classified under Stage 3
- The company has created a management overlay on Stage 2
- PCR on Stage 3 is one of the best among peers and it will maintain S3 PCR at current levels of ~50%
- Technical written-off pool of ~INR40b and management overlay of ~INR17-18b

Progress on ARC pilot

- A sizeable account has been put up for sale to the ARCs. Anticipating proposals from 6-7 ARCs, a decision will be made next month. If the experience proves positive, further evaluation of ARC resolutions will be considered throughout the year.
- Tax expenses were higher due to the higher DTL from previous years, which has been accounted for in this quarter. This is a one-off occurrence.
- Recoveries were made in the last quarter and the company has been working on those accounts for a fairly long time.

One-offs and management overlay

- One-time occurrences include on Wage Revisions totaling ~INR320m; and a change in the method of gratuity calculation, resulting in a one-time adjustment of ~INR220m
- One-off of ~INR1.3b on the taxes
- The company took additional ECL provisions of ~INR1b to improve the PCR on Stage 3 above ~50%.

Others

- Liabilities are ~50% Fixed and 50% Floating
- Resolutions of high-ticket cases also led to accretion of Interest Income, which has supported NIM
- Yields and CoF are reported as on the last day of the quarter.
- The stressed loans primarily consist of project loans disbursed between 2016 and 2019
- Weighted average yields stood at ~9.9% and weighted average CoB stood at 7.76%
- FY24 incremental yields stood at ~9.4% and incremental CoB stood at 7.84%
- GNPA (Stage 3) will continue to improve from hereon
- Publicity and advertisement expenses were higher by about ~INR150-160m (since 1H was adversely impacted and the corresponding expenses were lower)

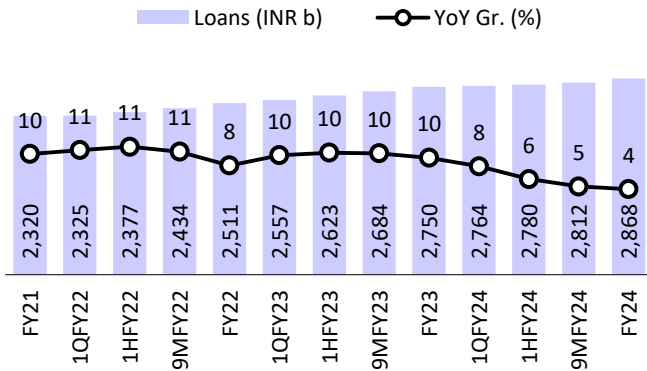
Exhibit 1: Segment-wise split of Stage 3

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Individual home loans (IHL)	1.90%	1.68%	1.62%	1.60%	2.20%	1.2%	1.7%	1.5%
Non-housing individual (NHI)	11.5%	6.9%	6.7%	6.6%	7.8%	7.1%	6.5%	5.5%
Non-housing commercial (NHC)		22.4%	22.5%	22.0%	24.0%			
Project loans	35.0%	42.2%	45.6%	40.0%	42.1%	35.5%	40.8%	30.7%

*Including Project loans

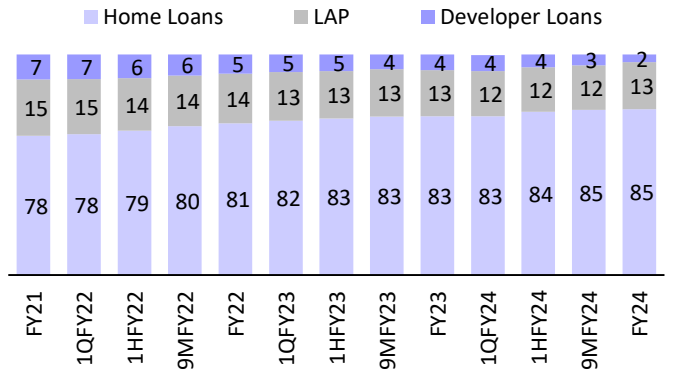
Story in charts

Exhibit 2: Loan book grew 4% YoY



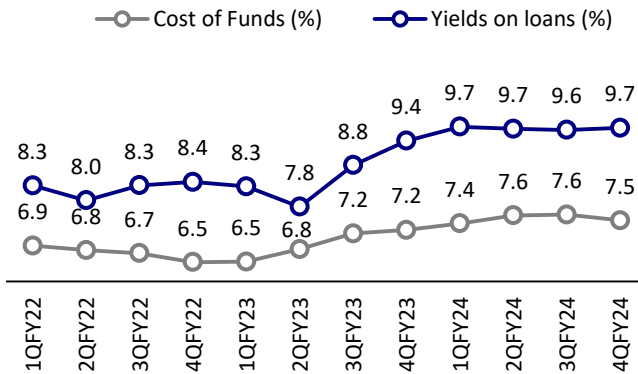
Source: MOFSL, Company

Exhibit 3: Loan mix largely stable (%)



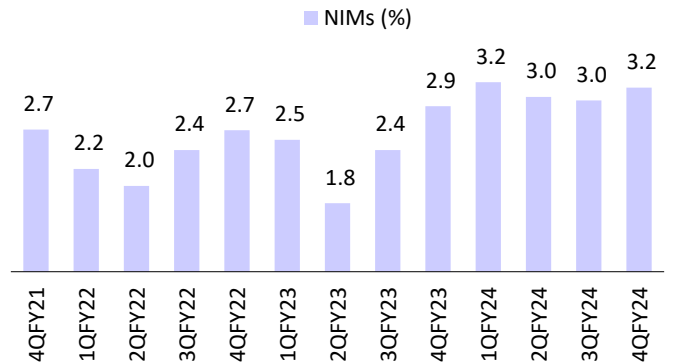
Source: MOFSL, Company

Exhibit 4: Calculated spreads increased ~20bp QoQ



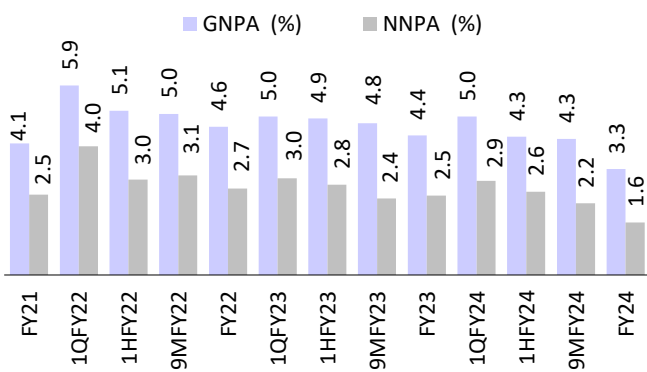
Source: MOFSL, Company

Exhibit 5: NIMs increased ~15bp QoQ (%)



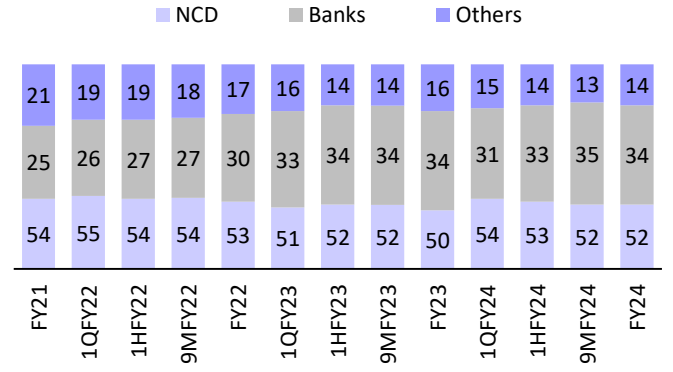
Source: MOFSL, Company

Exhibit 6: GS3 improved QoQ to 3.3% (%)



Source: MOFSL, Company

Exhibit 7: Share of bank borrowings declined ~1pp QoQ (%)



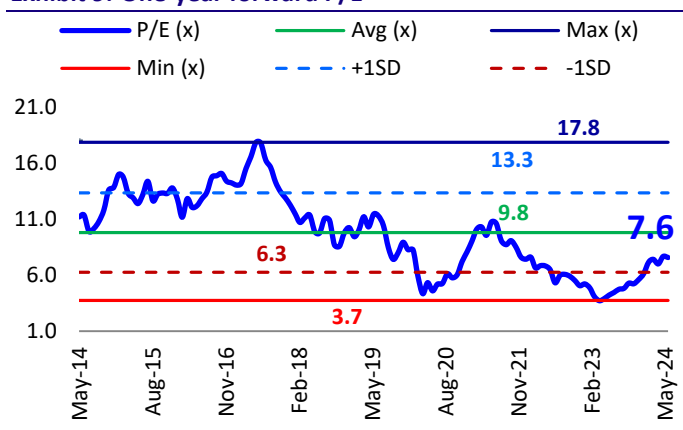
Source: MOFSL, Company

Exhibit 8: Increase our FY25 EPS by ~4% to factor in higher NIM

INR B	Old Est.			New Est.			% Change		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
NII	84.7	81.7	86.8	86.5	84.6	87.2	2.1	3.5	0.4
Other Income	1.9	2.0	2.1	1.9	2.3	2.4	-0.6	11.5	16.9
Net Income	86.6	83.7	88.9	88.4	86.8	89.6	2.1	3.7	0.8
Operating Expenses	10.5	11.4	12.2	11.5	11.9	12.9	8.9	4.5	5.6
Operating Profits	76.1	72.3	76.7	77.0	74.9	76.7	1.1	3.6	0.0
Provisions	16.1	13.0	12.7	16.4	13.2	12.9	2.4	1.4	1.2
PBT	60.1	59.3	64.0	60.5	61.7	63.8	0.8	4.1	-0.2
Tax	11.4	11.3	12.2	12.9	11.7	12.1			
PAT	48.6	48.0	51.8	47.7	50.0	51.7	-2.0	4.1	-0.2
Loans	2,765	3,019	3,352	2,806	3,057	3,390	1.5	1.3	1.1
Borrowings	2,497	2,714	3,000	2,525	2,730	3,017	1.1	0.6	0.6
Spreads (%)	2.43	2.07	1.93	2.46	2.10	1.87			
RoAA (%)	1.7	1.6	1.6	1.7	1.6	1.6			
RoAE (%)	16.8	14.8	14.4	16.3	15.0	13.8			

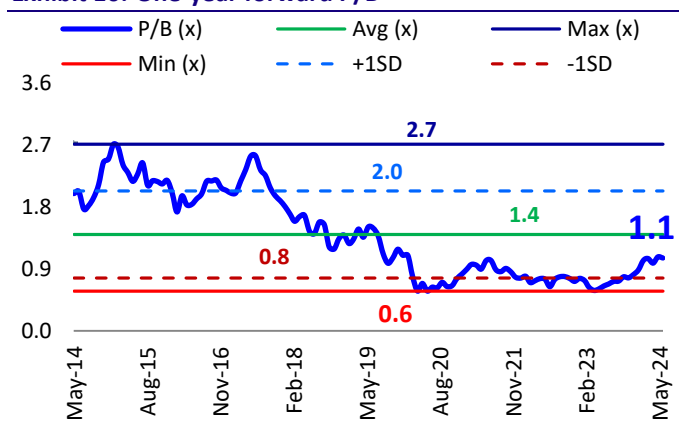
Source: MOFSL, Company

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	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	1,71,628	1,96,054	1,96,971	1,96,885	2,25,162	2,70,416	2,84,260	3,07,882
Interest Expense	1,28,915	1,47,839	1,44,526	1,41,537	1,61,860	1,83,907	1,99,695	2,20,692
Net Interest Income	42,713	48,215	52,445	55,348	63,303	86,509	84,565	87,191
Change (%)	21.3	12.9	8.8	5.5	14.4	36.7	-2.2	3.1
Fee Income	348	394	788	982	448	491	596	687
Other Income	1,669	250	718	1,664	1,132	1,440	1,656	1,738
Net Income	44,730	48,859	53,951	57,994	64,882	88,440	86,817	89,616
Change (%)	21.0	9.2	10.4	7.5	11.9	36.3	-1.8	3.2
Operating Expenses	4,754	6,167	7,015	9,994	9,883	11,463	11,927	12,880
Operating Profits	39,976	42,692	46,936	48,000	55,000	76,976	74,890	76,736
Change (%)	22.7	6.8	9.9	2.3	14.6	40.0	-2.7	2.5
Provisions/write offs	6,181	10,002	13,450	20,218	19,430	16,437	13,192	12,894
PBT	33,796	32,690	33,486	27,782	35,570	60,539	61,697	63,842
Tax	9,486	8,672	6,142	4,909	6,660	12,885	11,723	12,130
Tax Rate (%)	28.1	26.5	18.3	17.7	18.7	21.3	19.0	19.0
PAT	24,310	24,018	27,343	22,873	28,910	47,654	49,975	51,712
Change (%)	21.4	-1.2	13.8	-16.3	26.4	64.8	4.9	3.5
Adjusted PAT	24,310	24,018	27,343	22,873	28,910	47,654	49,975	51,712
Change (%)	21.4	-1.2	13.8	-16.3	26.4	64.8	4.9	3.5
Proposed Dividend	4,471	4,040	4,292	4,678	4,678	4,954	5,247	5,481

Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Capital	1,010	1,010	1,010	1,101	1,101	1,101	1,101	1,101
Reserves & Surplus	1,61,583	1,80,921	2,04,203	2,45,618	2,69,903	3,12,846	3,52,619	3,93,602
Net Worth	1,62,593	1,81,931	2,05,213	2,46,718	2,71,003	3,13,946	3,53,720	3,94,703
Borrowings	17,06,670	19,13,317	20,78,615	22,36,582	24,47,742	25,24,968	27,30,169	30,17,006
Change (%)	17.5	12.1	8.6	7.6	9.4	3.2	8.1	10.5
Other liabilities	1,36,572	72,808	72,505	62,375	65,374	73,132	80,445	88,490
Total Liabilities	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,64,334	35,00,199
Investments	35,951	54,964	46,357	61,986	69,764	62,770	65,909	69,204
Change (%)	82.3	52.9	-15.7	33.7	12.5	-10.0	5.0	5.0
Loans	19,29,927	20,79,880	22,81,143	24,52,963	26,78,348	28,05,898	30,57,300	33,89,894
Change (%)	16.1	7.8	9.7	7.5	9.2	4.8	9.0	10.9
Net Fixed Assets	1,359	2,544	2,469	2,876	3,570	3,609	4,150	4,772
Other assets	38,598	30,669	26,364	27,849	32,439	39,770	36,976	36,328
Total Assets	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,64,334	35,00,199

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Spreads Analysis (%)								
Yield on loans	9.6	9.8	9.0	8.3	8.8	9.9	9.7	9.6
Cost of funds	8.2	8.2	7.2	6.6	6.9	7.4	7.6	7.7
Spreads Analysis (%)	1.4	1.6	1.8	1.76	1.87	2.46	2.10	1.87
Margins	2.4	2.4	2.4	2.3	2.5	3.2	2.9	2.7
Profitability Ratios (%)								
Adj RoAE	15.9	13.9	14.1	10.1	11.2	16.3	15.0	13.8
Adj RoAA	1.3	1.2	1.2	0.9	1.1	1.7	1.6	1.6
Int. Expended/Int.Earned	75.1	75.4	73.4	71.9	71.9	68.0	70.3	71.7
Other Inc./Net Income	3.7	0.5	1.3	2.9	1.7	1.6	1.9	1.9
Efficiency Ratios (%)								
Fees/Operating income	0.2	0.2	0.4	0.5	0.2	0.2	0.2	0.2
Op. Exps./Net Income	10.6	12.6	13.0	17.2	15.2	13.0	13.7	14.4
Empl. Cost/Op. Exps.	52.1	48.5	41.8	56.4	47.9	53.2	51.9	52.4
Asset-Liability Profile (%)								
Loans/Borrowings Ratio	113.1	108.7	109.7	109.7	109.4	111.1	112.0	112.4
Debt/Equity (x)	10.5	10.5	10.1	9.1	9.0	8.0	7.7	7.6
Gross NPAs (Rs m)	30,754	59,594	95,585	1,16,520	1,20,196	94,945	91,888	88,498
Gross NPAs to Adv.	1.6	2.8	4.1	4.7	4.4	3.3	3.0	2.6
Net NPAs (Rs m)	15,514	33,474	57,414	66,314	66,383	46,178	48,322	41,571
Net NPAs to Adv.	0.8	1.6	2.5	2.7	2.5	1.6	1.6	1.2
Valuation								
Book Value (INR)	322	360	406	448	492	570	643	717
Growth (%)	14.2	11.9	12.8	10.3	9.8	15.8	12.7	11.6
Price-BV (x)	2.0	1.8	1.6	1.5	1.3	1.1	1.0	0.9
Adjusted BV (INR)	313.7	342.4	375.7	415.7	459.8	547.7	619.0	696.7
Price-ABV (x)	2.0	1.8	1.6	1.5	1.3	1.1	1.0	0.9
OPS (INR)	79.2	84.5	93.0	87.2	99.9	139.9	136.1	139.4
Growth (%)	22.7	6.8	9.9	-6.2	14.6	40.0	-2.7	2.5
Price-OP (x)	8.2	7.7	7.0	7.5	6.5	4.7	4.8	4.7
EPS (INR)	48.1	47.6	54.2	41.6	52.5	86.6	90.8	94.0
Growth (%)	21.4	-1.2	13.8	-23.3	26.4	64.8	4.9	3.5
Price-Earnings (x)	13.6	13.7	12.1	15.7	12.4	7.5	7.2	7.0
Adj. EPS (INR)	48.1	47.6	54.2	41.6	52.5	86.6	90.8	94.0
Growth (%)	21.4	-1.2	13.8	-23.3	26.4	64.8	4.9	3.5
Price-Earnings (x)	13.6	13.7	12.1	15.7	12.4	7.5	7.2	7.0
Dividend Per Share	7.6	8.0	8.5	8.5	8.5	9.0	9.5	10.0
Dividend Yield (%)	1.2	1.2	1.3	1.3	1.3	1.4	1.5	1.5

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH00000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20Companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity residing in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH00000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.