INSTITUTIONAL RESEARCH

HSIE Results Daily

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Result Reviews

- **Marico:** Marico posted in-line revenue growth, however margin was a miss. Revenue/EBITDA grew by 31/3% (HSIE 31/7%). Domestic revenue and volume grew 31/21%, 7/2% 2-year CAGR, a good show despite the COVID pressure. PCNO saw volume growth of 12% YoY, albeit on a low base (-11%), impacted by extended lockdowns in its core south and west markets. VAHO registered 35% YoY value growth (-32% in the base year) and saw 70bps share gain. Saffola remained a torchbearer (clocked 60/24% value/volume growth), aided by improved penetration and +450bps volume share gain. International continued its momentum (up 20% YoY, +2% base), but Vietnam /Bangladesh struggled on a resurgence in COVID cases. The steep RM inflation continued to impact the margins (GM down 759/311bps YoY/QoQ), but copra prices have been softening. Marico continued its investment in core brands and innovation in food segment. We expect the growth momentum to sustain and margin pressure to ease in FY22. We raise our EPS estimates for FY23/FY24 by 3/4%, led by enhanced focus on volume growth. We value Marico at 42x P/E on Jun-23E EPS to derive a target price of INR 545. Maintain ADD.

- **JSW Energy:** Net generation increased 4.3% YoY to 5.1bn unit, led by strong generation across the thermal plant, partially offset by lower output across the hydro stations due to less water flow (YoY). Accordingly, PLF declined across the hydro plant, while it improved for the thermal stations. EBITDA/PAT decreased 6.3%/5.0% YoY to INR7.0bn/INR2.1bn due to increased other expenses and one-off costs related to prepayment charges. After adjusting for this, PAT increased 36% YoY to INR2.6bn (in line with our estimate). The company expects to add 15.5GW of RES capacity by FY30, of which 2.5GW would be added by FY24. It has signed a PPA for 2.25GW of these capacities until date. It plans to venture into the green hydrogen business and demerge from the renewable segment, but these developments are in nascent stages. JSW Energy's current net D/E stands at 0.4x, while net debt/EBITDA stands at 2.1x. However, we maintain our TP of INR118/share and SELL rating, as the stock price has risen substantially to INR244, which seems unjustifiable to our valuation metrics (RoE - ~7%, FY23 P/E – 37.3x, P/BV – 2.5x).

- **Container Corporation:** CONCOR's Q1FY22 PAT at INR 2.5bn, surprised positively due to improved loads, higher terminal charges, and operating leverage. As per the management's assessment, the land license fees (LLF) charges for FY22 are revised lower to INR 3.75bn (vs INR 4.5-5bn for FY21), based on the revised land rates (by railways). CONCOR though will go ahead with its proposal to incur an upfront charge of INR 60-70bn for using the railway land. The strategic Khatuwas terminal is now connected to the main DFC. We maintain our ADD rating on the stock with a target price of INR 720 at 28x Jun-23E EPS (our estimates have been marginally tweaked).

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- **Oberoi Realty:** Oberoi Realty (ORL) registered underwhelming Q1FY22 performance with presales volume of 0.09msf (+7.5x/-91% YoY/QoQ), impacted by the COVID-19 second wave. We remain believers as ORL has multiple legs to its growth story, namely, (1) foray into new markets outside the Mumbai Metropolitan Region; (2) focus on short cycle redevelopment projects with each having development potential of INR 7-8bn (this could be a big rerating driver); (3) strong brand pull; (4) preferred developer of first choice in MMR markets; and (5) a strong balance sheet. We roll forward our estimate to Jun-23, add the Worli redevelopment project to the NAV, increase price estimates by 0-5% and maintain BUY on ORL with an increased target price of INR 800/sh (vs INR 697/Sh).

- **LIC Housing Finance:** LIC Housing Finance's (LICHF) operating performance was significantly below our expectations, primarily on account of higher provisioning (1.5% of loans, annualised) and one-off in wage revision arrears (INR 1.24bn). Asset quality continued to deteriorate across all segments, driving the total stressed pool (GS-II+III + restructured pool) to 13.6% from 11.6% sequentially, with disproportionate share from the developer portfolio (GS-II + GS-III at ~40%). With overall PCR at ~34% and a negligible provision against early-bucket assets, we believe LICHF is thinly covered. We revise our FY22E earnings downwards by 3.3% on account of wage revision arrears expensed during the quarter - we maintain REDUCE with a revised target price of INR 356 (earlier INR 357) (0.9x Mar'23 ABVPS). Low provisioning buffer and increasing competitive intensity in the core portfolio underpin our REDUCE rating.

Marico

Food remains a showstopper; expect margin recovery

Marico posted in-line revenue growth, however margin was a miss. Revenue/EBITDA grew by 31/3% (HSIE 31/7%). Domestic revenue and volume grew 31/21%, 7/2% 2-year CAGR, a good show despite the COVID pressure. PCNO saw volume growth of 12% YoY, albeit on a low base (-11%), impacted by extended lockdowns in its core south and west markets. VAHO registered 35% YoY value growth (-32% in the base year) and saw 70bps share gain. Saffola remained a torchbearer (clocked 60/24% value/volume growth), aided by improved penetration and +450bps volume share gain. International continued its momentum (up 20% YoY, +2% base), but Vietnam /Bangladesh struggled on a resurgence in COVID cases. The steep RM inflation continued to impact the margins (GM down 759/311bps YoY/QoQ), but copra prices have been softening. Marico continued its investment in core brands and innovation in food segment. We expect the growth momentum to sustain and margin pressure to ease in FY22. We raise our EPS estimates for FY23/FY24 by 3/4%, led by enhanced focus on volume growth. We value Marico at 42x P/E on Jun-23E EPS to derive a target price of INR 545. Maintain ADD.

- **In-line revenue:** Revenue grew by 31% YoY (-11% in Q1FY21 and +34% in Q4FY21), in line out estimates. Domestic volume grew by a strong 21% YoY (-14% in Q1FY21 and +25% in Q4FY21). PCNO saw 20/12% YoY val/vol growth while VAHO saw 35/34% YoY val/vol growth. Saffola continued its strong momentum and clocked val/vol growth of 60/24% YoY. Rural and urban GT saw 17% each. E-commerce grew 61% YoY (37% in Q1FY21 and 81% in Q4FY21) and is now contributing towards 61% of domestic sales. CSD grew 56% YoY in Q1FY22 on a low base.
- **International revenue up by 20%**: The international business clocked 20% YoY growth (21% cc). Bangladesh grew 9% cc in Q1, with the non-coconut portfolio seeing 26% growth. MENA/South Africa reported cc growth of 74/52% YoY on a low base while South East Asia saw 16% cc growth.
- **RM inflation pressure continued, in-line EBITDA:** GM dipped by 759bps YoY (+112bps in Q1FY21 and -513bps in Q4FY21), vs the HSIE estimate of 442bps YoY decline. LLP/HDPE were up 50/44% YoY, but copra price were down 13% QoQ. Employee/adv/other expenses grew by 6/7/9% YoY. EBITDA margin contracted by 521bps YoY to 19% (+298bps in Q1FY21 and -300bps in Q4FY21). EBITDA grew by 3% YoY (HSIE 7%). Domestic EBIT margin dipped 642bps YoY (+310bps in Q1FY21) while international margin dipped 201bps YoY (+372bps in Q1FY21).
- **Con call takeaways:** (1) The company maintains its revenue growth guidance of 13-15% in the medium term. (2) It aims to build a digital portfolio of more than three brands (Beardo, Just Herbs) with an aim to contribute INR 4.5-5bn to the revenue by FY24. (3) Beardo is at a run-rate to reach INR 1bn revenue in FY22 unless discretionary spends remain impacted. (4) Rural consumption will continue to be buoyant.

Quarterly/Annual Financial summary

YE Mar (INR mn)	1QFY22	1QFY21	YoY (%)	4QFY21	QoQ (%)	FY21P	FY22E	FY23E	FY24E
Net Sales	25,250	19,250	31.2	20,120	25.5	80,480	95,841	103,752	113,424
EBITDA	4,810	4,670	3.0	3,190	50.8	15,880	18,278	21,419	23,950
APAT	3,560	3,330	6.9	2,333	52.6	11,620	13,088	15,601	17,606
Diluted EPS (INR)	2.76	2.58	6.9	1.81	52.6	9.01	10.15	12.09	13.65
P/E (x)						60.6	53.8	45.1	40.0
EV / EBITDA (x)						44.4	38.5	32.9	29.4
RoCE (%)						55.2	66.3	71.9	79.2

Source: Company, HSIE Research

ADD

CMP *(as on 30 July 2021)*	INR 547
Target Price	INR 545
NIFTY	15,763

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 510	INR 545
	FY22E	FY23E
EPS %	0%	+3%

KEY STOCK DATA	
Bloomberg code	MRCO IN
No. of Shares (mn)	1,291
MCap (INR bn) / ($ mn)	706/9,487
6m avg traded value (INR mn)	1,182
52 Week high / low	INR 553/333

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	32.9	31.5	50.0
Relative (%)	25.1	17.9	10.6

SHAREHOLDING PATTERN (%)	Mar-21	Jun-21
Promoters	59.61	59.61
FIs & Local MFs	10.06	9.54
FPIs	24.04	24.98
Public & Others	6.29	5.84
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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JSW Energy

Adj PAT in line, but valuation remains stretched

Net generation increased 4.3% YoY to 5.1bn unit, led by strong generation across the thermal plant, partially offset by lower output across the hydro stations due to less water flow (YoY). Accordingly, PLF declined across the hydro plant, while it improved for the thermal stations. EBITDA/PAT decreased 6.3%/5.0% YoY to INR7.0bn/INR2.1bn due to increased other expenses and one-off costs related to prepayment charges. After adjusting for this, PAT increased 36% YoY to INR2.6bn (in line with our estimate). The company expects to add 15.5GW of RES capacity by FY30, of which 2.5GW would be added by FY24. It has signed a PPA for 2.25GW of these capacities until date. It plans to venture into the green hydrogen business and demerge from the renewable segment, but these developments are in nascent stages. JSW Energy's current net D/E stands at 0.4x, while net debt/EBITDA stands at 2.1x. However, we maintain our TP of INR118/share and SELL rating, as the stock price has risen substantially to INR244, which seems unjustifiable to our valuation metrics (RoE - ~7%, FY23 P/E – 37.3x, P/BV – 2.5x).

- **Thermal generation impressive:** Net generation increased 4.3% YoY to 5.1bn unit, led by higher generation across the thermal plant (+13% YoY), partially offset by lower generation across the hydro stations (-15% YoY) due to lower water flow (YoY). Accordingly, PLF improved across its Ratnagiri/Barmer/Vijaynagar stations by 178bps/310bps/1955 bps YoY to 59%/73%/43%, while it declined across hydro plants by 890bps YoY to 49%. Revenue declined 4.3% YoY to INR17.3bn in Q1FY22 due to a reduction attributable to the impact of job work at the standalone entity. EBITDA and PAT decreased 6.3%/5.0% YoY to INR7.0bn/INR2.1bn due to increased other expenses and one-off costs related to prepayment charges and a write-off related to repayment of rupee denominated loans. After adjusting for the same, PAT increased 36% YoY to INR2.6bn (in line with our estimate).
- **PPA signed for 2.25GW of RES capacity**: The company expects to add 15.5GW of RES capacity by FY30, of which 2.5GW would be added by FY24. It has signed a PPA for 2.25GW of these capacities. JSW Energy has one the strongest balance sheets in the industry with the current net D/E at 0.4x and it generates a strong cash flow of~ INR17bn-21bn p.a., which is sufficient to meet its equity Capex for the upcoming RES capacities.
- **Maitain a SELL on expensive valuation:** We maintain our PAT estimates for FY22/23 and TP of INR118. However, the stock price has surged substantially to INR244, which seems unjustifiable to our valuation metrics (RoE - ~7%, FY23 P/E – 23.5x, P/BV – 1.6x). Hence, we retain our SELL rating on it.

Financial Summary

(INR mn, Mar YE)	1Q FY22	1Q FY21	YoY (%)	4Q FY21	QoQ (%)	FY21	FY22E	FY23E
Net Revenues	17,275	18,052	-4.3	15,696	10.1	69,222	83,333	85,897
EBITDA	6,984	7,455	-6.3	6,328	10.4	29,066	30,715	31,412
APAT	2,086	2,196	-5.0	1,048	99.1	8,227	10,171	10,756
Diluted EPS (INR)	1.3	1.3	-5.0	0.6	99.1	5.0	6.2	6.5
P/E (x)						48.7	39.4	37.3
Price/BV (x)						2.8	2.6	2.5
RoE (%)						6.3	6.8	6.9

Source: Company, HSIE Research

Sell

CMP *(as on 30 July 2021)*	**INR 244**
Target Price	**INR 118**
NIFTY	**15763**

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR118	INR118
EPS Change %	FY22E	FY23E
	-	-

KEY STOCK DATA	
Bloomberg code	JSW IN
No. of Shares (mn)	1,643
MCap (INR bn) / ($ mn)	412/5,532
6m avg traded value (INR mn)	949
52 Week high / low	INR 258/45

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	129	247	444
Relative (%)	121	233	405

SHAREHOLDING PATTERN (%)	Jun-21	Mar-21
Promoters	74.7	74.7
FIs & Local MFs	6.5	7.2
FPIs	5.9	5.6
Public & Others	13.0	12.6
Pledged Shares	17.0	18.9

Source : BSE

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Container Corporation

Good results; ICD Khatuwas now connected to DFC

CONCOR's Q1FY22 PAT at INR 2.5bn, surprised positively due to improved loads, higher terminal charges, and operating leverage. As per the management's assessment, the land license fees (LLF) charges for FY22 are revised lower to INR 3.75bn (vs INR 4.5-5bn for FY21), based on the revised land rates (by railways). CONCOR though will go ahead with its proposal to incur an upfront charge of INR 60-70bn for using the railway land. The strategic Khatuwas terminal is now connected to the main DFC. We maintain our ADD rating on the stock with a target price of INR 720 at 28x Jun-23E EPS (our estimates have been marginally tweaked).

- **Q1FY22 financials:** Volume, at 991mn TEUs, declined 6% QoQ. The average realisation remains stable at ~INR 18k. Revenue came in at INR 18bn (-7% QoQ). EBITDA margin, at 24% (vs 13.4/9.7% YoY/QoQ), surprised due to improved operating leverage. The company has provided INR 1.13bn towards LLF vs INR 2.2bn QoQ. CONCOR reported a profit of INR 2,549mn vs INR 779mn QoQ.

  Key takeaways: (1) Improved margins: EXIM and domestic margins have both witnessed expansion in Q1FY22, led by improved loaded running and reduced empty running. The company has also increased terminal charges. Currently, EXIM and domestic volumes are 80:20. The management expects this to become 60:40 with the increasing domestic volumes. It also plans to manufacture containers domestically to become self-reliant. **(2) Reduced LLF:** In the past quarter, the management had highlighted an annual LLF of INR 4.5bn. This is now reduced to INR 3.75bn, based on the land rates received from the authorities. CONCOR is also working on an agreement for a one-time payment for 24 government terminals, which will amount for INR 60-70bn. This will be funded through cash reserves of INR 25bn and short-term loans. **(3) DFC:** DFC operations have begun from the company's Khatuwas terminal. It plans to have ~50 rakes (currently 12) of 25 tons axle by the end of the year. Although there will be no difference in the DFC freight rates, the company's asset utilisation will increase. It will lead to higher profitability, market share gains, higher double-stacked volumes and enhanced turnaround times.

Financial Summary (Standalone)

YE March (INR mn)	1Q FY22	1Q FY21	*YoY (%)*	4Q FY21	*QoQ (%)*	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	18,075	11,891	*52*	19,393	*(7)*	64,738	63,850	76,199	95,751	119,145
Adj. EBITDA	4,335	1,590	*173*	1,890	*129*	16,749	10,329	18,394	23,363	29,071
APAT	2,549	617	*313*	779	*227*	10,282	5,867	10,113	14,561	18,997
Adj. EPS (Rs)	4.2	1.0	*313*	1.3	*227*	16.9	9.6	16.6	23.9	31.2
P/E (x)						38.2	66.9	38.8	27.0	20.7
EV / EBITDA (x)						21.7	34.9	22.5	17.5	13.8
RoE (%)						10.1	5.8	9.7	13.2	16.0

Change in estimates

INR mn	New			Old			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Net Revenue	76,199	95,751	119,145	76,345	97,713	122,115	(0)	(2)	(2)
EBITDA	18,394	23,363	29,071	18,430	23,842	30,040	(0)	(2)	(3)
EBITDA margin (%)	24.1	24.4	24.4	24.1	24.4	24.6	0 bps	0 bps	-20 bps
PAT	10,113	14,561	18,997	10,133	14,930	19,743	(0)	(2)	(4)
EPS	16.6	23.9	31.2	16.6	24.5	32.4	(0)	(2)	(4)

Source: Company, HSIE Research

ADD

CMP *(as on 30 July 2021)*	INR 644
Target Price	INR 720
NIFTY	15,763

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	Rs 740	Rs 720
EPS %	FY22E	FY23E
	0%	-2%

KEY STOCK DATA	
Bloomberg code	CCRI IN
No. of Shares (mn)	609
MCap (Rs bn) / ($ mn)	392/5,272
6m avg traded value (Rs mn)	2,188
52 Week high / low	Rs 748/351

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.2	48.5	43.1
Relative (%)	1.4	34.9	3.8

SHAREHOLDING PATTERN (%)

	Mar-21	Jun-21
Promoters	54.8	54.8
FIs & Local MFs	16.5	16.3
FPIs	24.0	24.9
Public & Others	4.7	4.0
Pledged Shares	0.0	0.0

Source : BSE

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Oberoi Realty

Better times ahead

Oberoi Realty (ORL) registered underwhelming Q1FY22 performance with presales volume of 0.09msf (+7.5x/-91% YoY/QoQ), impacted by the COVID-19 second wave. We remain believers as ORL has multiple legs to its growth story, namely, (1) foray into new markets outside the Mumbai Metropolitan Region; (2) focus on short cycle redevelopment projects with each having development potential of INR 7-8bn (this could be a big rerating driver); (3) strong brand pull; (4) preferred developer of first choice in MMR markets; and (5) a strong balance sheet. We roll forward our estimate to Jun-23, add the Worli redevelopment project to the NAV, increase price estimates by 0-5% and maintain BUY on ORL with an increased target price of INR 800/sh (vs INR 697/Sh).

- **Q1FY22 financial highlights**: ORL reported revenue/EBITDA at INR 2.8/1.3bn, -31%/-47% miss on our estimate. APAT, at INR 806mn (+2.9x/-72% YoY/QoQ), missed our estimate by 50%. The second wave of COVID-19 impacted new sales and construction progress, resulting in underwhelming performance. We don't read Q1FY22 as an extension to FY22E and see a sharp recovery coming in over the rest of 9MFY22. The new launch in Thane during Q3FY21 and opening up of additional towers in Borivali and Goregaon will lead to strong presales accretion. We expect ORL to surpass FY21 presales of INR 32.9bn.
- **Non MMR diversification and redevelopment projects in MMR, new growth drivers:** ORL has started evaluating development opportunities outside Mumbai and intends to run it as a separate business division with a new CEO at the helm. In MMR, it intends to pick up short-cycle redevelopment projects with development potential of INR 7-8bn. In terms of launches, one tower each will be launched in Borivali, Thane, and Goregoan before Diwali this year. The Borivali mall is expected to see revenue generation from Diwali next year.
- **Balance sheet position comfortable**: The consolidated net debt stood at INR 15.1bn (vs INR 14bn on Mar-21) with net D/E at 0.16x (vs 0.15x on Mar-21). With collections of INR 6.5bn, ORL generated a positive CFO of INR 5.4bn in Q1FY22. Strong cash flow generation is expected from Mulund and Borivali projects in the near term with ~2K units of inventory. The Thane project is expected to be fully paid for with zero debt in three quarters.

Consolidated Financial Summary

(Rs mn)	Q1FY22	Q1FY21	YoY	Q4FY21	QoQ	FY21	FY22E	FY23E	FY24E
Net Sales	2,843	1,180	140.8	7,901	(64.0)	20,526	22,716	24,683	27,398
EBITDA	1,249	579	115.5	3,735	(66.6)	10,004	10,903	10,963	12,412
APAT	806	281	187.2	2,869	(71.9)	7,393	11,413	9,600	10,887
Diluted EPS (Rs)	2.2	0.8	187.2	7.9	(71.9)	20.3	31.4	26.4	29.9
P/E (x)						33.1	21.4	25.5	22.4
EV / EBITDA (x)						25.8	23.0	22.8	19.8
RoE (%)						8.2	11.5	8.8	9.2

Consolidated Estimate Change Summary

Particulars	FY22E			FY23E		
	New	Old	*% Change*	New	Old	*% Change*
Revenues (Rs mn)	22,716	21,737	4.5	24,683	25,533	(3.3)
EBITDA (Rs mn)	10,903	9,814	11.1	10,963	11,587	(5.4)
EBITDA (%)	48.0	45.1	284.9	44.4	45.4	(96.6)
APAT (Rs mn)	11,413	11,334	0.7	9,600	9,763	(1.7)

Source: Company, HSIE Research

BUY

CMP *(as on 30 Jul 2021)*	Rs 672
Target Price	Rs 800
NIFTY	15,763

KEY CHANGES	OLD	NEW
Rating	Buy	Buy
Price Target	Rs 692	Rs 800
EPS %	FY22E	FY23E
	+0.7	-1.7

KEY STOCK DATA	
Bloomberg code	ORL IN
No. of Shares (mn)	364
MCap (Rs bn) / ($ mn)	244/3,285
6m avg traded value (Rs mn)	355
52 Week high / low	Rs 729/331

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	22.9	27.6	87.9
Relative (%)	15.1	14.0	48.5

SHAREHOLDING PATTERN (%)

	Mar-21	Jun-21
Promoters	67.70	67.70
FIs & Local MFs	4.88	5.91
FPIs	24.85	23.49
Public & Others	2.57	2.90
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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LIC Housing Finance

It's all going pear-shaped

LIC Housing Finance's (LICHF) operating performance was significantly below our expectations, primarily on account of higher provisioning (1.5% of loans, annualised) and one-off in wage revision arrears (INR 1.24bn). Asset quality continued to deteriorate across all segments, driving the total stressed pool (GS-II+III + restructured pool) to 13.6% from 11.6% sequentially, with disproportionate share from the developer portfolio (GS-II + GS-III at ~40%). With overall PCR at ~34% and a negligible provision against early-bucket assets, we believe LICHF is thinly covered. We revise our FY22E earnings downwards by 3.3% on account of wage revision arrears expensed during the quarter - we maintain REDUCE with a revised target price of INR 356 (earlier INR 357) (0.9x Mar'23 ABVPS). Low provisioning buffer and increasing competitive intensity in the core portfolio underpin our REDUCE rating.

- **Increasing concerns on asset quality:** LICHF reported GS-II/GS-III of 5.4%5.9%, alongside an elevated restructured book at 2.3% during the quarter. Impairment (GS-III) on the core retail home loans increased to 2.6% (FY21: 1.9%), with a small restructured portfolio (INR 6.5bn, ~0.3% of loans). While the management indicated that most of the stress is emanating from tier 2/3 geographies and only 30% of the delinquent customers are making negligible payments, we believe the stress is symptomatic of sub-par underwriting across the board. The developer portfolio deteriorated further with GS-III at ~24%, an additional ~16% of loans as GS-II and INR 47bn (2% of loans) restructured, which suggests a portfolio going pear-shaped.
- **Disproportionate yield compression offsets funding moat:** NIMs contracted 46bps sequentially to 2.2%, largely on account of yield compression, despite significant CoF tailwinds (incremental cost of funds at 5% and weighted average cost of 6.9%). This is likely driven by increasing competitive intensity and the company's aggressive pricing in the core home loan segment. We build in NIMs of 2.4% over FY22/23E.

Financial summary

(INR bn)	1QFY22	1QFY21	YoY (%)	4QFY21	QoQ (%)	FY20	FY21P	FY22E	FY23E
NII	12.8	12.2	*4.5*	15.0	*(15.3)*	48.2	52.4	58.9	65.7
PPOP	10.2	10.7	*(4.7)*	13.3	*(23.0)*	42.6	46.7	51.7	59.1
PAT	1.6	8.2	*(80.8)*	4.0	*(61.1)*	24.0	27.3	26.1	31.0
EPS (INR)	3.1	16.2	*(80.8)*	8.0	*(61.1)*	47.6	54.2	47.5	56.4
ROAE (%)						13.9%	14.1%	11.4%	11.5%
ROAA (%)						1.2%	1.2%	1.0%	1.1%
ABVPS (INR)						287.1	288.7	341.7	386.6
P/ABV (x)						1.43	1.42	1.20	1.06
P/E (x)						8.6	7.6	8.6	7.3

Change in estimates

INR bn	FY22E			FY23E		
	Old	New	Chg	Old	New	Chg
Loan	2,533.4	2,533.4	0.0%	2,828.2	2,828.2	0.0%
NIM (%)	2.4	2.4	0 bps	2.5	2.5	0 bps
NII	58.9	58.9	0.0%	65.7	65.7	0.0%
PPOP	52.9	51.7	-2.3%	59.1	59.1	0.0%
PAT	27.0	26.1	-3.3%	31.0	31.0	0.0%
ABVPS (INR)	349.7	341.7	-2.3%	394.6	386.6	-2.0%

Source: Company, HSIE Research

REDUCE

CMP *(as on 30 July 2021)*	INR 410
Target Price	INR 356
NIFTY	15,763

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR357	INR356
EPS %	FY22E	FY23E
	-3.3%	0.0%

KEY STOCK DATA	
Bloomberg code	LICHF IN
No. of Shares (mn)	505
MCap (Rs bn) / ($ mn)	207/2,784
6m avg traded value (Rs mn)	2,081
52 Week high / low	INR 542/255

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	1.2	3.7	55.5
Relative (%)	(6.6)	(9.9)	16.2

SHAREHOLDING PATTERN (%)	Mar-21	Jun-21
Promoters	40.3	40.3
FIs & Local MFs	16.8	15.6
FPIs	28.2	28.8
Public & Others	14.7	15.3
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Rating Criteria
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Varun Lohchab	Marico	PGDM	NO
Naveen Trivedi	Marico	MBA	NO
Saras Singh	Marico	PGDM	NO
Parikshit Kandpal	Oberoi Realty	CFA	NO
Chintan Parikh	Oberoi Realty	MBA	NO
Manoj Rawat	Oberoi Realty	MBA	NO
Aditya Makharia	CONCOR	CA	NO
Mansi Lall	CONCOR	MBA	NO
Anuj Upadhyay	JSW Energy	MBA	NO
Krishnan ASV	LIC Housing	PGDM	NO
Deepak Shinde	LIC Housing	PGDM	NO
Punit Bahlani	LIC Housing	CA	NO

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