



# IDFC

## Q3FY11: FIRST CUT

- Continued momentum in balance sheet growth was witnessed in this quarter, with total assets and loan book expanding by 53% and 51% YoY respectively supported by disbursements increase of 68% YoY. PAT at Rs 3 bn (up 27% YoY) was largely in-line with our expectations.
- Consolidated PAT rose 18% YoY to Rs 3.2 bn driven by a strong 67% YoY increase in net interest income (NII).
- NII from infrastructure grew 59% YoY, with infrastructure loan book expanding to Rs 350 bn (up 51% YoY). Non interest income declined by 17% due to a 71% decline in principal investment business. However, loan related fee income (up 73% YoY) and Income from investment banking (up 50% YoY) were impressive.
- Asset quality saw marginal improvement with gross and net NPA ratio improving to 0.22% and 0.11%.
- We will release a detailed update after speaking with the management.

### Results update

(Rs mn)	Quarter ended				
	Dec-10	Dec-09	% Chg	Sep-10	% Chg
Interest Income	11,621	8,808	32	10,939	6
Interest Expended	6,496	4,783	36	5,686	14
<b>Net Interest Income</b>	<b>5,126</b>	<b>4,025</b>	<b>27</b>	<b>5,254</b>	<b>(2)</b>
Non-Interest Income	61	4	1,388	63	(4)
<b>Net Income</b>	<b>5,186</b>	<b>4,029</b>	<b>29</b>	<b>5,316</b>	<b>(2)</b>
Operating Expenses	519	409	27	554	(6)
<b>Operating profit</b>	<b>4,667</b>	<b>3,620</b>	<b>29</b>	<b>4,763</b>	<b>(2)</b>
Provision & Contingencies	489	423	16	493	(1)
<b>PBT</b>	<b>4,178</b>	<b>3,196</b>	<b>31</b>	<b>4,270</b>	<b>(2)</b>
Tax	1,136	795	43	1,203	(6)
<b>Net Profit</b>	<b>3,042</b>	<b>2,401</b>	<b>27</b>	<b>3,067</b>	<b>(1)</b>

Source: Company, ENAM Research

**Praveen Agarwal**

Executive Director - BFSI

Email: praveen.agarwal@enam.com

Tel: 9122 6754 7609

**Siddharth Goel**

AVP - BFSI

Email: siddharth.goel@enam.com

**Namesh Chhangani**

AVP - BFSI

Email: namesh.chhangani@enam.com

---

This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Nothing in this document should be construed as investment or financial advice, and nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. The intent of this document is not in recommendatory nature

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

Enam Securities Private Limited has not independently verified all the information given in this document. Accordingly, 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

Enam securities Private Limited, its affiliates, 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, which is already available in publicly accessible media or developed through analysis of ENAM Securities Private Limited. The views expressed are those of 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. Neither this document nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions

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.

**Copyright in this document vests exclusively with ENAM Securities Private Limited.**