



IDFC

|                    |              |
|--------------------|--------------|
| STOCK INFO.        | BLOOMBERG    |
| BSE SENSEX: 20,251 | IDFC IN      |
|                    | REUTERS CODE |
| S&P CNX: 6,074     | IDFC.BO      |

15 January 2008

Buy

Rs219

Previous Recommendation: Buy

|                     |           | YEAR  | NET INCOME | PAT    | EPS  | EPS        | P/E  | P/BV | CAR  | ROE  | ROA | P/ABV |
|---------------------|-----------|-------|------------|--------|------|------------|------|------|------|------|-----|-------|
|                     |           | END   | (RS M)     | (RS M) | (RS) | GROWTH (%) | (X)  | (X)  | (%)  | (%)  | (%) | (X)   |
| Equity Shares (m)   | 1,291.3   | 3/07A | 7,158      | 5,042  | 4.4  | 25.6       | 50.2 | 8.4  | 21.5 | 18.3 | 3.3 | 8.4   |
| 52-Week Range       | 235/74    | 3/08E | 13,538     | 7,722  | 6.1  | 39.2       | 36.1 | 4.8  | 22.0 | 17.4 | 3.4 | 4.8   |
| 1,6,12 Rel.Perf.(%) | -4/39/119 | 3/09E | 18,759     | 10,448 | 8.2  | 35.1       | 26.7 | 4.2  | 18.0 | 16.5 | 3.3 | 4.3   |
| M.Cap. (Rs b)       | 283.6     | 3/10E | 23,911     | 13,075 | 10.3 | 25.1       | 21.3 | 3.6  | 16.0 | 18.0 | 3.1 | 3.7   |
| M.Cap. (US\$ b)     | 7.2       |       |            |        |      |            |      |      |      |      |     |       |

- IDFC posted 77% increase in consolidated earnings to Rs2.18b in 3QFY08 on the back of strong volume growth, stable spreads, and higher capital gains and fees. NII on infrastructure loans was up 44% YoY to Rs1.5b. NII from treasury operations was up 123% YoY to Rs290m.
- Fee income grew 364% YoY due to consolidation of SSKI as well as strong growth in advisory fees. Excluding SSKI (Rs565m in 3QFY08), fee income growth was strong at 146% YoY. Capital gains increased from Rs290m in 3QFY07 to Rs730m in 3QFY08.
- Balance sheet grew 58% YoY to Rs259b, driven by 43% growth in loans and a huge build up of treasury and investment portfolio. Gross disbursements increased 53% YoY to Rs84b in 9MFY08. Approvals increased 60% YoY to Rs149b in 9MFY08. Thus, disbursements and loan book growth will remain strong going forward.
- While RoA has declined YoY, the decline has been on account of higher taxes. Effective tax rate has increased from 19% in 3QFY07 to 26% in 3QFY08 (12m rolling). IDFC reported RoA of 3.2% in 3QFY08 (12m rolling), as against 3.2% in 2QFY08 and 3.3% in FY07. RoE has increased to 16.6% despite the capital raising of Rs21b in 2QFY08. Asset quality remains strong with zero net NPAs.
- We have revised our earnings estimates upward by 11% for FY08 and 16% for FY09 to factor in strong traction in asset growth as well as fee income. The stock currently trades at 21.3x FY10E EPS and 3.6x FY10E BV. **Buy.**

QUARTERLY PERFORMANCE

(RS MILLION)

| Y/E MARCH                      | FY07         |              |              |              | FY08         |              |              |              | FY07*         | FY08E*        |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                                | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4QE          |               |               |
| Operating Income               | 3,388        | 4,021        | 4,023        | 4,232        | 6,096        | 6,551        | 7,634        | 7,458        | 15,664        | 27,739        |
| Other Income                   | 6            | 0            | 0            | 45           | 0            | 16           | 33           | 0            | 52            | 49            |
| <b>Total income</b>            | <b>3,395</b> | <b>4,021</b> | <b>4,023</b> | <b>4,277</b> | <b>6,096</b> | <b>6,567</b> | <b>7,667</b> | <b>7,458</b> | <b>15,716</b> | <b>27,788</b> |
| Y-o-Y Growth (%)               | 30.5         | 61.3         | 58.8         | 55.6         | 79.6         | 63.3         | 90.6         | 74.4         | 51.3          | 76.8          |
| Interest Expenses              | 1,643        | 1,960        | 2,291        | 2,660        | 3,112        | 3,306        | 3,960        | 3,872        | 8,555         | 14,250        |
| <b>Net Income</b>              | <b>1,751</b> | <b>2,061</b> | <b>1,733</b> | <b>1,617</b> | <b>2,985</b> | <b>3,261</b> | <b>3,707</b> | <b>3,585</b> | <b>7,158</b>  | <b>13,538</b> |
| Operating Expenses             | 131          | 181          | 182          | 284          | 486          | 486          | 629          | 660          | 774           | 2,261         |
| <b>Operating Profit</b>        | <b>1,620</b> | <b>1,880</b> | <b>1,551</b> | <b>1,333</b> | <b>2,499</b> | <b>2,775</b> | <b>3,077</b> | <b>2,926</b> | <b>6,384</b>  | <b>11,277</b> |
| Depreciation                   | 10           | 11           | 11           | 12           | 12           | 13           | 13           | 15           | 44            | 53            |
| Provisions                     | 0            | -25          | 43           | 159          | 63           | 164          | 73           | 299          | 178           | 600           |
| <b>Profit before Tax</b>       | <b>1,610</b> | <b>1,894</b> | <b>1,496</b> | <b>1,161</b> | <b>2,424</b> | <b>2,598</b> | <b>2,991</b> | <b>2,611</b> | <b>6,162</b>  | <b>10,624</b> |
| Tax Provisions                 | 298          | 404          | 268          | 271          | 582          | 621          | 774          | 785          | 1,241         | 2,762         |
| <b>Net Profit</b>              | <b>1,312</b> | <b>1,490</b> | <b>1,228</b> | <b>890</b>   | <b>1,842</b> | <b>1,977</b> | <b>2,216</b> | <b>1,826</b> | <b>4,921</b>  | <b>7,862</b>  |
| Share of Ass / Minority Int    | -1           | 58           | 22           | 39           | -33          | -32          | -41          | -34          | 118           | -140          |
| <b>Consolidated Net Profit</b> | <b>1,312</b> | <b>1,548</b> | <b>1,250</b> | <b>930</b>   | <b>1,809</b> | <b>1,945</b> | <b>2,176</b> | <b>1,792</b> | <b>5,039</b>  | <b>7,722</b>  |
| Y-o-Y Growth (%)               | 19.9         | 46.2         | 33.7         | 11.5         | 37.9         | 25.6         | 77.1         | 101.3        | 25.3          | 53.2          |
| Int Exp/ Int Earned (%)        | 48.5         | 48.8         | 56.9         | 62.9         | 51.0         | 50.5         | 51.9         | 51.9         | 54.6          | 51.4          |
| Other Income / Net Income (%)  | 0.4          | 0.0          | 0.0          | 2.8          | 0.0          | 0.5          | 0.9          | 0.0          | 0.7           | 0.4           |
| Cost to Income Ratio (%)       | 7.5          | 8.8          | 10.5         | 17.6         | 16.3         | 14.9         | 17.0         | 18.4         | 10.8          | 16.7          |

E: MOSSt Estimates \* Quarterly nos and full year nos will not tally due to different way of reporting financial nos

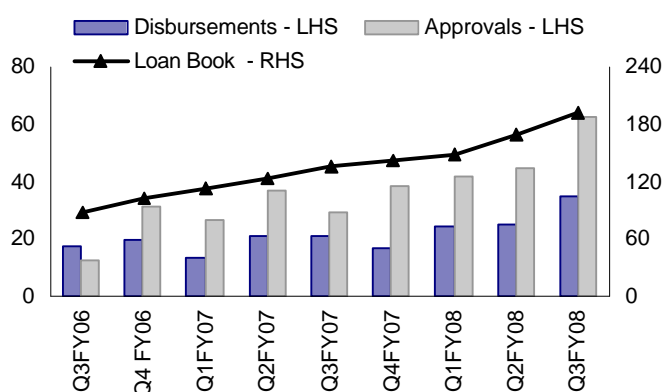
### Strong NII growth on stable margins

NII on infrastructure loans was up 44% YoY to Rs1.5b. NII from treasury operations increased from Rs130m to Rs290m in 3QFY08 (up 123%). Overall margins were stable at ~2.9% YoY though margins on infrastructure loans declined by 36bp YoY (12-month rolling). Overall spreads have remained stable at 2% (12m rolling).

### Balance sheet growth remains robust

Balance sheet grew at 58% YoY to Rs259b, driven by a 43% growth in loans to Rs192b and a huge build up of proprietary and treasury investment portfolio. Treasury assets portfolio increased to Rs44.6b in 3QFY08 from Rs21.5b in 3QFY07. Gross disbursements increased 53% YoY to Rs84b in 9MFY08. Approvals increased by 60% YoY to Rs149b. The pipeline to grow the loan book continues to remain strong and disbursement growth is likely to remain strong going forward. Borrowings increased 53% YoY to Rs204b, while net worth increased from Rs30b in 3QFY07 to Rs55b in 3QFY08.

#### STRONG ASSET GROWTH OUTLOOK (RS B)



Source: Company/Motilal Oswal Securities

### SSKI consolidation, advisory fees and capital gains drive non-interest income

Non-interest income grew 252% to Rs1.94b. Capital gains were Rs730m as against Rs290m in 3QFY07 (up 152%).

Fees grew sharply by 364% YoY to Rs1.2b. This was driven by the consolidation of SSKI (IDFC increased its stake in SSKI to 79.8% from 66% in 2QFY08), which added Rs565m as fees. Even excluding SSKI, fees were up 146%, mainly driven by project finance advisory fees. Asset management fees were flat YoY and QoQ at Rs130m. IDFC is expected to close a US\$500m project equity fund in the next couple of weeks, which would lead to increased fee income in 4QFY08.

### RoA strong at 3.2%

IDFC reported RoA of 3.2% in 3QFY08 (12-m rolling), stable at September 2007 levels but marginally down from 3.3% in FY07. Overall margins declined marginally QoQ by 9bp but improved by 8bp over FY07. Leverage decreased to 4.7x in 3QFY08 (12-m rolling) from 5.2x in 3QFY07 (12-m rolling) as IDFC had raised capital during 2QFY08. However, on a QoQ basis, leverage increased from 4.2x in September 2007 (12-m rolling). RoE increased to 16.6% in 3QFY08 (12-m rolling).

### AUM to triple to US\$2b in six months

Management aims to increase its assets under management from US\$680m currently to ~US\$2b by 1QFY09. IDFC would close first tranche of US\$500m (out of announced US\$2b) project equity fund in the next couple of weeks followed by a second round of about same quantum in the next two to three months.

It also aims to close a new private equity fund (third in series) of US\$500m in 1QFY09, as its second private equity fund of US\$450m is already 2/3rd invested. All these would enhance IDFC's AUMs to ~US\$2b by 1QFY09. This would lead to strong traction in asset management fee income going forward.

IDFC has repaid all the capital from its first private equity fund to investors and has started booking profits (on own stake) and carry from 3QFY08.

## ROA ANALYSIS: ROLLING TWELVE MONTHS BASIS

|                              | JUN-06     | SEP-06     | DEC-06     | MAR-07     | JUN-07     | SEP-07     | DEC-07     |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Net Interest Income</b>   | <b>2.9</b> | <b>2.9</b> | <b>2.9</b> | <b>2.8</b> | <b>2.7</b> | <b>3.0</b> | <b>2.9</b> |
| Infrastructure               | 2.8        | 2.8        | 2.7        | 2.6        | 2.4        | 2.5        | 2.3        |
| Treasury                     | 0.1        | 0.2        | 0.2        | 0.2        | 0.4        | 0.5        | 0.5        |
| <b>Non Interest Income</b>   | <b>1.9</b> | <b>1.9</b> | <b>1.9</b> | <b>1.7</b> | <b>2.3</b> | <b>2.2</b> | <b>2.6</b> |
| Fees income                  | 0.9        | 0.9        | 0.8        | 0.9        | 1.2        | 1.3        | 1.6        |
| Capital gains                | 1.0        | 1.0        | 1.0        | 0.8        | 1.0        | 0.8        | 1.0        |
| Miscellaneous Income         | 0.2        | 0.1        | 0.1        | 0.1        | 0.0        | 0.0        | 0.0        |
| <b>Operating Income</b>      | <b>5.0</b> | <b>5.0</b> | <b>4.9</b> | <b>4.7</b> | <b>5.0</b> | <b>5.1</b> | <b>5.5</b> |
| Operating Expenses           | 0.5        | 0.5        | 0.5        | 0.5        | 0.7        | 0.8        | 0.9        |
| <b>Operating Profit</b>      | <b>4.4</b> | <b>4.5</b> | <b>4.4</b> | <b>4.1</b> | <b>4.3</b> | <b>4.3</b> | <b>4.6</b> |
| Provisions                   | 0.1        | 0.1        | 0.1        | 0.1        | 0.1        | 0.2        | 0.2        |
| <b>PBT</b>                   | <b>4.3</b> | <b>4.4</b> | <b>4.3</b> | <b>4.0</b> | <b>4.1</b> | <b>4.1</b> | <b>4.3</b> |
| Tax, Minority Interest       | 0.6        | 0.8        | 0.8        | 0.8        | 0.9        | 1.0        | 1.1        |
| Share of associate companies | 0.0        | 0.0        | 0.1        | 0.1        | 0.1        | 0.0        | 0.0        |
| <b>PAT</b>                   | <b>3.7</b> | <b>3.6</b> | <b>3.6</b> | <b>3.3</b> | <b>3.3</b> | <b>3.2</b> | <b>3.2</b> |

Source: Company/Motilal Oswal Securities

### Valuation and view

We continue to be positive on the growth prospects for IDFC. We believe IDFC can leverage its strength to earn significant higher fee income and thus sustain higher RoA of 3%+. We have revised our earnings estimates upward

by 11% for FY08 and 16% for FY09 to factor in strong traction in asset growth as well as fee income. We expect EPS of Rs8.2 and BV of Rs52.2 in FY09 and EPS of Rs10.3 and BV of Rs60.5 in FY10. The stock currently trades at 21.3x FY10E EPS and 3.6x FY10E BV. Maintain **Buy**.

## IDFC: an investment profile

### Company description

IDFC was established in 1997 as a specialized financial intermediary to catalyze private sector investments to commercially viable infrastructure projects. Apart from infrastructure funding, IDFC works closely with the Government of India and other state governments to conceptualize and formulate policies to inculcate a conducive environment for private sector participation in the infrastructure sector. IDFC's main focus areas are power, roads, ports and telecom. Since it began operations in 1997, IDFC has rapidly grown across all business parameters. Its fast growing AMC business and entry into investment banking and broking business through acquisition of SSKI would be another key earnings driver for the company.

### Key investment arguments

- ✎ Explosive infrastructure growth will enable robust loan book expansion and fee income growth.
- ✎ The company has a sterling pedigree in quality lending, and hence, is able to maintain zero net NPAs.
- ✎ Enjoys the highest RoA in the sector; high CAR post current dilution gives enough room to grow loan book and boost RoE.

#### COMPARATIVE VALUATIONS

|          |       | IDFC | HDFC BANK | HDFC |
|----------|-------|------|-----------|------|
| P/E (x)  | FY09E | 26.7 | 30.5      | 26.3 |
|          | FY10E | 21.3 | 22.4      | 20.9 |
| P/BV (x) | FY09E | 4.2  | 4.7       | 6.3  |
|          | FY10E | 3.6  | 4.0       | 5.5  |
| RoE (%)  | FY09E | 16.5 | 16.5      | 20.0 |
|          | FY10E | 18.0 | 19.3      | 20.9 |
| RoA (%)  | FY09E | 3.3  | 1.5       | 2.6  |
|          | FY10E | 3.1  | 1.6       | 2.7  |

#### SHAREHOLDING PATTERN (%)

|               | SEP-07 | JUN-07 | SEP-06 |
|---------------|--------|--------|--------|
| Promoter      | 0.0    | 0.0    | 0.0    |
| Domestic Inst | 36.3   | 39.7   | 44.8   |
| Foreign       | 53.8   | 49.8   | 45.9   |
| Others        | 9.9    | 10.5   | 13.3   |

### Recent developments

- ✎ IDFC would be raising project equity funds for Indian infrastructure in collaboration with Citi and Blackstone of US\$5b over the next couple of years.
- ✎ IDFC has acquired 80% stake in SSKI during 9MFY08
- ✎ IDFC made a QIP of Rs21b at a price of Rs127 per share.

### Valuation and view

- ✎ With growth in infrastructure development activities, the loan book is expected to expand by 39% CAGR in FY07-10E.
- ✎ Consolidated PAT is expected to grow at a CAGR of 37% over FY07-10E. The stock currently trades at 21.3x FY10E EPS and 3.6x FY10E BV. Maintain **Buy**.

### Key investment risks

- ✎ Is dependent on government policies.
- ✎ Rising interest rates may pressurize margins.
- ✎ Faces competitive pressures from banks.

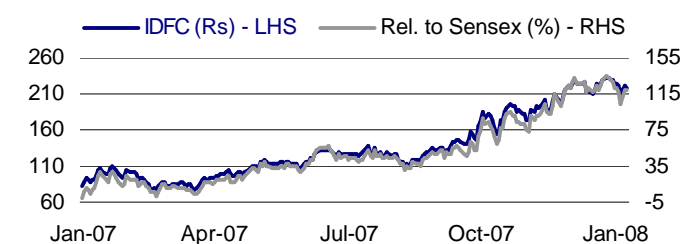
#### EPS: MOST FORECAST VS CONSENSUS (RS)

|      | MOST FORECAST | CONSENSUS FORECAST | VARIATION (%) |
|------|---------------|--------------------|---------------|
| FY08 | 6.1           | 5.5                | 11.5          |
| FY09 | 8.2           | 7.1                | 16.5          |

#### TARGET PRICE AND RECOMMENDATION

| CURRENT PRICE (RS) | TARGET PRICE (RS) | UPSIDE (%) | RECO. |
|--------------------|-------------------|------------|-------|
| 219                | 250               | 14.2       | Buy   |

#### STOCK PERFORMANCE (1 YEAR)



| INCOME STATEMENT            |              | (RS MILLION) |               |               |               |  |
|-----------------------------|--------------|--------------|---------------|---------------|---------------|--|
| Y/E MARCH                   | 2006         | 2007         | 2008E         | 2009E         | 2010E         |  |
| Interest Income             | 7,848        | 12,762       | 20,972        | 29,398        | 39,581        |  |
| Interest Expended           | 5,008        | 8,555        | 14,250        | 20,322        | 27,646        |  |
| <b>Net Interest Income</b>  | <b>2,839</b> | <b>4,208</b> | <b>6,722</b>  | <b>9,076</b>  | <b>11,935</b> |  |
| Change (%)                  | 20.2         | 48.2         | 59.8          | 35.0          | 31.5          |  |
| Other Income                | 2,520        | 2,951        | 6,816         | 9,683         | 11,976        |  |
| - Fees                      | 959          | 1,346        | 4,316         | 6,783         | 8,676         |  |
| - Treasury Income           | 1,561        | 1,605        | 2,500         | 2,900         | 3,300         |  |
| <b>Net Income</b>           | <b>5,359</b> | <b>7,158</b> | <b>13,538</b> | <b>18,759</b> | <b>23,911</b> |  |
| Change (%)                  | 28.9         | 33.6         | 89.1          | 38.6          | 27.5          |  |
| Operating Expenses          | 546          | 818          | 2,314         | 3,210         | 4,054         |  |
| <b>Operating Income</b>     | <b>4,814</b> | <b>6,340</b> | <b>11,224</b> | <b>15,549</b> | <b>19,857</b> |  |
| Change (%)                  | 24.1         | 31.7         | 77.0          | 38.5          | 27.7          |  |
| Other Provisions            | 387          | 175          | 600           | 1,000         | 1,400         |  |
| <b>PBT</b>                  | <b>4,426</b> | <b>6,165</b> | <b>10,624</b> | <b>14,549</b> | <b>18,457</b> |  |
| Tax                         | 517          | 1,241        | 2,762         | 3,928         | 5,168         |  |
| Tax Rate (%)                | 11.7         | 20.1         | 26.0          | 27.0          | 28.0          |  |
| <b>PAT</b>                  | <b>3,909</b> | <b>4,924</b> | <b>7,862</b>  | <b>10,621</b> | <b>13,289</b> |  |
| Change (%)                  | 28.6         | 26.0         | 59.7          | 35.1          | 25.1          |  |
| (Minority Interest)/Associ: | 0            | 118          | -140          | -173          | -214          |  |
| <b>Consolidated PAT</b>     | <b>3,909</b> | <b>5,042</b> | <b>7,722</b>  | <b>10,448</b> | <b>13,075</b> |  |
| Change (%)                  | 28.6         | 29.0         | 53.1          | 35.3          | 25.1          |  |
| Proposed Dividend           | 1,283        | 1,126        | 1,614         | 1,937         | 1,937         |  |

| BALANCE SHEET             |                | (RS MILLION)   |                |                |                |  |
|---------------------------|----------------|----------------|----------------|----------------|----------------|--|
| Y/E MARCH                 | 2006           | 2007           | 2008E          | 2009E          | 2010E          |  |
| Capital                   | 11,225         | 11,259         | 12,913         | 12,913         | 12,913         |  |
| Reserves & Surplus        | 14,460         | 18,217         | 46,267         | 54,449         | 65,258         |  |
| <b>Net Worth</b>          | <b>25,685</b>  | <b>29,476</b>  | <b>59,180</b>  | <b>67,362</b>  | <b>78,170</b>  |  |
| <b>Borrowings</b>         | <b>87,302</b>  | <b>142,528</b> | <b>202,390</b> | <b>283,347</b> | <b>382,518</b> |  |
| Change (%)                | 48.1           | 63.3           | 42.0           | 40.0           | 35.0           |  |
| Sub-ordinated Debt        | 6,500          | 6,500          | 6,500          | 6,500          | 6,500          |  |
| Other Liabilities & Prov. | 3,491          | 5,335          | 6,669          | 8,336          | 10,420         |  |
| <b>Total Liabilities</b>  | <b>122,977</b> | <b>183,840</b> | <b>274,739</b> | <b>365,544</b> | <b>477,609</b> |  |
| Cash and bank balance     | 3,530          | 10,800         | 9,345          | 8,173          | 8,108          |  |
| Investments               | 12,927         | 23,903         | 47,805         | 66,927         | 83,659         |  |
| Change (%)                | 68.2           | 84.9           | 100.0          | 40.0           | 25.0           |  |
| <b>Advances</b>           | <b>100,871</b> | <b>139,184</b> | <b>205,993</b> | <b>278,090</b> | <b>372,641</b> |  |
| Change (%)                | 43.1           | 38.0           | 48.0           | 35.0           | 34.0           |  |
| Net Fixed Assets          | 508            | 489            | 486            | 481            | 473            |  |
| Deferred Tax Assets       | 794            | 857            | 771            | 694            | 625            |  |
| Other Assets              | 4,347          | 7,637          | 8,401          | 9,241          | 10,165         |  |
| <b>Total Assets</b>       | <b>122,977</b> | <b>183,840</b> | <b>274,739</b> | <b>365,544</b> | <b>477,609</b> |  |

| ASSUMPTIONS       |      |      | (%)  | (%)  |
|-------------------|------|------|------|------|
| Borrowings Growth | 48.1 | 63.3 | 42.0 | 35.0 |
| Advances Growth   | 43.1 | 38.0 | 48.0 | 34.0 |
| Dividend          | 10.0 | 10.0 | 12.5 | 15.0 |

E: MOST Estimates

| RATIOS                          |       |       |       |       |       |  |
|---------------------------------|-------|-------|-------|-------|-------|--|
| Y/E MARCH                       | 2006  | 2007  | 2008E | 2009E | 2010E |  |
| <b>Spreads Analysis (%)</b>     |       |       |       |       |       |  |
| Avg. Yield - Earning Asset:     | 7.6   | 8.5   | 9.5   | 9.5   | 9.7   |  |
| Avg. Cost-Int. Bear. Liab.      | 6.3   | 7.0   | 8.0   | 8.1   | 8.1   |  |
| Interest Spread                 | 1.3   | 1.4   | 1.5   | 1.4   | 1.5   |  |
| Net Interest Margin             | 2.8   | 2.8   | 3.0   | 2.9   | 2.9   |  |
| <b>Profitability Ratios (%)</b> |       |       |       |       |       |  |
| RoE                             | 17.5  | 18.3  | 17.4  | 16.5  | 18.0  |  |
| RoA                             | 3.7   | 3.3   | 3.4   | 3.3   | 3.1   |  |
| Int. Expended/Int. Earned       | 63.8  | 67.0  | 67.9  | 69.1  | 69.8  |  |
| Fee Income./Net Income          | 17.9  | 18.8  | 31.9  | 36.2  | 36.3  |  |
| <b>Efficiency Ratios (%)</b>    |       |       |       |       |       |  |
| Op. Exps./Net Income            | 10.2  | 11.4  | 17.1  | 17.1  | 17.0  |  |
| Empl. Cost/Op. Exps.            | 57.6  | 58.7  | 78.4  | 79.5  | 80.0  |  |
| Busi. per Empl. (Rs m)          | 1,260 | 1,224 | 1,438 | 1,732 | 2,343 |  |
| NP per Empl. (Rs m)             | 310   | 25.6  | 32.8  | 37.9  | 47.3  |  |

| Asset-Liability Profile (%) |     |     |     |     |     |  |
|-----------------------------|-----|-----|-----|-----|-----|--|
| D/E Ratio                   | 3.7 | 5.1 | 3.5 | 4.3 | 5.0 |  |
| Gross NPAs to Adv.          | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 |  |
| Net NPAs to Adv.            | 0.0 | 0.0 | 0.4 | 0.4 | 0.4 |  |

| VALUATION          |      |      |      |      |      |  |
|--------------------|------|------|------|------|------|--|
| Book Value (Rs)    | 22.9 | 26.2 | 45.8 | 52.2 | 60.5 |  |
| Price-BV (x)       | 9.6  | 8.4  | 4.8  | 4.2  | 3.6  |  |
| Adjusted BV (Rs)   | 22.9 | 26.2 | 45.4 | 51.6 | 59.9 |  |
| Price-ABV (x)      | 9.6  | 8.4  | 4.8  | 4.3  | 3.7  |  |
| EPS (Rs)           | 3.5  | 4.4  | 6.1  | 8.2  | 10.3 |  |
| EPS Growth (%)     | 14.6 | 25.6 | 39.2 | 35.1 | 25.1 |  |
| Price-Earnings (x) | 63.1 | 50.2 | 36.1 | 26.7 | 21.3 |  |
| OPS (Rs)           | 4.3  | 5.6  | 8.7  | 12.0 | 15.4 |  |
| OPS Growth (%)     | 10.6 | 31.3 | 54.4 | 38.5 | 27.7 |  |
| Price-OP (x)       | 51.2 | 39.0 | 25.3 | 18.2 | 14.3 |  |

E: MOST Estimates



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|   | <b>IDFC</b> |
|---|-------------|
| 1. Analyst ownership of the stock                       | No          |
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