

May 29, 2019

Company	Sector	CMP	Recommendation	Target	Potential Upside
Indusind Bank Ltd.	Banks	1621	BUY	1777	10%

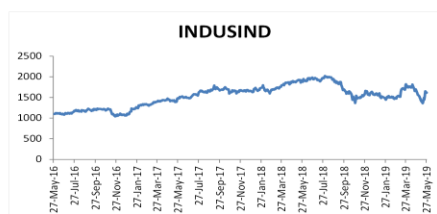
**Key Stock Data**

BSE Script Code	INDUSIND
NSE Script Code	INDUSIND
No. of shares	60.2
FV (Rs.)	10
MCAP (Rs.)	81,023
MCAP (\$)	1157 Crs
52 Week High	Rs.2037
52 week Low	Rs.1333
Time Frame	6 months

**Shareholding Pattern**

Promoters	16.80%
DII's	8.31%
FII's	53.53%
Others	21.89%

## 3 years Price Chart



Source: All above data from BSE Website and Capital Line

IndusInd Bank was inaugurated by then Union Finance Minister Manmohan Singh and commenced its operations in 1994. Later then the bank had a transformational management change in 2008. Currently bank caters to the needs of both retail consumer and corporate customers. It has a robust technology platform supporting multi-channel delivery capabilities. IndusInd Bank as on 31<sup>st</sup> March 2019 has 1,665 branches and 2,545 ATMs spread across geographic locations of the country.

**Investments Rationale****1. Strong 4QFY19 Numbers**

Indusind Bank reported strong set of Q4FY19 numbers. It's NII grew by 19% Y-o-Y to Rs. 2,385 Crs in 4QFY19 as against 2232 Crs in 4QFY18. NIM of the bank stood at 3.84% for 4QFY19 as against 3.83% in 4QFY18.

**2. Stable Asset Quality**

Indusind Bank has a stable asset coverage ratio with NNPA's stood at 0.48% in 4QFY19 as against 0.59% in 4QFY18. It's GNPA stood flat at 1.3% on a yearly basis in 4QFY19 as against 1.13% in 4QFY18..

**3. Healthy Loan Book**

Indusind Bank's Loan book grew 39% Y-o-Y to Rs. 1,86,394 Crs in 4QFY19 as against Rs. 1,44,954 Crs in 4QFY18 led by strong growth in corporate book which grew by 61% Y-o-Y to Rs.1,31,710 Crs, while retail book grew at 39% Y-o-Y to Rs. 72,684 Crs.

**Outlook & Valuations**

Indusind bank has constantly posted stupendous set of numbers and its performance is expected to grow further post the merger with Bharat Financial. The stock is trading attractive valuation of mere 2.85x P/BV on FY21 basis and on account of the sustainability of healthy loan book growth, We would like to allot a P/BV of 3x to arrive at a target price of Rs. 1777 .

**Key Financial**

Particulars	FY17 A	FY18 A	FY19 A	Amt in Crs	
				FY20 E	FY21 E
NII	6063	7498	8846	10615	12738
Op. Profit	5451	6656	8088	9765	11846
PAT	2686	3606	4475	5520	6751
BV	345	391	404	478	570
P/BV	4.70	4.14	4.02	3.39	2.85

Source : BSE Website and company research

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Analyst Stock Rating	
<b>Ratings</b>	<b>Expected absolute returns over 6 months</b>
BUY	>10%
HOLD	5-10%
SELL	<5%

Note: Our target price is within 6 months perspective. Returns stated in the rating scale are our internal benchmark.

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