


<h2>Research Report</h2>	 <p>Spearhead FinServe PRIVATE LIMITED A subsidiary of Spearhead Services Pvt Ltd</p>																		
<h3>IndusInd Bank</h3>	<table> <tr> <td>Recommendation</td><td>Accumulate</td></tr> <tr> <td>Current Market Price</td><td>835.00</td></tr> <tr> <td>Target</td><td>1094</td></tr> <tr> <td>Accumulation Price Band</td><td>835-850</td></tr> <tr> <td>Time Frame</td><td>6 Months</td></tr> <tr> <td>Derivatives Segment</td><td>Yes</td></tr> </table>	Recommendation	Accumulate	Current Market Price	835.00	Target	1094	Accumulation Price Band	835-850	Time Frame	6 Months	Derivatives Segment	Yes						
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<h3>Industry : Banking</h3>																			
<h4>Company Overview</h4> <ul style="list-style-type: none"> Incorporated in the year 1994 as a part of new bank licensees, Indusind Bank is a private sector bank specializing in retail finance. Indusind Bank's retail loan book is focused on vehicle financing, which constitutes 34% of total loans. IndusInd Bank's corporate loan book, which forms 59% of its total loans, is focused on funding business people and entrepreneurs across various industries. IndusInd Bank's narrow economic moat rating is based on substantial cost advantages and high customer switching costs, allowing the bank to generate incremental returns on equity. 	<h4>Quick Glance</h4> <table> <tr> <td>Share Capital (Rs Cr)</td><td>525.64</td></tr> <tr> <td>Market Cap (Rs Cr)</td><td>44,338.92</td></tr> <tr> <td>Face Value (in Rs)</td><td>10.00</td></tr> <tr> <td>52 Week High/ Low (in Rs)</td><td>967/520.65</td></tr> </table>	Share Capital (Rs Cr)	525.64	Market Cap (Rs Cr)	44,338.92	Face Value (in Rs)	10.00	52 Week High/ Low (in Rs)	967/520.65										
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<h4>Industry Overview</h4> <ul style="list-style-type: none"> The Indian banking sector assets has reached USD1.8 trillion in FY13 from USD1.3 trillion in FY10, with 72.7 per cent of it being accounted by the public sector. Total lending and deposits have increased at CAGR of 20.7 per cent and 19.7 per cent, respectively, during FY07-14 and are further poised for growth, backed by demand for housing and personal finance. Deposits have grown at a CAGR of about 19.7% to USD 1312 Billion in FY14 as against USD 489 Billion in FY06 mainly driven by strong growth in savings amid rising disposable income levels. The net NPA levels increased to 1.68 per cent in FY13 from 1.28 per cent in FY12, while private banks have maintained the ratio relatively stable at 0.52 per cent in FY13, compared to 0.46 per cent in FY12. 	<h4>Financials</h4> <table> <tr> <td>EPS (Rs)</td><td>26.19</td></tr> <tr> <td>Book Value (Rs)</td><td>170.02</td></tr> <tr> <td>P/E</td><td>31.88</td></tr> <tr> <td>P/BV</td><td>5.08</td></tr> <tr> <td>ROE</td><td>15.58</td></tr> <tr> <td>CAR (%)</td><td>13.83</td></tr> <tr> <td>Dividend Yeild (%)</td><td>-</td></tr> <tr> <td>Credit/Deposit Ratio(%)</td><td>48.07</td></tr> </table>	EPS (Rs)	26.19	Book Value (Rs)	170.02	P/E	31.88	P/BV	5.08	ROE	15.58	CAR (%)	13.83	Dividend Yeild (%)	-	Credit/Deposit Ratio(%)	48.07		
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<h4>Key Highlights</h4> <ul style="list-style-type: none"> IndusInd Bank has partnered with UK-based payment processing giant Worldpay to offer acquiring services in India. IndusInd Bank acquired diamond and Jewellery business from RBS with a book size of Rs 4,500 crs with its related deposit portfolio 	<h4>Highlights</h4> <table> <tr> <td>Debt (Rs Cr)</td><td>14,761.96</td></tr> <tr> <td>Reserves (Rs Crs)</td><td>8,506.30</td></tr> <tr> <td>FII Holdings (%)</td><td>39.71</td></tr> <tr> <td>MF Holdings (%)</td><td>8.99</td></tr> <tr> <td>Free Float Market Capitaliation (Rs Cr)</td><td>36,222.48</td></tr> <tr> <td>Beta</td><td>1.62</td></tr> <tr> <td>Net NPA (%)</td><td>0.30</td></tr> <tr> <td>Avg Volume Per day (no. of shares)</td><td>979,963</td></tr> <tr> <td>Avg Volume Per Month (no. of shares)</td><td>3,467,424</td></tr> </table>	Debt (Rs Cr)	14,761.96	Reserves (Rs Crs)	8,506.30	FII Holdings (%)	39.71	MF Holdings (%)	8.99	Free Float Market Capitaliation (Rs Cr)	36,222.48	Beta	1.62	Net NPA (%)	0.30	Avg Volume Per day (no. of shares)	979,963	Avg Volume Per Month (no. of shares)	3,467,424
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<h4>Key Risks</h4> <ul style="list-style-type: none"> Lower than anticipated CASA movement can have an impact on NIM's. Deterioration in economic environment could result in lower than expected credit growth, which could hamper the growth prospect of the bank 																			

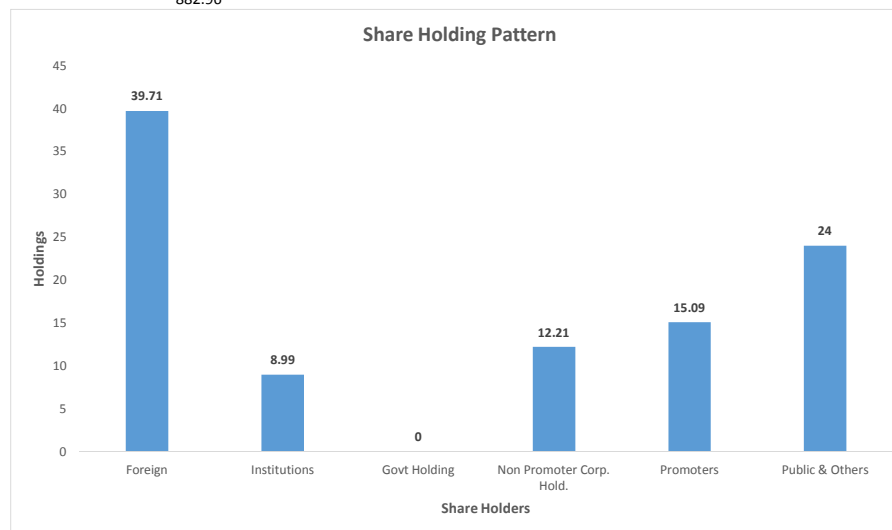
Financial Highlights

Income Statement (Annual)					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Interest Earned	8253.53	6983.23	5359.19	3589.36	2706.99
Interest Expended	5362.82	4750.37	3654.95	2212.86	1820.58
Net Interest Income	2,890.71	2,232.86	1,704.24	1,376.50	886.41
Other Income	1890.53	1362.96	1011.78	713.66	553.48
Operating Income	4781.24	3595.82	2716.02	2090.16	1439.89
Operating Expenses	1638.76	1351.95	1013.53	792.93	615.18
Pre Provision Profit	3,142.48	2,243.87	1,702.49	1,297.23	824.71
Provisions and contingencies	467.63	263.10	180.38	201.89	222.31
PBT	2,128.33	1,576.36	1,192.65	879.78	532.65
PAT	1,408.02	1,061.18	802.61	577.33	350.31

Balance Sheet					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Capital	525.64	522.87	467.70	465.97	410.65
Reserves	8,506.30	7,096.67	4,263.06	3,576.27	1,984.39
Equity Application Money	11.02	10.71	10.95	7.98	2.19
Deposits	60,502.29	54,116.72	42,361.55	34,365.37	26,710.17
Borrowings	14,761.96	9,459.56	8,682.01	5,525.42	4,934.29
Other Liabilites and Provisions	2,882.46	2,217.98	1,887.21	1,749.56	1,388.36
Total Liabilities	87,189.67	73,424.51	57,672.48	45,690.57	35,430.05
Cash and Bank Balances with RBI					
	4,413.92	3,249.84	2,903.58	2,456.04	2,099.18
Balances with Bank & Money at Call					
	2,355.53	3,598.89	2,636.04	1,568.56	504.00
Investments	21,562.95	19,654.17	14,571.95	13,550.81	10,401.84
Advances	55,101.84	44,320.61	35,063.95	26,165.65	20,550.59
Fixed Assets	1,016.45	756.14	656.80	596.46	644.83
Other Assets	2,738.98	1,844.86	1,840.16	1,353.05	1,229.61
Total Assets	87,189.67	73,424.51	57,672.48	45,690.57	35,430.05
Contingent Liability	147,804.26	134,902.89	103,190.29	82,556.16	47,200.02

Income Statement (Quarterly)								
Particulars Rs Cr)	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest Earned	2578.95	2436.95	2378.76	2297.31	2179.27	2143.49	2018.57	1912.2
Interest Expended	1653.81	1575.58	1545.65	1496.65	1398.06	1413.41	1318.63	1232.72
Net Interest Income	925.14	861.37	833.11	800.66	781.21	730.08	699.94	679.48
Other Income	658.48	610.75	558.27	576.37	522.92	480.27	416.73	470.61
Operating Income	1,583.62	1,472.12	1,391.38	1,377.03	1,304.13	1,210.35	1,116.67	1,150.09
Operating Expenses	733.11	698.28	666.71	627.83	585.05	562.99	528.75	508.49
Pre Provision Profit	850.51	773.84	724.67	749.20	719.08	647.36	587.92	641.60
Provisions and contingencies	107.44	98.01	73.20	110.40	120.55	126.16	88.86	132.06
PBT	743.07	675.83	651.47	638.80	598.53	521.20	499.06	509.54
PAT	495.27	447.19	430.20	421.06	396.05	346.9	330.23	334.84

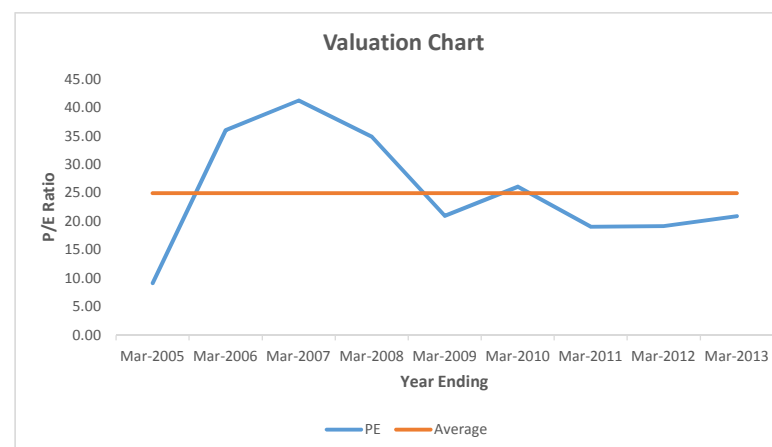
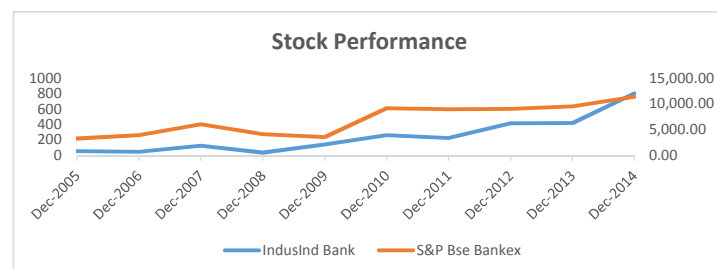
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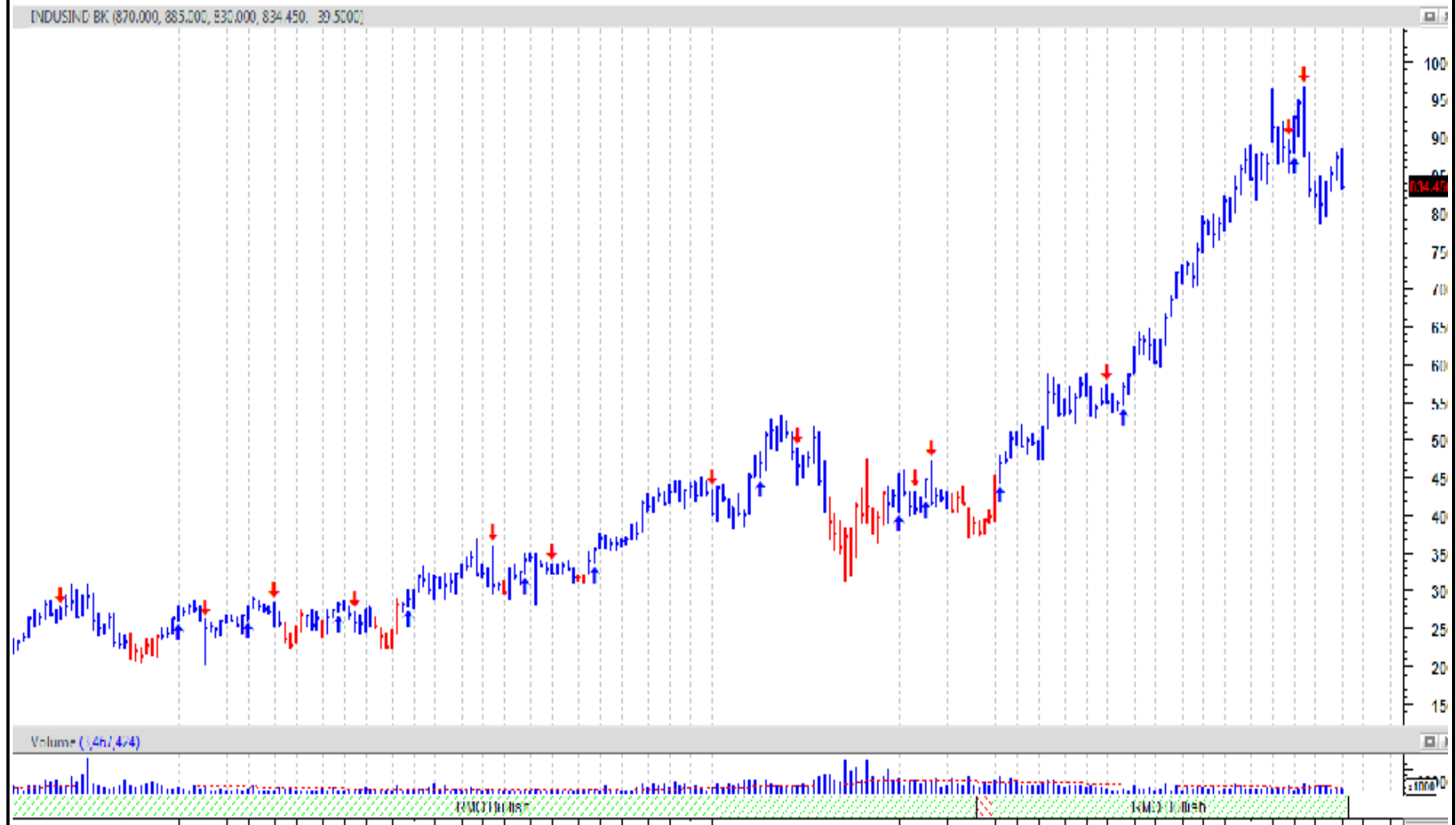
Key Financial Indicators						
Particulars	Units	2014	2013	2012	2011	2010
Net Interest Income	Crs	2,890.71	2,232.86	1,704.24	1,376.50	886.41
% Change	%	29.46	31.02	23.81	55.29	93.10
Net Profit	Crs	1,408.02	1,061.18	802.61	577.33	350.31
% Change	%	32.68	32.22	39.02	64.81	136.15
Net Interest Margin	%	3.46	3.15	3.09	3.15	2.64
EPS	Rs	26.19	19.78	16.80	12.07	8.23
P/E	times	31.88	42.21	49.70	69.18	101.46
P/BV	times	5.08	5.89	8.66	10.19	15.85
ROA	%	1.61	1.45	1.39	1.26	0.99
ROE	%	15.58	13.92	17.79	15.12	16.19

Peer Comparison				
Particulars	Units	IndusInd Bank	Yes Bank	Kotak Mahindra Bank
Net Interest Income	Crs	2,890.71	2,716.26	5,673.78
% Change	%	29.46	22.42	17.88
Net Profit	Crs	1,408.02	1,617.78	2,464.99
% Change	%	32.68	24.38	12.64
Net Interest Margin	%	3.46	2.65	4.84
EPS	Rs	26.19	44.35	33.36
P/E	times	31.88	17.07	40.68
P/BV	times	5.08	2.95	5.58
ROA	%	1.61	1.48	2.02
ROE	%	15.58	17.16	12.24
NPA	%	0.30	0.12	0.92

Stock Performance vis-a-vis Index		
Particulars	Return	
	YTD	QTD
IndusInd Bank	3%	-10%
S&P BSE Bankex	-6%	-3.23%



Technical Outlook



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