



# Affordable Housing Finance

## Big opportunity at the door





**Buy Range** ₹770 – 790

**Target** ₹930 – 950

**Recommendation** Buy

### Highlights

- LIC Housing Finance is one of the largest sole housing finance company in India with presence across the country through its strong distribution network of 310 branches. It is backed by the strong parentage of Life Insurance Corp. Ltd., the largest life insurer in India, with ~45% stake.
- The company caters largely to the salaried customer base, constituting nearly 88% of overall customers, with an average ticket size of ~₹29-30Lakh. The majority channel of acquisition remains home loan agents (HLA) with ~54% share, which are agents of LIC.
- Navigating through multiple sectoral headwinds such as Demonetization, RERA and IL&FS crisis, the company was able to grow its loan book at 11% CAGR, which now stands at ₹2,86,844cr.
- Outstanding borrowings stands at ₹2,53,030cr which is largely sourced through NCDs (52%) followed by Banks (34%). Its cost of funds at 7.4% remains one of the lowest in the industry.
- In order to deliver better growth, both qualitative and quantitative through improving TAT and customer service, the company undertook two key initiatives 1) Implementation of technological platform 2) organizational restructuring.
- In its first union cabinet meeting post 2024 general elections, Govt approved continuation of PMAY scheme to provide financial assistance for construction of houses for additional three crore rural and urban households. This would act as a significant driver of demand for houses in coming few years and LIC HF is well placed to bank on this opportunity and accelerate loan book growth from FY25 onwards.
- Looking at the legacy of project finance book, owing to large buildup of NPAs from project lending over last few years, the management remained cautious in this segment. Resultantly, the share of individual home loans is constantly on the rise, increasing from 77% in FY20 to 85% by FY24. Shift towards favorable product mix is the key driver for significant asset quality improvement as well as increase yields to some extent
- Amid high interest rate scenario and crunched liquidity situation, unlike other industry players, LICHF witnessed improvement in margins and reached 3.0% mark in FY24, one of the highest in last several years. This significant NIM expansion was primarily on account of interest income write-backs originating from healthy recoveries during FY24 and ability of the company to be able to pass-on interest rate hikes in high competitive intensity market.
- Operating expenses as a percentage of total income have remained at elevated levels for last three years primarily on account of costs related to implementation of technological platform and branch expansion. However, aided by the improvement in NIMs and asset quality, LICHF's return ratios have surged especially in FY24.
- **Despite wide distribution across the country supported by network of LIC agents, strong customers base with ~88% salaried mix, improving asset quality and return ratios, the company is trading at 1.1x its FY26e P/Bk multiple relatively attractive valuation when compared to its segmental peers.**
- **With year of muted growth behind, LICHF is looking to post double digit growth in FY25 banking on its new technological platform, reorganized structure and expanded branch network. Announcement for PMAY would also support this growth with anticipation for disbursement in Affordable Housing Finance segment to kick in from FY25 itself.**
- **At CMP of ₹788, the bank is trading at 1.1x its FY26e P/BV multiple. We remain bullish on the underlying structural story of the housing finance industry. Based on multiple growth levers, we arrive at a target price of ₹950, implying 1.3x FY26e P/BV. Hence we recommend to BUY at the current price.**

## LIC Housing Finance Ltd. (LICHF)

### Company Background

LIC Housing Finance is one of the largest sole housing finance company in India with presence across the country through its strong distribution network of 310 branches. This wide branch network is supported by 23 back offices, 9 regional offices and 2,401 employee strength. It is backed by the strong parentage of Life Insurance Corp. Ltd., the largest life insurer in India, with ~45% stake. Over its operations of more than three decades, the company has served more than 35 Lakh households.

This housing financier largely caters to the salaried customer base, constituting nearly 88% of overall customers, with an average ticket size of ~₹29-30Lakh. Largest channel for sourcing of loans remains home loan agents (HLA) with ~54% share, which are agents of LIC. Over the years, product portfolio has grown favorably with Individual Home Loan segment forming 85% of mix while project finance is just ~3% of the overall loan portfolio by end-FY24.

Outstanding borrowings which stands at ₹2,53,030cr are largely sourced from NCDs (52%) followed by Banks (34%). Supported by the strong parentage group, the company enjoys highest rating from CRISIL and CARE, indicating the highest safety regarding the ability to service interest and repay principle.

## INVESTMENT RATIONALE

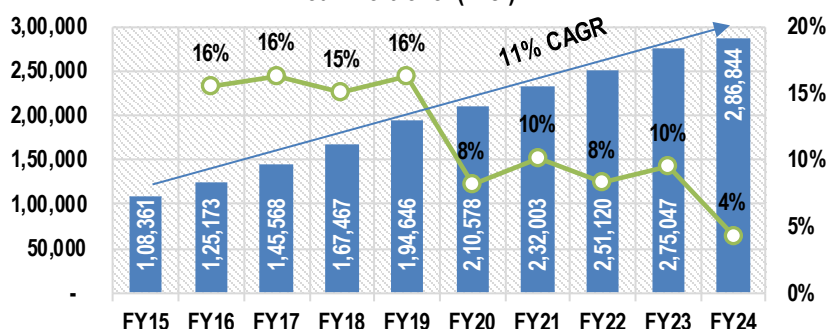
### 1. FY24 – Year of Consolidation; Growth to pick up from FY25

Loan portfolio grew at a healthy mid-teen rate till FY19, despite real estate industry facing several sectoral headwinds in the form of Government of India announcing structural changes e.g. introduction of GST and RERA and unearthing of IL&FS crisis. However, extensive distribution network and strong domain expertise, along-with government thrust on rural and infrastructure economy, enabled the company to navigate through tough times reaching ~₹2,000bn loan portfolio mark by FY19. In 2020, the real estate sector which was just emerging out of past market turbulence, policy reforms and liquidity crisis, got impacted by the setback due to CoVID-19 pandemic, took a toll on loan growth which fell to 8%. Buoyed by good bounce back in the economy and healthy real estate demand aided by the Government's thrust on affordable housing led the company maintain around ~10% growth rate in post-CoVID era.

**Subdued growth in FY24 was primarily on account of two factors 1) Implementation of Tech Platform 2) Restructuring Initiatives**

- Implementation of Tech Platform:** The Company undertook a series of transformational changes which included change in technological platform and implementation of SAP. These initiatives were undertaken to improve TAT and deliver better results. However, implementation of such software led to some technical glitches which impacted company's operations in 1QFY24 and moderated growth in disbursements.
- Organizational restructure:** During FY24, the company changed organizational structure from a Tier-4 to a Tier-5 structure. Under this restructuring initiative, the company planned to open 50 new offices and 44 new cluster offices, keeping in view, credit process improvement by creating specialized credit appraisal clusters.

Loan Portfolio (₹ cr)



## Important Data

Nifty	24,045
Sensex	79,243

### Key Stock Data

CMP (₹)	788
Market Cap (₹ cr)	43,290
52W High/Low (₹)	800/383
Shares o/s (crs)	55.0
Daily Vol. (3M NSE Avg.)	31,39,988
BSE Code	500253
NSE Code	LICHSGFIN
Bloomberg Code	LICHF:IN

### Shareholding Pattern (%) – Mar'24

Promoter	45.24
FII	22.59
FII	21.99
Public & Others	10.18

## Financials

(₹ crs)

Particulars	FY24	FY25E	FY26E
Net Int. Inc.	8,838	8,459	8,891
Net Int. Marg.	3.2%	2.9%	2.8%
Operating Exp.	1,146	1,181	1,244
Core Profit	7,698	7,286	7,657
Provisions	1,644	1,316	1,368
PBT	6,054	5,970	6,290
Tax	1,289	1,164	1,226
PAT	4,765	4,806	5,063
EPS	87	87	92
BVPS	572	646	737
P/Bk	1.4	1.2	1.1
ROA	1.7%	1.6%	1.6%
RoE	16.2%	14.2%	13.0%

Source: Company Data, Way2Wealth

## Relative Performance

Return (%)	1Yr	3Yr	5Yr
LICHF	101%	70%	39%
Nifty 50	28%	51%	103%
Sensex	25%	50%	100%

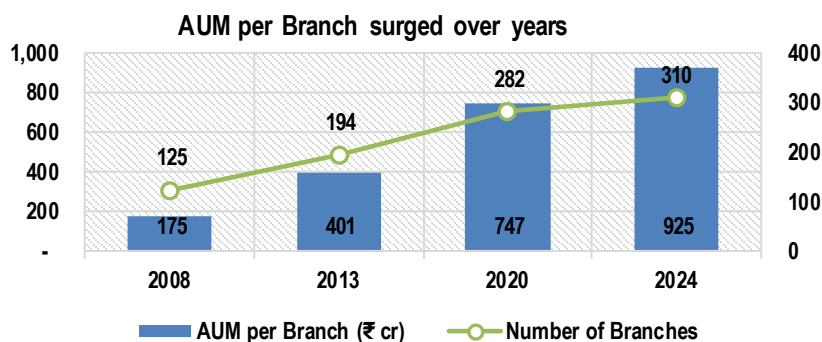
Source: Company, Way2Wealth

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Source: Company, Way2Wealth

## 2. Housing Finance Industry – Peer Comparison – Operational & Financial Parameters

Peer Comparison	LIC HF	Home First Finance	PNB Housing Finance	CanFin Homes	Aavas Financiers	Fivestar	Aptus Value	SBFC	India Shelter
<b>AUM (₹ bn)</b>	2238	970	712	350	173	96	87	68	61
<b>Product Mix</b>									
Home Loan	85%	86%	69%	88%	69%		60%		58%
LAP/MSME	12%	13%	28%	12%	31%	100%	36%	84%	42%
Other	3%	1%	3%	-			4%	16%	
<b>Ticket Size (₹ '000)</b>									
HL	2900	1150	2900	2500	1020	-	< 1000	-	1000
LAP			3100	800	760	350		970	
<b>Customer Profile</b>									
Salaried	88%	68%	61%	72%	40%		26%		28%
Non-salaried	12%	32%	39%	28%	60%	100%	74%	100%	72%
<b>Sourcing Mix</b>									
In-house	73%		58%	28%	100%	100%	100%	100%	98%
DSA	16%		42%	72%					2%
Connectors	11%	100%	-						
<b>Top State</b>	-	Gujarat	Maharashtra	-	Rajasthan	Andhra P.	Tamil Nadu	Karnataka, UP	Rajasthan
<b>Ratios</b>									
YoA	9.9%	13.6%	10.4%	10.1%	13.1%	24.3%	17.1%	17.1%	14.9%
CoF	7.4%	8.2%	8.0%	7.4%	8.1%	9.7%	8.6%	9.3%	8.8%
NIM	3.1%	5.8%	3.7%	3.7%	7.9%	17.4%	13.5%	9.9%	9.3%
<b>Asset Quality</b>									
GNPA	3.3%	1.7%	1.5%	0.8%	0.9%	1.4%	1.1%	2.4%	1.0%
NNPA	1.6%	1.2%	1.0%	0.4%	0.7%	0.6%	0.8%	1.4%	0.7%
<b>Return Ratios</b>									
RoA	1.7%	3.8%	2.2%	2.3%	3.3%	8.4%	8.0%	4.1%	4.9%
RoE	16.3%	15.5%	10.9%	17.3%	13.9%	18.7%	17.3%	10.8%	14.0%
<b>Valuation</b>									
FY26e P/Bk	1.1	3.1	1.1	2.0	2.9	3.1	3.5	2.9	2.5

Source: Company, Way2Wealth

### 3. Affordable Housing Finance : Big opportunity at the door

According to rating agency Care-Edge, healthy growth momentum in affordable housing finance segment would continue in FY25 with AHFCs' portfolio likely to grow at ~30% YoY rate. Underlying demand in housing industry remains strong in urban region and emerging even stronger in rural and semi-urban parts of the country. Increasing urbanization in smaller cities, increasing population, rising income levels and growing importance of home ownership are some of the key drivers for this accelerated growth.

Additionally, Govt. of India is taking several initiatives to provide shelter to Indian citizens under its flagship 'Housing For All' mission launched in 2015. One of the prominent schemes under this initiative is Pradhan Mantri Awas Yojana.

**Pradhan Mantri Awas Yojana:** In Union Budget 2022-23, Govt of India had allocated ₹48,000cr for PMAY and PMAY-Grameen and PMAY-Urban schemes were extended till March'24 and December'24 respectively to complete construction of houses sanctioned till 31<sup>st</sup> March 2022. In a significant development for the industry, this budgetary allocation for PMAY scheme was increased by 66% to ₹79,000cr, during union budget 2023-24.

Latest data shows, under this scheme till date nearly 1.2cr houses have been sanctioned out of which about 0.84cr houses had been completed as on 18<sup>th</sup> June 2024. On a cumulative basis, Govt. of India have made commitments worth ₹1,99,652cr out of which ₹1,63,926cr funds have been released. According to the management, since the inception of this scheme (i.e. over period of 2015-2022) the company has disbursed around ~₹42,000cr, constituting a large pie of the overall scheme outlay.

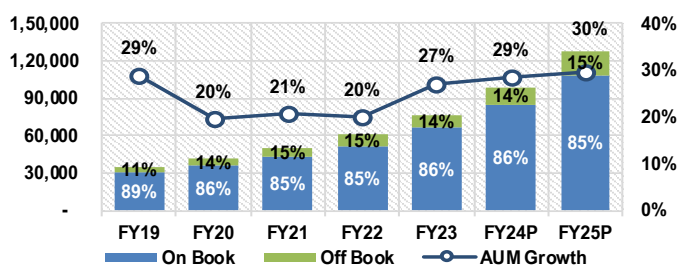
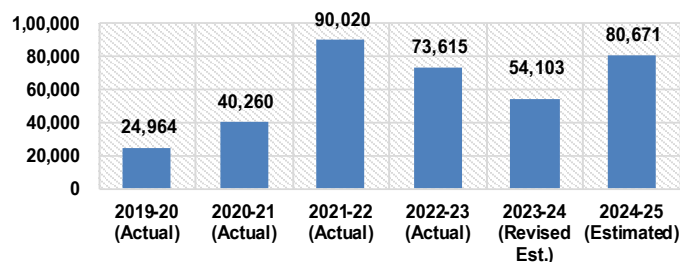
In its first union cabinet meeting post 2024 general elections, Govt. of India approved continuation of PMAY scheme to provide financial assistance for construction of houses for additional three crore rural and urban households. This would act as a significant driver of demand for houses in coming few years and LIC HF is well placed to bank on this opportunity and accelerate loan book growth from FY25 onwards.

#### Pradhan Mantri Awas Yojana Status on Construction of Houses\*



#### Pradhan Mantri Awas Yojana Status on Financial Outlay\*



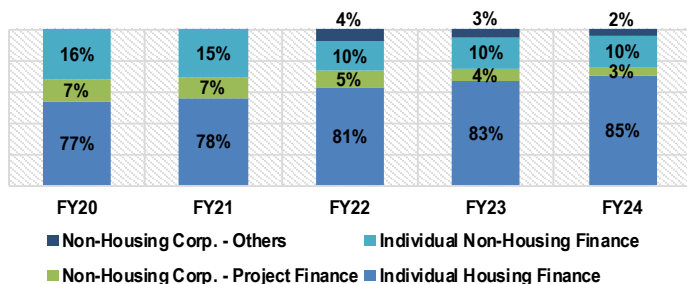
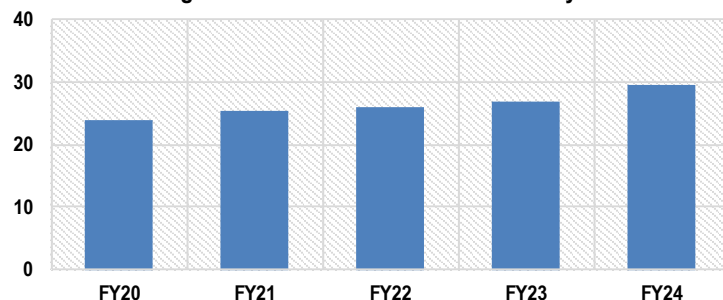
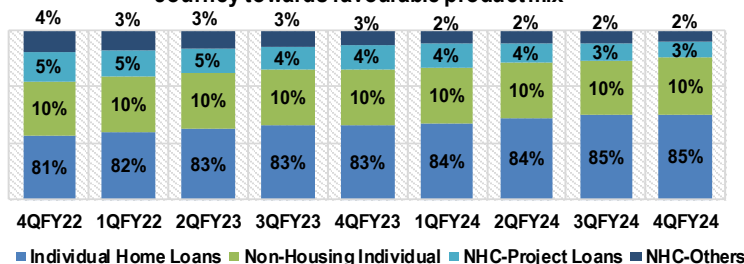
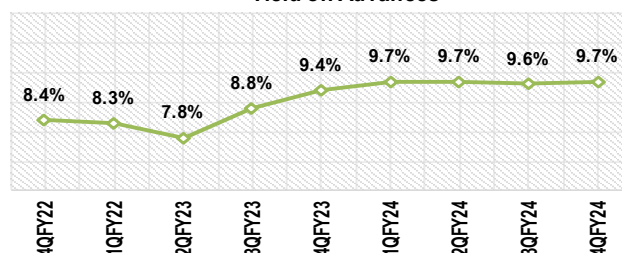
**AHFC Loan Book Portfolio (₹ cr)**

**Pradhan Mantri Awas Yojana Scheme Outlay (₹ cr)**


Source: CareEdge Ratings, Ministry of Finance, Way2Wealth; \*Data is as on 18<sup>th</sup> June 2024

## 4. Changing product mix supports asset quality & yield improvement

Looking at the legacy of project finance book, owing to large buildup of NPAs from project lending done over last few years, the management remains guarded and building up the portfolio at a gradual pace with caution. Resultantly, the share of individual home loans is constantly on the rise, increasing from 77% in FY20 to 85% by FY24.

Key advantage from increase in IHL share is the increasing granularity of the book. Shift towards favorable product mix is the key driver for significant asset quality improvement as well as increase in yields to some extent.

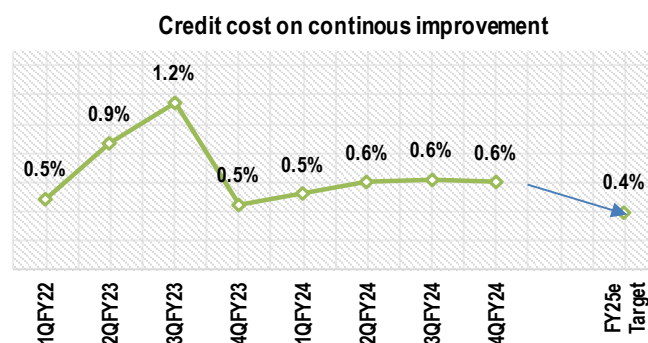
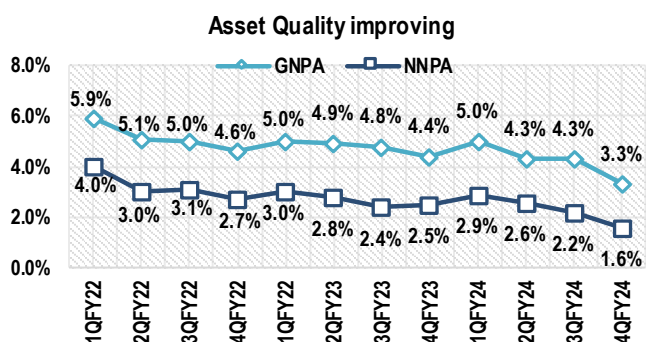
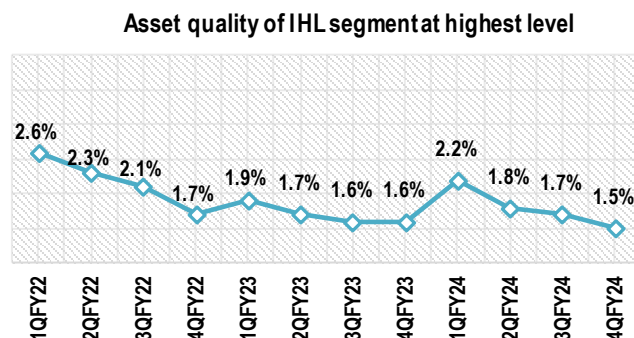
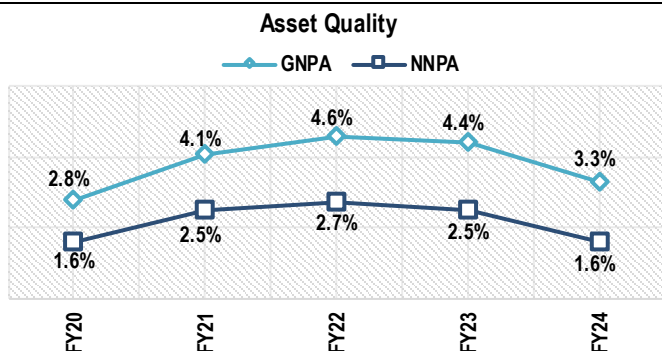
**Improving Product Mix**

**Avg. Ticket Size increased over last four years**

**Journey towards favourable product mix**

**Yield on Advances**


Source: Company, Way2Wealth Research

## 5. Recoveries and resolution of NPAs result in asset quality improvement

Led by continuous and focused efforts, LICHF was able to reduce its delinquency levels considerably. In FY24 itself, technical write-offs to the tune of ₹2,005cr were undertaken out of which nearly ₹1,080cr came in 4QFY24 alone. Several new initiatives have been taken to move towards faster and improved recovery system, one of which is, setting up of a new vertical 'Receivable Management'. This system will focus on collections in 0-60 days DPS bracket and undertake steps necessary to avoid loans turn into NPAs. Company's concentrated efforts towards enhancing asset quality are clearly visible in IHL's improving GNPA levels, falling to lowest levels of last several quarters.

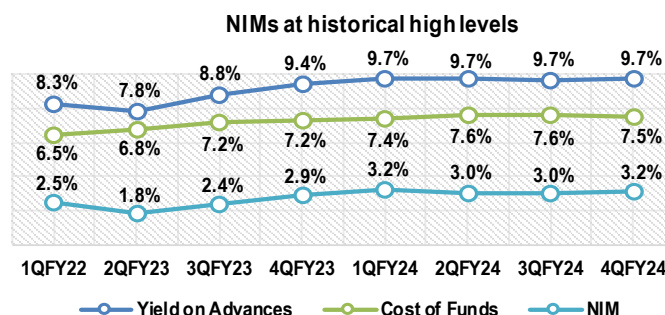
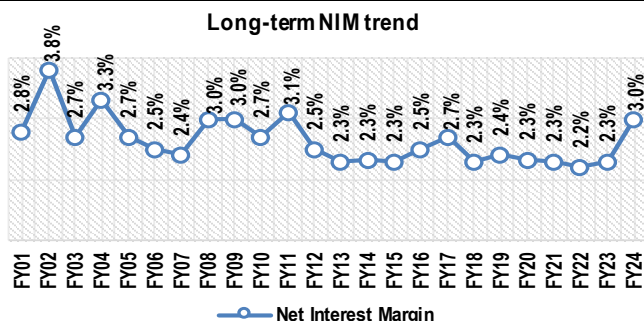
A large account has been put up for sale and nearly 6-7 ARCs have shown interest and announcement regarding the same will come soon. Management has highlighted that if the experience with ARCs turns out to be good for this big account, it may explore more such opportunities going forward for rest of sticky and difficult to recover accounts.



Source: Company, Way2Wealth Research

## 6. Rate hike pass-on & interest income write-offs take NIMs to historical high levels

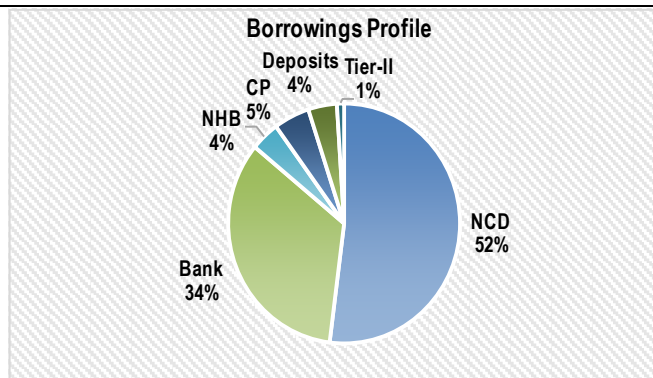
Amid high interest rate scenario and crunched liquidity situation, unlike other industry players, LICHF witnessed improvement in margins and reached 3.0% mark in FY24, one of the highest in last several years. This significant NIM expansion was primarily on account of interest income write-backs originating from healthy recoveries during FY24 and ability of the company to be able to pass-on interest rate hike in high competitive intensity market. With nearly 88% salaried customer base and average ticket size of ₹25-30Lakhs, the company operates in one of the most competitive segment of the industry and competes with large PSU and Private banks of the country. Despite significant competition, surge in NIMs during FY24 and guidance of 2.7-2.9% for FY25 highlights management's strong focus on profitability. While contribution from interest income due to technical write-backs may moderate in FY25 pressuring NIMs, interest rate cut led fall in cost of deposits and benefit from lagged impact on loan book may provide the necessary cushioning.



Source: Company, Way2Wealth Research

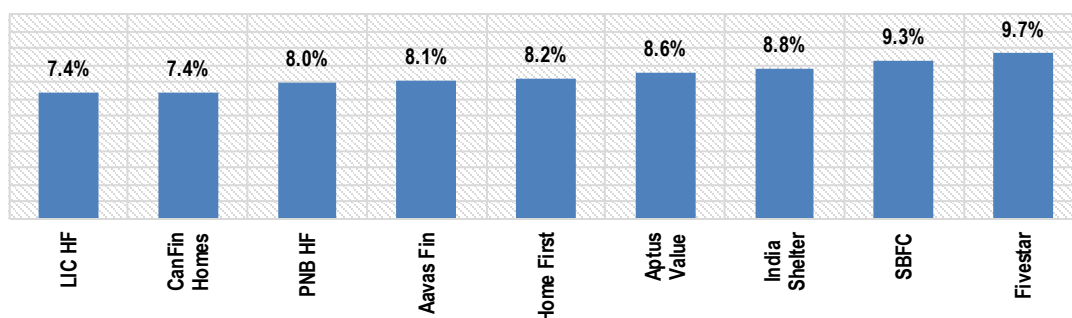
## 7. Best-in-class Cost of Funds

Non-convertible Debentures constitute the largest part of the borrowings with 52% mix at average cost of 7.60%. Bank and NHB book constitute nearly 38% with cost at 7.95%. Deposits consists 4% share and are priced at 7.58%. This makes LICHF one of the lowest cost player in the industry.



Source of Borrow.	Wt. Avg. Cost (%)
Non-Conv. Debt.	7.6%
Banks/NHB	8.0%
Commercial Paper	7.8%
Deposits	7.6%
Tier II	7.3%

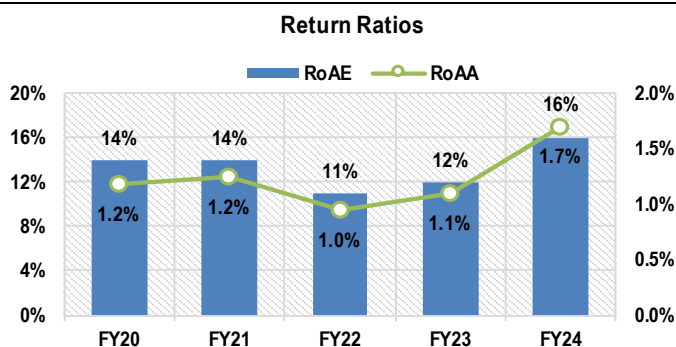
Cost of Fund - One of the lowest in the industry



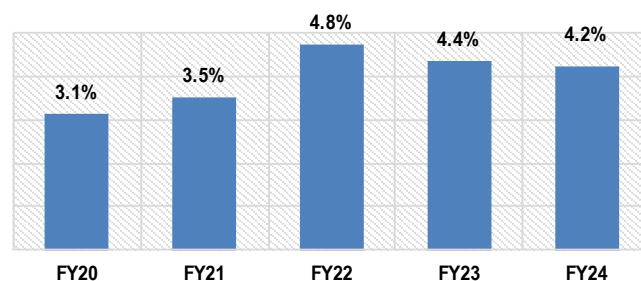
Source: Company, Way2Wealth Research

## 8. Return Ratio surged in FY24

Operating expenses as a percentage of total income have remained at elevated levels for last three years primarily on account of costs related to implementation of technological platform and branch expansion. However, aided by the improvement in NIMs and asset quality, LICHF's return ratios have surged especially in FY24.



Operating Expenses To Total Income

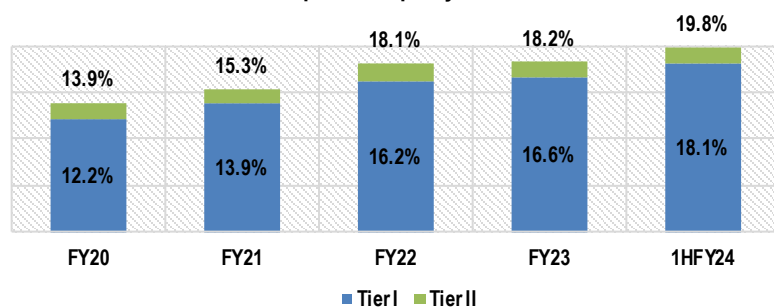


Source: Company, Way2Wealth Research

## 9. Capital Adequacy

Capital Adequacy of the company remains in comfortable zone at 19.8% with CET - Tier I at 18.1%. Life Insurance Corp. Ltd. holds 45% stake in LIC Housing Finance Ltd, thus indicating a support from a strong parentage group. On the back of this support, it enjoys highest rating from CRISIL and CARE – AAA / Stable. It is planning to raise funds in FY25 through green bonds to finance environmentally-sustainable housing projects.

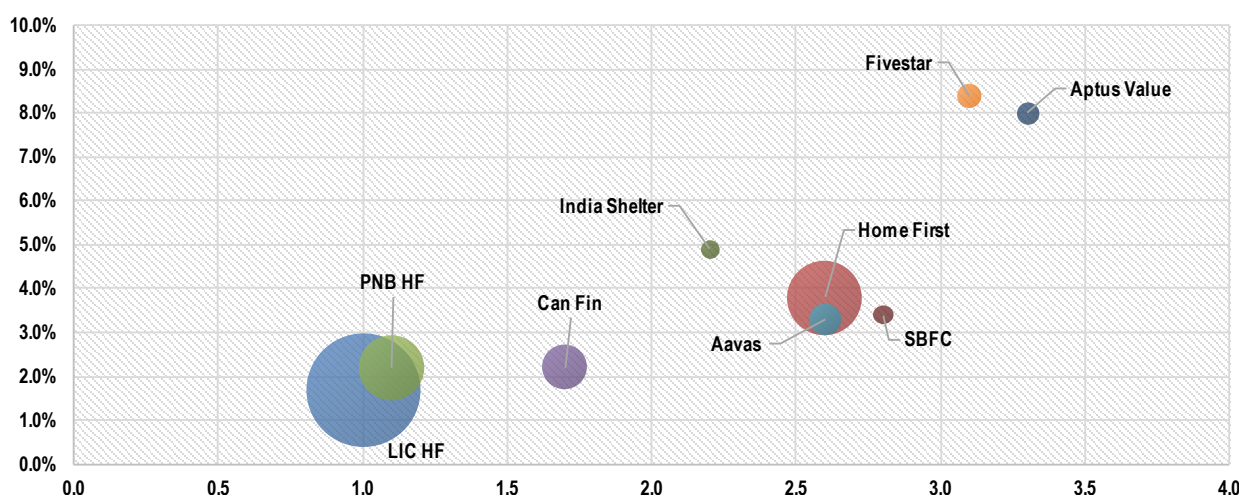


**Capital Adequacy Ratio**


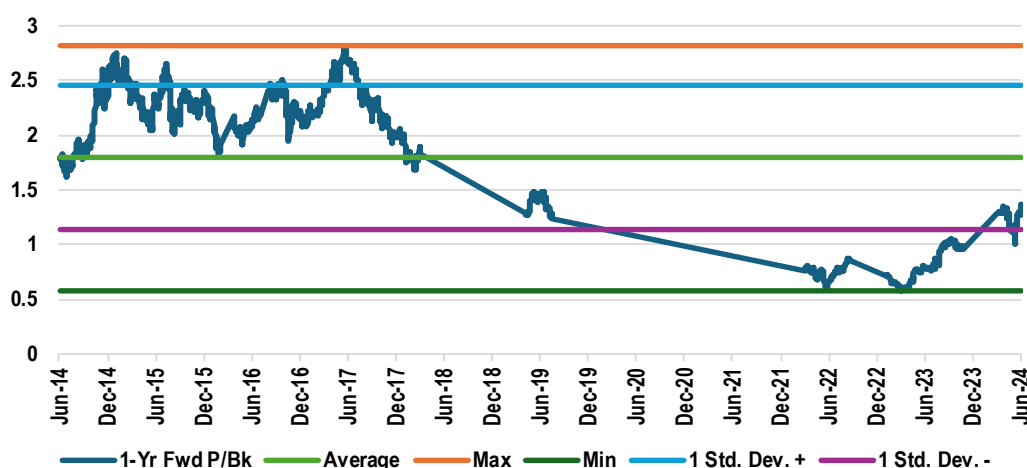
Source : Way2Wealth

## 10. Peer Comparison

Despite wide distribution across the country supported by network of LIC agents, strong customers base with ~88% salaried mix, improving asset quality and return ratios, the company is trading at relatively attractive valuation of 1.1x its FY26e P/Bk value compared to its segmental peers.

**HFC Peer Comparison**


Source: Bloomberg, Company, Way2Wealth Research, \* Company Estimates; Bubble size represents company AUM

**1-Yr Fwd Price/Bk Historical Trend**


Source: Bloomberg, Way2Wealth Research

## 11. 4QFY24 Quarterly Performance

LICHF posted mixed bag numbers in 4QFY24 as disbursement growth picks up however one-offs in operating expenses impact profitability. Asset quality improvement remains key highlight for the quarter.

In 4QFY24, net interest income grew 13% YoY (7% QoQ) to ₹2,287cr driven by the NIM expansion of more than ~20bps YoY (~15bps QoQ). While the increase in interest income was moderate during the quarter, interest expense remained largely flat primarily due to company's liability book of which half is fixed and half is floating.

Loan book stood at ₹2,86,844cr growing 4% YoY/ 2% QoQ led by Individual Housing Finance 7% YoY/2% QoQ, while developer finance de-grew by 32% YoY/6% QoQ in-line with management's gradual growth approach. Growth in disbursements recovered strongly this quarter coming in at 14% YoY/20% QoQ to ₹18,232cr.

LICHF's 4QFY24 earnings incorporated three one-offs: 1) Provision for arrears of wage revision to the tune of ₹32cr, 2) additional ECL provisioning of ₹100cr to increase PCR on stage-3 assets above 50%, 3) tax expense incurred to increase deferred tax liability for past years to ₹227cr.

Led by recoveries worth ₹500cr, asset quality improvement was seen during the quarter with GNPA and NNPA coming down to 3.3% and 1.6%. Credit cost remained at 60bps and management aims to further reduce it in FY25 to 40bps levels.

On the operational front, cost to income ratio rose 313bps YoY/ 456bps QoQ during the quarter to 16.7%. Operating profit was at ₹1,904cr up 9% YoY/ flat QoQ while provisions worth ₹428cr made for the quarter. Owing to one-off tax expense, PAT came in at ₹1,091cr, down by 8% YoY/6% QoQ.

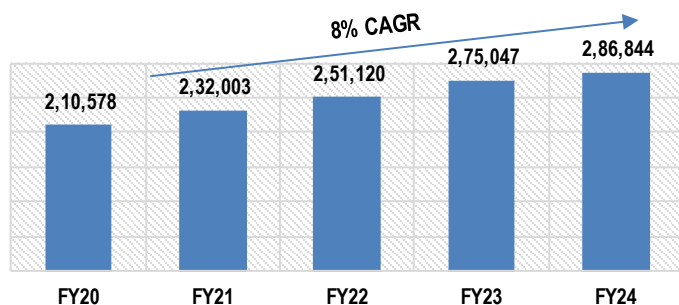
(₹crs)

Particulars	Q4FY24	Q4FY23	% YoY	Q3FY24	% QoQ	FY24	FY23	%YoY
Interest earned	6,936	6,415	8%	6,792	2%	27,228	22,657	20%
Interest expensed	4,650	4,388	6%	4,647	0%	18,391	16,186	14%
<b>Net Interest Income</b>	<b>2,287</b>	<b>2,027</b>	<b>13%</b>	<b>2,146</b>	<b>7%</b>	<b>8,838</b>	<b>6,471</b>	<b>37%</b>
Other Income	0	0		0		6	17	
<b>Total Income</b>	<b>2,287</b>	<b>2,027</b>	<b>13%</b>	<b>2,146</b>	<b>7%</b>	<b>8,844</b>	<b>6,488</b>	<b>36%</b>
Employee cost	198	144	38%	140	42%	610	473	29%
Other operating cost	184	132	39%	121	52%	536	515	4%
Total Operating Expenses	383	276	39%	261	46%	1,146	988	16%
<b>Operating Profit</b>	<b>1,904</b>	<b>1,751</b>	<b>9%</b>	<b>1,885</b>	<b>1%</b>	<b>7,698</b>	<b>5,500</b>	<b>40%</b>
Provisions and contingencies	428	307	39%	436	-2%	1,644	1,943	-15%
<b>Profit before tax</b>	<b>1,476</b>	<b>1,445</b>	<b>2%</b>	<b>1,449</b>	<b>2%</b>	<b>6,054</b>	<b>3,557</b>	<b>70%</b>
Tax Expense	385	265	46%	286	35%	1,289	666	93%
<b>Profit after tax</b>	<b>1,091</b>	<b>1,180</b>	<b>-8%</b>	<b>1,163</b>	<b>-6%</b>	<b>4,765</b>	<b>2,891</b>	<b>65%</b>
EPS	19.8	21.5	-8%	21.1	-6%	86.6	52.6	65%

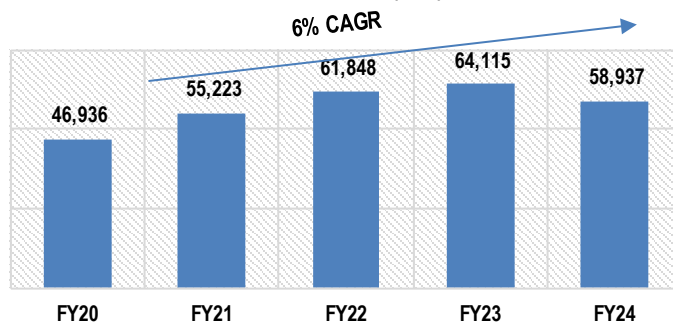
Source: Company, Way2Wealth Research

## Financials in Chart

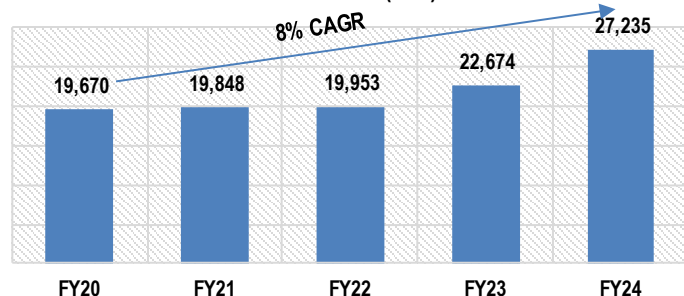
### Loan Book Portfolio (₹ cr)



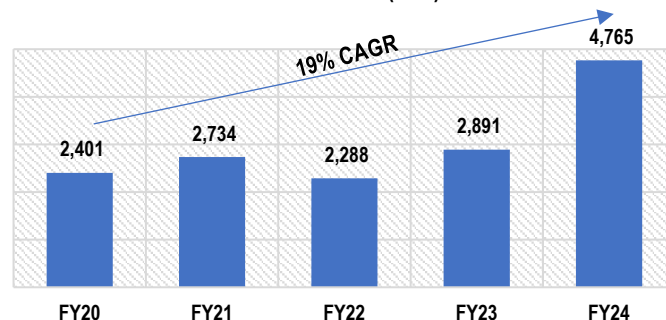
### Disbursements (₹ cr)



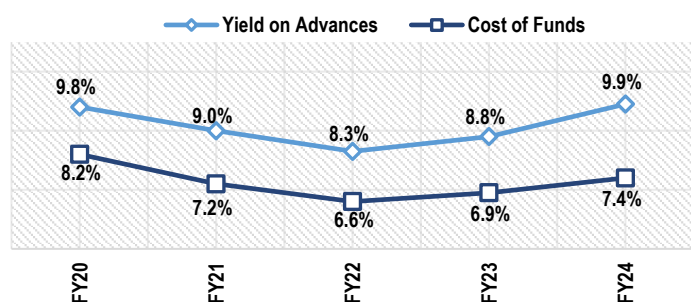
### Interest Income (₹ cr)



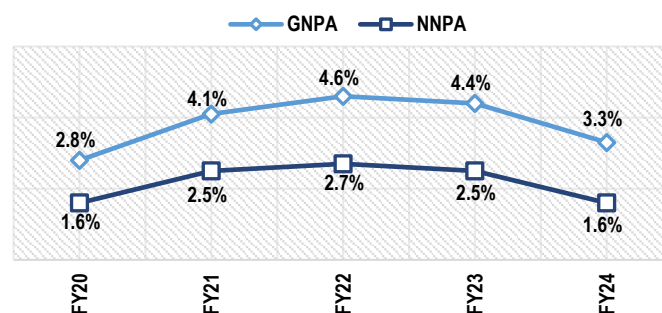
### Profit After Tax (₹ cr)



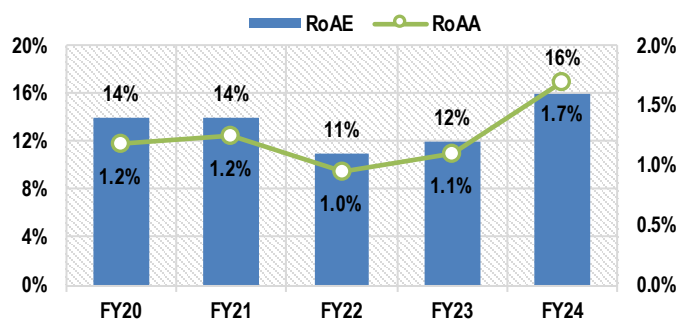
### Operating Parameters



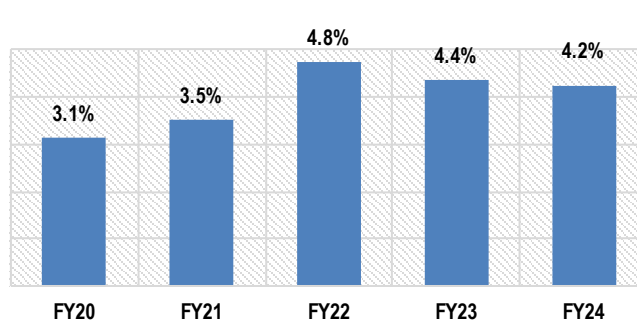
### Asset Quality



### Return Ratios



### Operating Expenses To Total Income



Source: Company, Way2Wealth

## Risks

- **Muted growth** – While the management has guided for the loan book growth to pick up in FY25 which was lagging in FY24 due to technical glitches, any further delay can go against the investment hypothesis.
- **Persistent tight liquidity condition** – If interest rates remains elevated for a longer duration or tight liquidity condition persists, it may have an adverse impact on cost of fund and thus pressure margin notably.

## View

LIC Housing Finance Ltd., one of the largest housing financier in the country and backed by strong parentage, Life Insurance Corp. Ltd., is well positioned to benefit out of healthy underlying demand in the housing sector and Govt. of India's recent announcement on extending Pradhan Mantri Awas Yojana to build three crore additional houses.

Organizational restructuring and implementation of technological platform had an impact on company's operations which led to muted loan book as well as disbursement growth during FY24. However, with technical glitches aside, management has guided for a double digit growth for next financial year. Key drivers for this growth would be addition of new branches and setting up nodal offices to implement hub and spoke model, which would enable the company to reduce TAT and improve efficiency.

Post CoVID, NPA levels rose notably to peak in FY22, however, the bank took several initiatives to improve the asset quality. Some of measures include run-down of Project Finance book as looking at the past credit experience, management decided to remain cautious and move gradually in further building up this portfolio. This resulted in increasing share of Individual Housing Finance segment, with historically low NPA levels. Strong focus on resolution of large NPA accounts led to notable recoveries in FY24 and the management is also exploring newer options as a large account is put up for sale to ARC and a positive experience may follow more such ARC resolutions in future.

At CMP of ₹788, the NBFC is trading at 1.1x its FY26e P/BV multiple. With the year of muted growth behind, LICHF is looking to post double digit growth in FY25 banking on its new technology platform, reorganized structure and expanded branch network. Announcement for PMAY would also support this growth with anticipation for disbursement in Affordable Housing Finance segment to kick in from FY25 itself. While recoveries in NPA book and guarded approach in Project Finance book will take care of the asset quality, changing product mix would offset any moderation in asset yields from interest rate cuts. We remain bullish on the underlying structural story of the housing finance industry. Based on multiple growth levers, we arrive at a target price of ₹950, implying 1.3x FY26e P/BV. Hence we recommend to BUY at the current price.



## FINANCIALS &amp; VALUATION

(₹ crs)

Particulars	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	19,727	19,819	19,919	22,657	27,228	27,992	29,482
Interest Expense	14,781	14,450	14,177	16,186	18,391	19,532	20,591
<b>Net Interest Income</b>	<b>4,946</b>	<b>5,368</b>	<b>5,742</b>	<b>6,471</b>	<b>8,838</b>	<b>8,459</b>	<b>8,891</b>
Other income	-29	-1	34	17	6	8	10
<b>Core Income</b>	<b>4,917</b>	<b>5,367</b>	<b>5,776</b>	<b>6,488</b>	<b>8,844</b>	<b>8,467</b>	<b>8,901</b>
Fees and commission expense	47	88	112	159	155	160	168
Employee benefits expense	328	324	563	473	610	629	662
Depreciation and amortisation expenses	51	52	52	66	65	67	71
Other expenses	213	254	248	290	316	325	343
<b>Total expenses</b>	<b>639</b>	<b>719</b>	<b>976</b>	<b>988</b>	<b>1,146</b>	<b>1,181</b>	<b>1,244</b>
<b>Operating Profit</b>	<b>4,278</b>	<b>4,648</b>	<b>4,800</b>	<b>5,500</b>	<b>7,698</b>	<b>7,286</b>	<b>7,657</b>
Impairment on financial instruments	952	1,318	2,022	1,943	1,644	1,316	1,368
<b>Profit before tax</b>	<b>3,326</b>	<b>3,330</b>	<b>2,778</b>	<b>3,557</b>	<b>6,054</b>	<b>5,970</b>	<b>6,290</b>
Tax Expense	879	624	491	666	1,289	1,164	1,226
<b>Profit after tax</b>	<b>2,447</b>	<b>2,706</b>	<b>2,287</b>	<b>2,891</b>	<b>4,765</b>	<b>4,806</b>	<b>5,063</b>
Earnings per share	48	54	43	53	87	87	92

Particulars	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Capital and Liabilities</b>							
Capital	101	101	110	110	110	110	110
Reserve and Surplus	18,164	20,500	24,641	27,075	31,367	36,172	41,236
Minority Interest	2	3	3	3	3	3	3
Deposits	12,572	18,272	18,022	11,581	9,849	10,145	10,449
Borrowings	1,78,723	1,89,526	2,05,585	2,33,148	2,42,598	2,61,862	2,85,268
Other liabilities and provisions	7,358	7,320	6,326	6,642	7,406	7,533	7,663
<b>Total Capital and Liabilities</b>	<b>2,16,920</b>	<b>2,35,722</b>	<b>2,54,687</b>	<b>2,78,559</b>	<b>2,91,334</b>	<b>3,15,826</b>	<b>3,44,730</b>
<b>Assets</b>							
Cash and Cash Equivalents	2,037	1,385	985	822	1,655	1,986	3,163
Investments	5,565	4,650	6,359	7,050	6,337	6,654	6,987
Advances	2,07,975	2,28,091	2,45,234	2,67,776	2,80,532	3,04,377	3,31,771
Fixed Assets	295	286	297	353	357	357	357
Other Assets	1,048	1,310	1,812	2,559	2,452	2,452	2,452
<b>Total Assets</b>	<b>2,16,920</b>	<b>2,35,722</b>	<b>2,54,687</b>	<b>2,78,559</b>	<b>2,91,334</b>	<b>3,15,826</b>	<b>3,44,730</b>

Source: Company, Way2Wealth

## TECHNICAL VIEW

## Weekly Chart



Technically speaking, LICHSGFIN has rebounded from its key demand levels of 300-320 in July 2023, supported by a positive breakout of the symmetrical triangle chart pattern on the weekly chart, considered a bullish continuation pattern. Since then, the stock has been trading in an uptrend with consistent creation of higher highs and higher lows on the weekly chart. Moreover, the positive crossover of the 50-day, 100-day, and 200-day EMAs stands as a multi-confluence for medium to long-term investors. On the momentum indicators front, the daily MACD line has been above its signal line since July 2023, and the distance between the MACD and the signal line is high. This indicates that the short-term trend is positive and getting stronger. The Relative Strength Index (RSI) has also confirmed the upward move with the formation of higher tops and higher bottoms, suggesting a buy-on-dips strategy. Technically, LICHSGFIN is likely to remain uptrend in long term scenario and it can move towards 880/950 levels in the medium to long term. On the flip side, support levels for the stock are identified at 720/685 levels.

## Technical Indicators/Overlays

Bollinger Bands (Upper - Lower)	866.35 - 708.85
Short Term - 20 & 50 Days EMA	533 & 464
Long Term - 100 & 200 Days EMA	429 & 354
Volatility	1.43
ADX	17.86
MACD	80.6
RSI	75.95
Average True Range(ATR)	113.53
AD Line	133.87 Cr
Standard Deviation	128.29
Pivot Levels - R1, R2	877 & 966
Pivot Point	710
Pivot Levels - S1, S2	621 & 454
ROC (%)	86.3

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**Disclosure of Interest Statement: LIC Housing Finance Ltd. as on 28<sup>th</sup> June 2024**

Name of the Security	LIC Housing Finance Ltd.
Name of the analyst	Prasad Hase
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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