

Research Report

IndusInd Bank Limited

#Cheer
**CHEER FOR
MORE SAVINGS**

UP TO
6.75%^{*} ON
p.a. **SAVINGS
ACCOUNT**



Prepared By-

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About

IndusInd Bank Limited was incorporated in 1994 as a commercial bank under the Banking Regulation Act, 1949. The Bank is publicly held and provides a wide range of banking products and financial services to corporate and retail clients besides undertaking treasury operations. The Bank operates in India including at the International Financial Service Centres in India.

Key Business segments

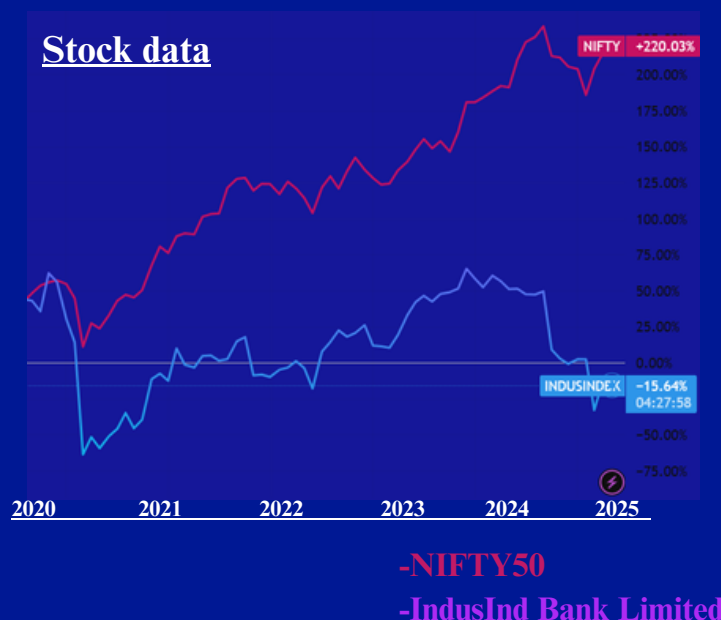
- **Retail Banking:** 66% in H1 FY25 vs 60% in FY22
- **Corporate Banking:** 21% in H1 FY25 vs 23% in FY22
- **Treasury:** 13% in H1 FY25 vs 17% in FY22

Synopsis of Financials

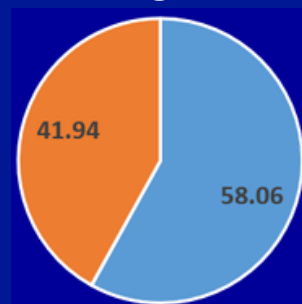
- Net Interest Income at Rs.5,228 crores; NIM at 3.93%, down from 4.08% QoQ due to lower average balances and higher cost of funds.
- Non-Interest Income grew by 8% QoQ to Rs.2,355 crores, driven by vehicle and microfinance disbursements.
- Operating expenses moderated to single-digit growth of 9% YoY.
- Profit after tax grew by 5% QoQ to Rs.1,402 crores; RoA and RoE at 1.03% and 8.45% respectively.
- Capital Adequacy Ratios remain healthy with CET1 at 15.18% and CRAR at 16.46%.

Stock data (as 26th May 2025)

Nifty Price	: 24,833.60
52 week High (in Rs.)	: 1,550
52 week Low (in Rs.)	: 605
Market Cap. (in Crore)	: 64,124
NSE Code	: <u>INDUSINDBK</u>



Shareholding Pattern (March 2025)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	Mar-23	Mar-24	Mar-25
Sales	36,368	45,748	48,668
Sales Growth %	17.99%	25.79%	6.38%
Expenses	15,525	17,638	23,101
Operating Profit	2,067	2,978	-4,069
OPM %	6%	7%	-8%
Net Profit	7,390	8,950	2,643
EPS in Rs	95.24	114.99	33.92

Quarterly Results



Particular	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Sales	11,248	11,572	12,199	12,547	12,686	12,801	10,634
Expenses	4,451	4,623	4,749	4,972	5,759	5,723	6,646
Operating Profit	625	672	628	436	-412	-495	-3,598
OPM %	6%	6%	5%	3%	-3%	-4%	-34%
Other Income	2,282	2,396	2,500	2,441	2,184	2,350	709
Interest	6,171	6,277	6,822	7,139	7,339	7,573	7,586
Depreciation	0	0	0	0	0	0	0
Profit before tax	2,907	3,068	3,128	2,877	1,772	1,855	-2,889
Tax %	25%	25%	25%	25%	25%	24%	-23%
Net Profit	2,181	2,298	2,347	2,152	1,325	1,401	-2,236

Source: Screener

Key Ratios

Ratios	March 31, 2024	March 31, 2023
i) Interest income as a percentage to working funds	9.80%	8.88%
ii) Non-interest income as a percentage to working funds	2.01%	1.99%
iii) Cost of Deposits	6.35%	5.32%
iv) Net Interest Margin	4.81%	4.76%
v) Operating profit as a percentage to working funds	3.37%	3.50%
vi) Return on assets	1.92%	1.80%
vii) Business (deposits plus advances) per employee (₹ in crore)	16.98	16.95
viii) Profit per employee (₹ in crore)	0.21	0.21

Source: Annual Report

Yearly Results

Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	776	778	779
Reserves	53,846	62,019	63,571
Borrowings	49,011	47,611	53,704
Other Liabilities	17,733	19,734	24,887
Total Liabilities	4,57,804	5,14,935	5,54,018
Fixed Assets	1,857	2,001	2,356
CWIP	135	197	0
Investments	83,116	1,06,527	1,14,497
Other Assets	3,72,695	4,06,211	4,37,166
Total Assets	4,57,804	5,14,935	5,54,018

Synopsis Quarter Results

Concall Notes - Feb-2025: Key Highlights

Economic Outlook:

- Stability in economic activity observed after Q2 slowdown.
- Recovery in rural demand and festive season boost aiding private consumption.
- Anticipation of Union budget addressing growth slowdown with focus on public investments and tax policy reforms.

Quarter Highlights:

- - Retail Deposit Growth:
- 4% QoQ and 14% YoY growth in retail deposits.
- Share of retail deposits in LCR improved to 46.1% from 44.1% QoQ.
- Consciously reduced non-LCR accretive wholesale deposits, resulting in overall deposits declining by 1% QoQ.

1. Vehicle Finance:

- Disbursements at Rs.13,388 crores, growing 25% QoQ.
- Improvement in asset quality with stable gross slippages at 0.74%.
- Expect recovery in volumes with government spending and lower interest rates.

2. Bharat Financial Inclusion Limited (BFIL):

- Loan book at Rs.38,883 crores, growing 1% QoQ but down 4% YoY.
- Microfinance disbursements showing sequential improvement, but cautious on growth.
- Gross slippages increased to Rs.695 crores.

3. Corporate Banking:

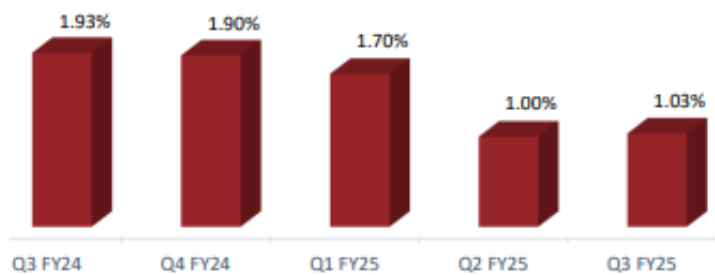
- Healthy growth at 16% YoY and 2% QoQ in corporate loan book.
- Growth observed in sectors like Petrochemical and Food Processing.
- Low gross slippages at Rs.281 crores, mainly from one restructured account.

4. Other Retail Assets:

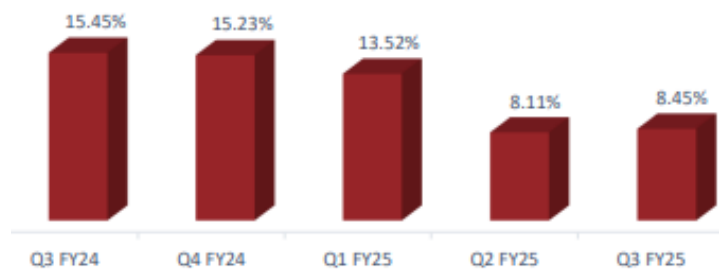
- Robust growth at 19% YoY and 4% QoQ.
- MSME book grew by 12% YoY; home loans grew by 128% YoY.
- Credit card spends at Rs.28,135 crores, growing 12% QoQ.

Highlights

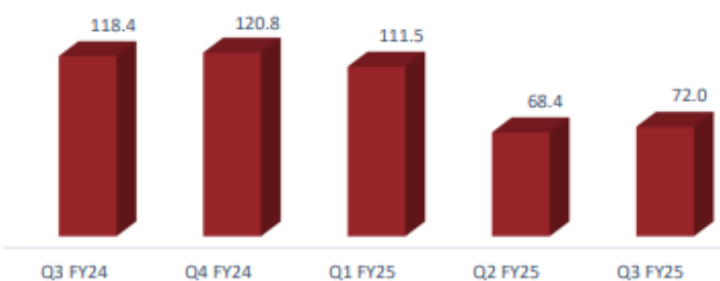
Return on Assets* (%)



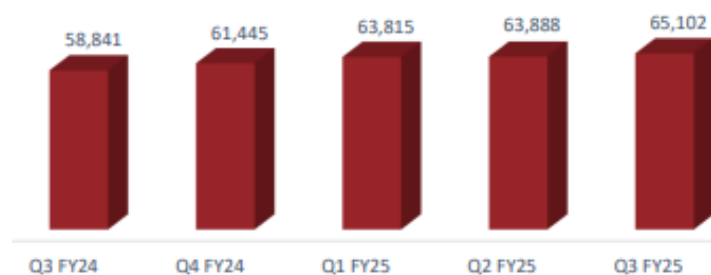
Return on Equity* (%)



Earning Per Share * (₹)

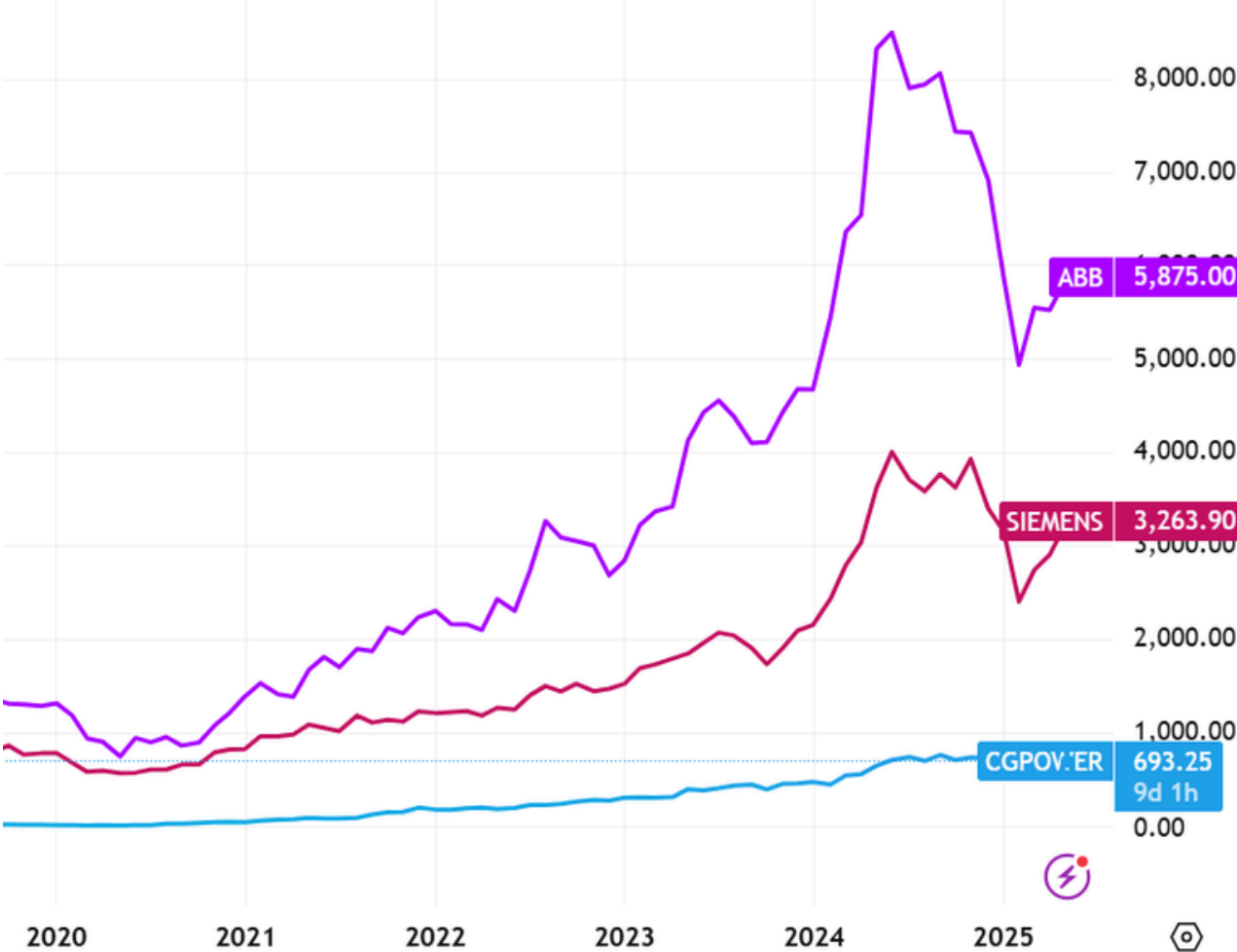


Net Worth (₹ crs)



Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	ABB	5825.00	65.34	123436.61	0.76	474.63	3.16	3159.56	2.57	38.65
2.	Siemens	3201.00	60.63	113994.17	0.38	582.50	-37.19	4259.00	2.57	23.61
3.	CG Power & Ind	700.75	110.18	107146.42	0.19	274.26	14.18	2752.77	25.60	38.09
4.	BHEL	248.45	162.05	86511.85	0.10	504.45	3.03	8993.37	8.88	4.46
5.	Waaree Energies	2967.35	45.60	85246.99	0.00	644.46	129.68	4003.93	36.38	35.12

Source: Screener

Final Outlook

INDUSINDBK: SELL | LTP: 823

According to IndusInd Bank's Q4 earnings report, there may have been internal fraud in its microfinance business, since Rs 172.58 crore was mistakenly reported as fee income for the fiscal year 2024–2025. Additionally, it stated that a total of Rs 670 crore related to MFI operations was mistakenly reported as interest during 9MFY25; this cash was completely refunded as of January 10, 2025. IndusInd Bank is expected to swing into a net loss of ₹759.4 crore in the quarter ended March 2025, as against a profit of ₹2,346.8 crore in the year-ago period, according to estimates by Elara Capital.

The bank's net interest income (NII) - the difference between interest earned and interest paid - in Q4FY25, is estimated to drop 4.8% to ₹5,118 crore from ₹5,376.4 crore, year-on-year (YoY).

In addition, the bank's "other assets" accounts contained unjustified balances totaling Rs 595 crore. In January 2025, these were deducted from matching amounts that showed up in "other liabilities" accounts. The bank had previously reported that accounting irregularities pertaining to internal derivative trades had a P&L effect of Rs 1,960 crore. According to analysts, IndusInd Bank also discussed how the incorrect classification of some microloans led to underprovisioning and the failure to recognize non-performing assets (NPAs) of Rs 1,885 crore. By acknowledging this amount in slippages, this was fixed in 4QFY25. Interest reversals totaling Rs 180 crore resulted from the total slippages in the MFI segment, which totaled Rs 3510 crore.

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