

Estimate change



TP change



Rating change



	HDFCB IN
Bloomberg Equity Shares (m)	7648
M.Cap.(INRb)/(USD\$)	12742.5 / 147.6
52-Week Range (INR)	1880 / 1363
1, 6, 12 Rel. Per (%)	-4/7/5
12M Avg Val (INR M)	33220

#### Financials & Valuations (INR b)

Y/E	FY24	FY25E	FY26E
NII	1,085	1,215	1,312
OP	944	997	1,096
NP	608	673	724
NIM (%)	3.4	3.4	3.4
EPS (INR)	80.0	88.7	95.4
EPS Gr. (%)	1.0	10.7	7.6
BV/Sh. (INR)	580	648	723
ABV/Sh. (INR)	555	617	690

#### Ratios

RoA (%)	1.8	1.8	1.8
RoE (%)	14.6	14.4	13.9

#### Valuations

P/E(X)	20.9	18.9	17.5
P/E(X)*	17.2	15.5	14.4
P/BV (X)	2.9	2.6	2.3
P/ABV (X)*	2.5	2.2	2.0

\* adjusted for subs

#### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	0.0	0.0
DII	29.9	30.6	26.6
FII	56.0	55.0	58.8
Others	14.1	14.4	14.6

FII includes depository receipts

**CMP: INR1,666**

**TP: INR2,050 (+23%)**

**Buy**

## Earnings in line; asset quality blips amidst seasonality

### NIM contracts 3bp QoQ

- HDFC Bank (HDFCB) reported 3QFY25 net profit of INR167.4b (2.2% YoY growth, in line).
- NII grew 7.7% YoY to INR306.5b (in line). NIMs contracted 3bp QoQ to 3.43%.
- Other income stood at INR114.5b (3% YoY growth, in line). Opex grew 1.3% QoQ, while the C/I ratio stood flat at 40.6%.
- Provisions declined 25% YoY to INR31.5b. The bank utilized INR3b of contingent provisions and holds total provisions (floating and contingent) of INR259b.
- GNPA/NNPA ratio increased 6bp/5bp QoQ to 1.42%/0.46%, respectively. PCR decreased 207bp QoQ to 67.8%. Fresh slippages stood at INR88b (however, excl agri, it stood stable at INR65b).
- Advances book grew 3% YoY / 1% QoQ to INR25.2t; deposits grew 16% YoY / 3% QoQ to INR25.6t. CD ratio declined to 98.2%, while CASA ratio declined to 34%.
- **We lower our earnings estimate for FY26/27 by 3% each and estimate HDFCB to deliver FY26E RoA/RoE of 1.8%/13.9%. Reiterate BUY with a TP of INR2,050 (2.3x FY27E ABV + INR294 for subs).**

### Asset quality outlook stable; CD ratio eases to 98.2%

- HDFCB reported 3QFY25 net profit of INR167.4b (2.2% YoY growth, in line). In 9mFY25, earnings grew 12.3% YoY to INR497b and we estimate 4QFY24 earnings to grow 7.9% YoY to INR170.1b.
- NII grew 7.7% YoY to INR306.5b (inline). NIMs declined 3bp QoQ to 3.43%. Other income grew 2.8% YoY/ down 0.3% QoQ. Treasury gains declined to INR0.7b vs INR14.7b in 3QFY24.
- Opex grew 7% YoY/1.3% QoQ (in line). C/I ratio stood flat at 40.6%. PPOp grew 6% YoY to INR250b (in line).
- Loans grew at a modest 0.9% QoQ amid slower growth in home and two-wheeler loans and 0.9% QoQ growth in corporate book, while most of the other segments continued to perform well. Deposits grew 16% YoY / 3% QoQ, with the CASA ratio declining 130bp QoQ to 34.0%. CD ratio declined 158bp QoQ to 98.2%, due to the bank's efforts to bring down the CD ratio at an accelerated pace while also focusing on profitability. As a result, we estimate a modest loan growth of 5%/10% YoY in FY25/FY26 and expect a ~15% deposit CAGR over FY24-26. We estimate the CD ratio to decline to 90.5% by FY26.
- GNPA/NNPA ratios increased 6bp/5bp QoQ to 1.42% / 0.46%, respectively. PCR declined 207bp QoQ to 67.8%. Fresh slippages stood at INR88b (however, excl agri, it stood stable at INR65b). CAR improved to 20%, with Tier 1 at 18% (CET1 at 17.5%).
- **Subsidiary performance: HDB Financial** reported loan growth of 22% YoY / 4% QoQ to INR1021b, while PAT stood at INR4.7b. GS3 assets increased to 2.2%, while CAR was 19.2%. **HDFC Securities:** Revenue grew 13% YoY to INR7.9b, while PAT rose 16% YoY to INR2.7b.

**Nitin Aggarwal - Research Analyst** (Nitin.Aggarwal@MotilalOswal.com)

**Research Analyst: Dixit Sankharva** (Dixit.sankharva@motilalosal.com) | **Disha Singhal** (Disha.Singhal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilalosal.com/Institutional-Equities](http://www.motilalosal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Highlights from the management commentary**

- The borrowing cost stands at 7.75-8%, particularly reflecting borrowing from HDFCL. This quarter, the bank bought INR44b of bonds, which is managed by the treasury team.
- The provision policy for retail loans varies by product type: Unsecured loans are written off at 150DPD, while secured loans are written off at 150-180DPD.
- Loan mix: 70% is floating (of which, Repo is 45% and the remainder is MCLR and other benchmarks), while the remaining 30% is fixed.

**Valuation and view: Reiterate BUY with a TP of INR 2,050**

HDFCB reported in-line earnings while margins contracted 3bp QoQ. Deposit growth was strong, while advances growth stood tepid, aligning with the bank's strategy to reduce the CD ratio at an accelerated pace. CASA ratio also declined to 34%. Asset quality witnessed a marginal deterioration, while PCR declined to ~67.8%. However, HDFCB holds healthy provisions (floating + contingent) of INR259b or 1.0% of loans. Given the bank's focus on reducing the CD ratio at an accelerated rate, we factor in a moderation in loan growth in FY25/FY26 to 5%/10%. However, the gradual retirement of high-cost borrowings, along with an improvement in operating leverage, will support return ratios over the coming years. **We cut our earnings estimate for FY26/27 by 3% each, reflecting slower loan growth and CASA moderation. We estimate HDFCB to deliver FY26E RoA/RoE of 1.8%/13.9%. Reiterate BUY with a TP of INR2,050 (2.3x FY27E ABV + INR294 for subs).**

**Quarterly performance****(INR b)**

	FY24				FY25E				FY24	FY25E	FY25E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	Est (%)	
<b>Net Interest Income</b>	<b>236.0</b>	<b>273.9</b>	<b>284.7</b>	<b>290.8</b>	<b>298.4</b>	<b>301.1</b>	<b>306.5</b>	<b>309.3</b>	<b>1,085.3</b>	<b>1,215.3</b>	<b>303.4</b>	<b>1.0%</b>
% Change (Y-o-Y)	21.1	30.3	23.9	24.5	26.4	10.0	7.7	6.4	25.0	12.0	6.5	
Other Income	92.3	107.1	111.4	181.7	106.7	114.8	114.5	126.8	492.4	462.9	117.1	-2.2%
<b>Total Income</b>	<b>328.3</b>	<b>380.9</b>	<b>396.1</b>	<b>472.4</b>	<b>405.1</b>	<b>416.0</b>	<b>421.1</b>	<b>436.1</b>	<b>1,577.7</b>	<b>1,678.2</b>	<b>420.5</b>	<b>0.1%</b>
Operating Expenses	140.6	154.0	159.6	179.7	166.2	168.9	171.1	175.4	633.9	681.5	172.9	-1.0%
<b>Operating Profit</b>	<b>187.7</b>	<b>226.9</b>	<b>236.5</b>	<b>292.7</b>	<b>238.8</b>	<b>247.1</b>	<b>250.0</b>	<b>260.7</b>	<b>943.9</b>	<b>996.6</b>	<b>247.6</b>	<b>1.0%</b>
% Change (Y-o-Y)	22.2	30.5	24.3	57.2	27.2	8.9	5.7	-10.9	34.1	5.6	4.7	
Provisions	28.6	29.0	42.2	135.1	26.0	27.0	31.5	29.4	234.9	113.9	26.8	17.5%
<b>Profit before Tax</b>	<b>159.1</b>	<b>197.9</b>	<b>194.3</b>	<b>157.6</b>	<b>212.8</b>	<b>220.1</b>	<b>218.5</b>	<b>231.3</b>	<b>709.0</b>	<b>882.7</b>	<b>220.8</b>	<b>-1.0%</b>
Tax	39.6	38.1	30.6	-7.5	51.1	51.8	51.1	55.2	100.8	209.2	54.3	
<b>Net Profit</b>	<b>119.5</b>	<b>159.8</b>	<b>163.7</b>	<b>165.1</b>	<b>161.7</b>	<b>168.2</b>	<b>167.4</b>	<b>176.2</b>	<b>608.1</b>	<b>673.5</b>	<b>166.4</b>	<b>0.5%</b>
% Change (Y-o-Y)	30.0	50.6	33.5	37.1	35.3	5.3	2.2	6.7	37.9	10.7	1.7	
<b>Operating Parameters</b>												
Deposit	19,131	21,729	22,140	23,798	23,791	25,001	25,638	27,391	23,798	27,391	25,873	
Loan	16,157	23,312	24,461	24,849	24,635	24,951	25,182	26,041	24,849	26,041	25,656	
Deposit Growth (%)	19.2	29.8	27.7	26.4	24.4	15.1	15.8	15.1	26.4	15.1	16.9	
Loan Growth (%)	15.8	57.5	62.3	55.2	52.5	7.0	3.0	4.8	55.2	4.8	4.9	
<b>Asset Quality</b>												
Gross NPA (%)	1.2	1.3	1.3	1.2	1.3	1.4	1.4	1.4	1.2	1.4	1.4	
Net NPA (%)	0.3	0.4	0.3	0.3	0.4	0.4	0.5	0.5	0.3	0.5	0.4	
PCR (%)	74.9	74.4	75.3	74.0	71.2	69.9	67.8	67.8	74.0	67.8	70.2	

E: MOFSL Estimates

## Quarterly snapshot

Profit and Loss (INR b)	FY24				FY25			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Interest Income	485.9	677.0	705.8	714.7	730.3	740.2	760.1	7.7	2.7
Interest Expenses	249.9	403.1	421.1	424.0	432.0	439.0	453.5	7.7	3.3
<b>Net Interest Income</b>	<b>236.0</b>	<b>273.9</b>	<b>284.7</b>	<b>290.8</b>	<b>298.4</b>	<b>301.1</b>	<b>306.5</b>	<b>7.7</b>	<b>1.8</b>
<b>Other Income</b>	<b>92.3</b>	<b>107.1</b>	<b>111.4</b>	<b>181.7</b>	<b>106.7</b>	<b>114.8</b>	<b>114.5</b>	<b>2.8</b>	<b>-0.3</b>
Trading profits	5.5	10.4	14.7	75.9	2.2	2.9	0.7	-95.2	-75.9
<b>Total Income</b>	<b>328.3</b>	<b>380.9</b>	<b>396.1</b>	<b>472.4</b>	<b>405.1</b>	<b>416.0</b>	<b>421.1</b>	<b>6.3</b>	<b>1.2</b>
<b>Operating Expenses</b>	<b>140.6</b>	<b>154.0</b>	<b>159.6</b>	<b>179.7</b>	<b>166.2</b>	<b>168.9</b>	<b>171.1</b>	<b>7.2</b>	<b>1.3</b>
Employee	47.8	51.7	53.5	69.4	58.5	59.9	59.5	11.2	-0.6
Others	92.7	102.3	106.1	110.3	107.7	109.1	111.6	5.2	2.3
<b>Operating Profits</b>	<b>187.7</b>	<b>226.9</b>	<b>236.5</b>	<b>292.7</b>	<b>238.8</b>	<b>247.1</b>	<b>250.0</b>	<b>5.7</b>	<b>1.2</b>
<b>Core Operating Profits</b>	<b>182.2</b>	<b>216.5</b>	<b>221.8</b>	<b>216.8</b>	<b>236.6</b>	<b>244.2</b>	<b>249.3</b>	<b>12.4</b>	<b>2.1</b>
Provisions	28.6	29.0	42.2	135.1	26.0	27.0	31.5	-25.2	16.8
<b>PBT</b>	<b>159.1</b>	<b>197.9</b>	<b>194.3</b>	<b>157.6</b>	<b>212.8</b>	<b>220.1</b>	<b>218.5</b>	<b>12.4</b>	<b>-0.7</b>
Taxes	39.6	38.1	30.6	-7.5	51.1	51.8	51.1	67.1	-1.4
<b>PAT</b>	<b>119.5</b>	<b>159.8</b>	<b>163.7</b>	<b>165.1</b>	<b>161.7</b>	<b>168.2</b>	<b>167.4</b>	<b>2.2</b>	<b>-0.5</b>
<b>Balance Sheet (INR t)</b>									
Loans	16.2	23.3	24.5	24.8	24.6	25.0	25.2	3.0	0.9
Advances inc IBPC	17.1	24.5	25.3	25.8	25.8	26.3	13.4	-46.9	-49.0
Advances exc IBPC	16.3	23.5	24.7	25.1	24.9	25.2	11.8	-52.4	-53.3
Deposits	19.1	21.7	22.1	23.8	23.8	25.0	25.6	15.8	2.5
CASA Deposits	8.1	8.2	8.4	9.1	8.6	8.8	8.7	4.4	-1.2
- Savings	5.6	5.7	5.8	6.0	6.0	6.1	6.1	4.4	-0.4
- Current	2.5	2.5	2.6	3.1	2.7	2.8	2.7	4.4	-3.0
<b>Loan Mix (%)</b>									
Retail	38.6	48.9	48.3	49.0	49.8	50.0	50.0	175	7
-Home loan	6.4	29.2	29.5	30.1	30.6	30.5	28.1	-140	-242
-Personal loan	10.4	7.3	7.2	7.2	7.2	7.2	4.0	-317	-319
Commercial and Rural	33.0	25.8	26.8	27.2	27.7	27.8	28.1	122	22
Agriculture	4.7	3.7	3.7	4.1	3.9	4.1	4.0	33	-10
Wholesale	23.7	21.6	21.2	19.7	18.7	18.1	17.9	-331	-19
<b>Asset Quality (INR b)</b>									
GNPA	190.6	315.8	310.1	311.7	330.3	342.5	360.2	16.1	5.2
NNPA	47.8	80.7	76.6	80.9	95.1	103.1	115.9	51.2	12.4
Slippages	58.0	78.0	70.0	73.0	79.0	78.0	88.0	25.7	12.8
<b>Asset Quality Ratios (%)</b>									
	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>4Q</b>	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>YoY (BQ)</b>	<b>QoQ (BQ)</b>
GNPA	1.17	1.34	1.26	1.24	1.33	1.36	1.42	16	6
NNPA	0.30	0.35	0.31	0.33	0.39	0.41	0.46	15	5
PCR (Calc.)	74.9	74.4	75.3	74.0	71.2	69.9	67.8	-746	-207
Slippage ratio	1.4	1.9	1.2	1.2	1.5	1.3	1.4	22	13
<b>Business Ratios (%)</b>									
CASA (Reported)	42.5	37.6	37.7	38.2	36.0	35.3	34.0	-370	-130
Loan/Deposit	84.5	107.3	110.5	104.4	103.5	99.8	98.2	-1,226	-158
Other income/Total Income	28.1	28.1	28.1	38.5	26.3	27.6	27.2	-92	-40
Cost to Income	42.8	40.4	40.3	38.0	41.0	40.6	40.6	33	2
Cost to Assets	2.4	2.2	2.2	2.4	2.2	1.9	1.9	-32	-1
Tax Rate	24.9	19.3	15.7	-4.8	24.0	23.6	23.4	766	-16
<b>Capitalisation Ratios (%)</b>									
Tier-1	16.9	17.8	16.8	16.8	17.3	17.8	18.0	120	20
- CET 1	16.2	17.3	16.3	16.3	16.8	17.3	17.5	120	20
CAR	18.9	19.5	18.4	18.8	19.3	19.8	20.0	160	20
RWA / Total Assets	66.8	63.6	68.0	68.0	69.0	67.0	67.0	-100	0
LCR	125.7	120.5	109.8	115.2	123.3	127.7	NA	NA	NA
<b>Profitability Ratios (%)</b>									
Yield on loans	10.1	11.4	11.5	11.4	11.5	9.8	9.7	-183	-19
Yield on funds	9.5	10.7	11.0	10.8	10.9	9.4	9.4	-153	-1
Cost of funds	4.0	4.8	4.9	4.9	4.9	4.9	4.9	0	0
Margins	4.10	3.40	3.40	3.44	3.47	3.46	3.43	3	-3
<b>Other Details</b>									
Branches	7,860	7,945	8,091	8,738	8,851	9,092	9,143	1,052	51
Employees (K)	181.7	197.9	208.1	213.5	213.1	206.8	210.2	2.2	3.5

Source: MOFSL, company



## Highlights from the management commentary

### Opening remarks by the MD and CEO, Mr. Sashidhar Jagdishan

- The economy is facing challenges with tight liquidity, sluggish private capex, currency depreciation, and equity and debt withdrawals. However, rural demand is improving, and service exports are gaining momentum.
- In 3Q, the bank's deposits have outpaced loan growth, with average deposits increasing 16%. The bank has achieved robust deposit growth despite a tough environment.
- NIMs have remained stable within a consistent range, despite liquidity pressures.
- The bank has added approximately 1,000 branches in the past year while managing to reduce opex growth due to enhanced operational efficiency.
- It has ample liquidity, with deposits growing faster than the industry, and is well-positioned to capture market share when the macroeconomic environment improves.

### Yields, costs, and margins

- NIMs have remained within a stable range over the past few quarters. The bank's reduction in borrowings has been largely offset by a decline in CASA.
- RWA density remains steady at 67-68%, which is 5-6% higher than peers. Over the past 12-18 months, the bank has taken a cautious approach to retail. Yield, being dependent on the portfolio mix, is expected to rise with incremental growth in the retail segment.

### Deposits

- CASA ratio has declined due to high interest rates, but as the economy improves over the next couple of years, CASA growth is expected to pick up.
- The bank caters to all deposit needs, offering products comparable to those of larger peers. Over the medium to long term, a shift is expected in the CASA cycle, potentially boosting NIMs.
- The bank emphasizes building liability relationships and expanding its branch network to grow its customer base, which drives deposits and liabilities.
- It has effectively converted loan customers into liability contributors and focuses on cross-selling products to enhance customer engagement.

### Loans

- Regarding the excess liquidity on the balance sheet, the investment net of cash for the sequential quarter is INR500b. This is invested in the treasury, generating earnings at a rate of 6.5-7%.
- The borrowing cost stands at 7.75-8%, particularly reflecting borrowing from HDFCL. This quarter, the bank bought INR44b of bonds, which is managed by the treasury team.
- The bank had guided to bring down the CD ratio; in FY25, it achieved an average AUM growth of 7%, in line with expectations, while recalibrating its strategy. The bank has shown resilience, with key parameters trending northwards. As the macroeconomic environment starts to improve, a shift in prices is expected, aligning with the bank's expectations.

- The bank has not exited any product or geography. Currently, growth is calibrated through a credit or price model. Resources continue to be engaged, and as the macroeconomic environment improves, performance is expected to strengthen.
- Loan mix: 70% is floating (of which, Repo is 45% and the remainder is MCLR and other benchmarks), while the rest 30% is fixed.
- The emerging corporate book has more or less been stable over the past few quarters. The bank had witnessed price tightening in this segment, but the book is now seeing stability.
- The BB portfolio is largely secured, while the self-employed segment is unsecured, which remains stable.

#### Other income

- The bank has consistently experienced lower treasury gains. It has inherited certain MTM investments, which have been accounted for through the P&L.

#### PSL

- Last year, the bank met its overall PSL target at 40%, with a focus on opportunities in the Small and Marginal Farmer (SMF) category. This is managed through IBPCs, PTCs, or PSLCs, with the cost of PSL embedded in the overall cost structure. The bank is actively addressing gaps in the SMF segment.
- There has been limited activity in PSLCs so far, but the bank will assess the situation closer to the year-end.
- While the bank faced a shortfall in PSL last year, it remains comfortable at the aggregate level. However, gaps in the SMF and Weaker Section categories need to be addressed to meet targets.

#### Asset quality

- PCR depends on the mix of the book; legacy wholesale loans may have a higher PCR, while retail loans could have a lower PCR.
- Agri slippages are slightly higher than in June but are unrelated to the MFI book.
- The bank's PCR stands at 68%; excluding agri slippages, it stands at 71%.
- Contingent provisions are discretionary and depend on events that may or may not occur. This quarter, a corporate account provision reversal led to a contingent provision release.
- PCR varies with the product mix; agri slippages this quarter caused a dip, with ex-agri PCR at 71%.
- The provision policy for retail varies by product type: Unsecured loans are written off at 150DPD, while secured loans are written off at 150-180DPD.
- Book quality remains stable across all segments, backed by an analytical model ensuring consistency. The bank is confident of maintaining this stability.
- Earlier, contingent provisions included 15bp of performing NPAs from the erstwhile HDFCL, which were categorized as restructured loans.
- PCR varies by book mix; legacy wholesale loans typically have higher PCR, while retail loans may have lower PCR. Agri slippages have risen slightly since June but are unrelated to the MFI book.

**Opex**

- C/I ratio remains stable, with cost growth maintained at 7%. Investments in technology have risen from single digits to over 10%.
- The bank increased its headcount by 3-4k in 3Q, ramping up investments in personnel while focusing on a productivity-driven model. Additional hiring will continue as needed.
- The bank's focus is on driving productivity while maintaining tight cost controls. Investments in people and technology are aligned with the goal of enhancing efficiency.

**HDB Financials**

- HDB reported higher Stage 3 levels this quarter, partly due to a management overlay that led to increased provisions.
- Stage 2 performance showed improvements, while Stage 3 consists of loans that became NPAs but have moved below 90 days and have not yet returned to zero.
- Overall, Stage 3 stood at 5bp, with higher provisions allocated for the quarter.

**Net advances growth modest at 0.9% QoQ; share of retail loans at 50%**

- Loan book grew 3% YoY / 1% QoQ to INR25.2t; deposits grew 16% YoY / 3% QoQ to INR25.6t. CD ratio declined to 98.2%, while CASA ratio declined to 34%.
- According to its internal classification, retail loans grew 2.1% QoQ, commercial and rural banking (excluding Agri) grew 2.7% QoQ, agri declined 0.5% QoQ, and wholesale advances grew 0.9% QoQ.
- The share of retail loans stood at 50% in 3QFY25.

**Exhibit 1: Loan growth was modest at 0.9% QoQ amid modest growth in home loans and corporate book, while agri book saw a decline**

Gross Loan composition - Internal (INR b)	3Q24	2Q25	3Q25	YoY (%)	QoQ (%)
Auto Loans	1,280	1,375	1,399	9.3%	1.7%
2 wheeler loans	113	125	122	8.0%	-2.4%
Personal loans	1,815	1,896	1,944	7.1%	2.5%
Payment Products	971	1,097	1,123	15.7%	2.4%
Home loans	7,450	8,028	8,171	9.7%	1.8%
Gold Loans	131	159	167	27.5%	5.0%
Other Retail	446	475	499	11.9%	5.1%
<b>Retail Total</b>	<b>12,206</b>	<b>13,155</b>	<b>13,425</b>	<b>10.0%</b>	<b>2.1%</b>
Commercial and Rural Banking	6,787	7,427	7,532	11.0%	2.7%
Agriculture	930	1,081	1,076	15.7%	-0.5%
Corporate & Other wholesale	5,365	4,671	4,806	-10.4%	0.9%
<b>Total Gross Advances</b>	<b>25,288</b>	<b>26,334</b>	<b>26,839</b>	<b>6.1%</b>	<b>1.9%</b>
IBPC/BRDS	-594	-1144	-1413	137.9%	23.5%
<b>Gross Advances exc. IBPC/BRDS</b>	<b>24,694</b>	<b>25,190</b>	<b>25,426</b>	<b>3.0%</b>	<b>0.9%</b>

\*standalone numbers

Source: MOFSL, company

CASA declined ~1.2% QoQ;  
term deposits grew ~3%  
QoQ

**NIM at 3.43% (down 3bp QoQ), CASA ratio declined 130bp QoQ to 34%**

- Reported NIM contracted 3bp QoQ to 3.43% in 3QFY25.
- CASA deposits grew 4.4% YoY (down 1.2% QoQ); CA/SA deposits declined 3%/0.4% QoQ during the quarter.
- Term deposits grew 22.7% YoY and 4.6% QoQ, resulting in a 130bp QoQ decline in the CASA ratio to 34% during the quarter.

**Treasury gain declined to INR0.7b**

- Core fee income grew 17.9% YoY/0.5% QoQ to INR81.8b. Treasury gains declined to INR0.7b vs INR14.7b in 3QFY24.
- Total other income grew 2.8% YoY (down 0.3% QoQ).
- Opex grew 7.2% YoY and 1.3% QoQ. C/I ratio came in at 40.6% in 3QFY25

PCR stood at ~67.8% in  
3QFY25

**Asset quality ratios witnessed a marginal uptick; PCR declined to 67.8%**

- The asset quality ratio deteriorated, with GNPA/NNPA ratios increasing 6bp/5bp QoQ to 1.42% / 0.46%, respectively. PCR declined 207bp QoQ to 67.8%. Fresh slippages stood at INR88b (however, excl agri, it stood at 65b).
- Recoveries stood at INR40b, whereas write-offs were at INR31b as of 3QFY25.
- Contingent and floating provisions amounted to INR259b/1.0% as of 3QFY25.

Story in charts

Exhibit 2: Loans/deposits grew 0.9%/2.5% QoQ in 3QFY25

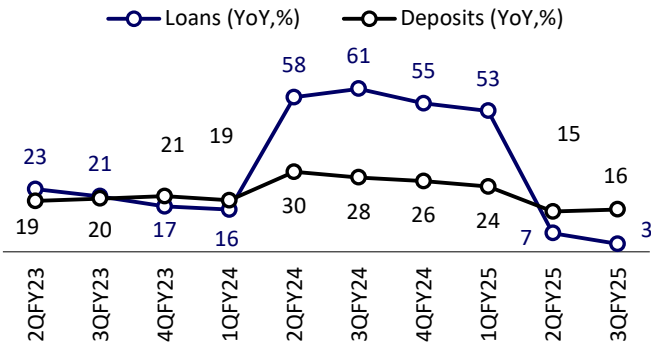


Exhibit 3: Mix of retail loans stood at 50% during 3Q

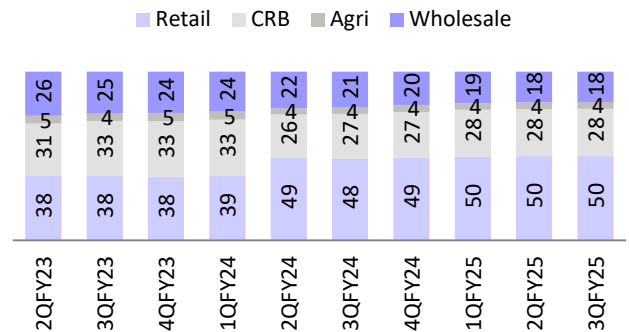


Exhibit 4: NIM contracted 3bp; CASA mix declined 130bp QoQ

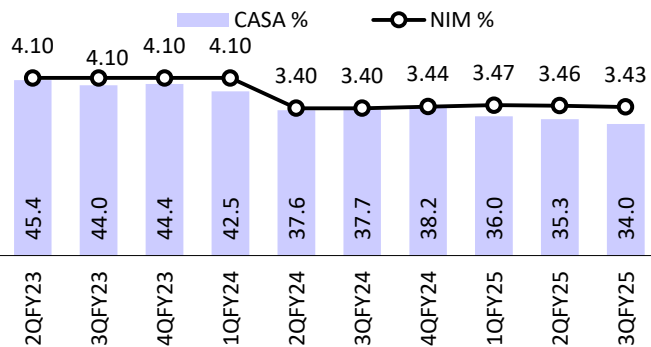


Exhibit 5: Bank added 51 branches in 3QFY25

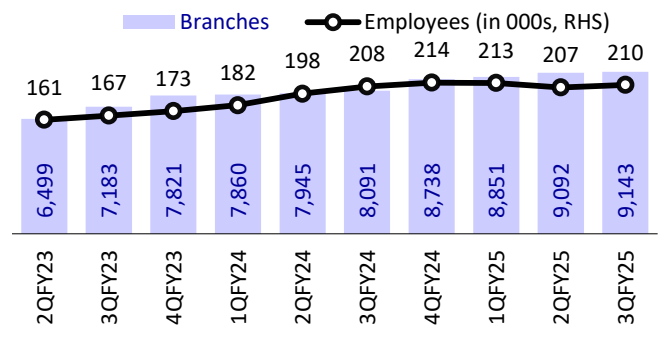


Exhibit 6: C/I ratio stood at 40.6% in 3QFY25

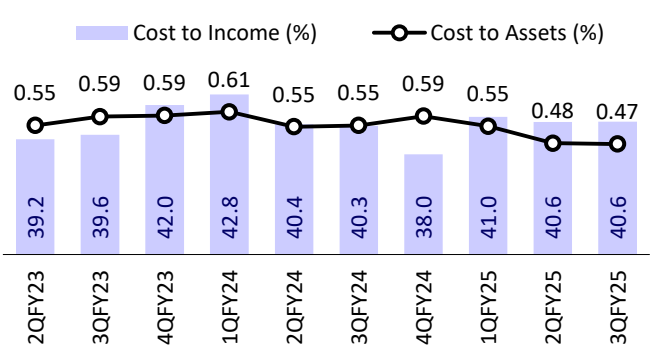


Exhibit 7: CD ratio improved to 98.2%

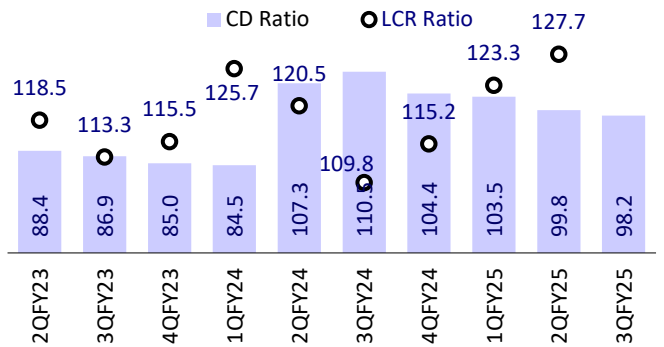


Exhibit 8: Slippages ratio increased to 1.42%

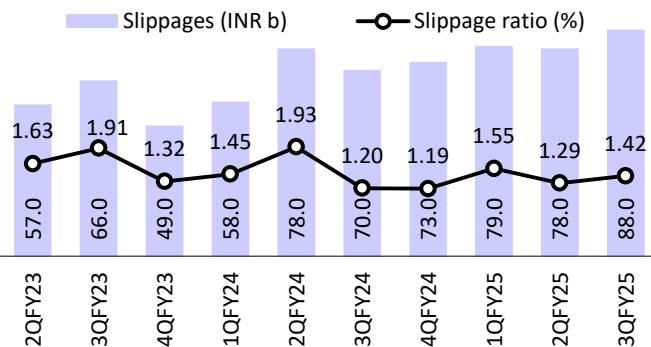
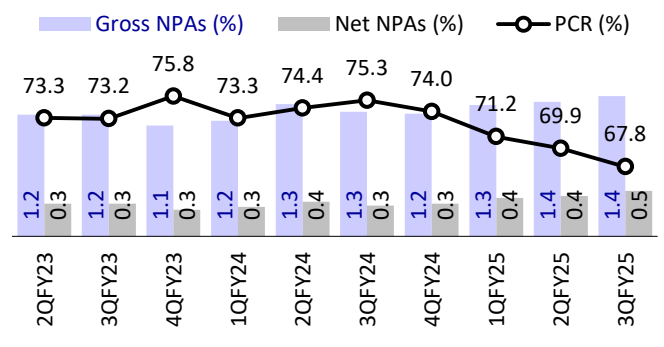


Exhibit 9: GNPA/NNPA ratio stood at 1.4%/0.5% in 3QFY25



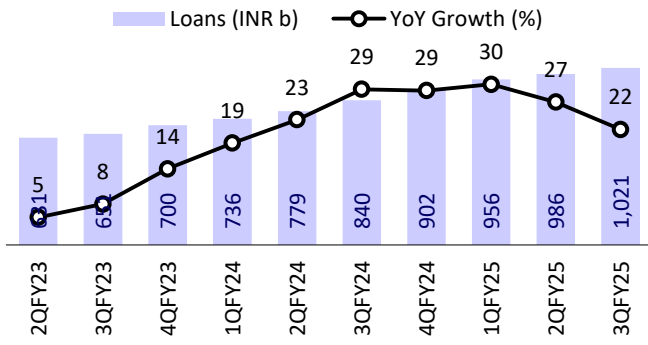
Source: MOFSL, Company

Source: MOFSL, Company

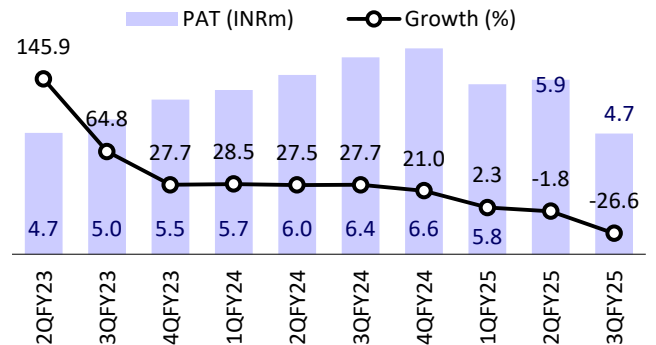


## Subsidiary performance and consolidated snapshot

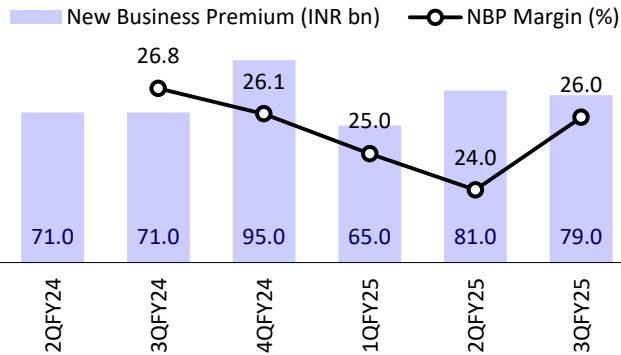
**Exhibit 10: HDB Financials' loans grew 22% YoY...**



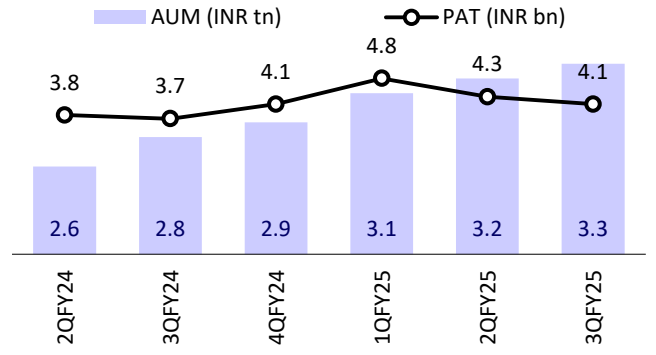
**Exhibit 11: ...while PAT declined 27% YoY**



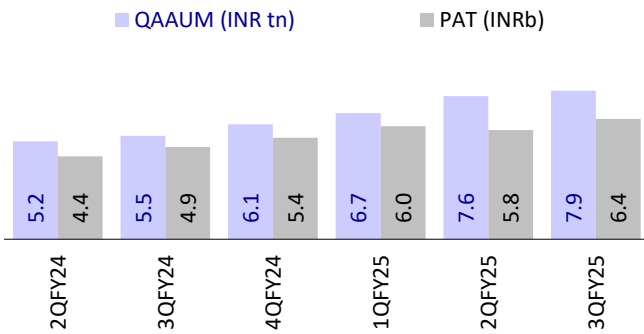
**Exhibit 12: HDFC Life's NBP margin stood at 26%**



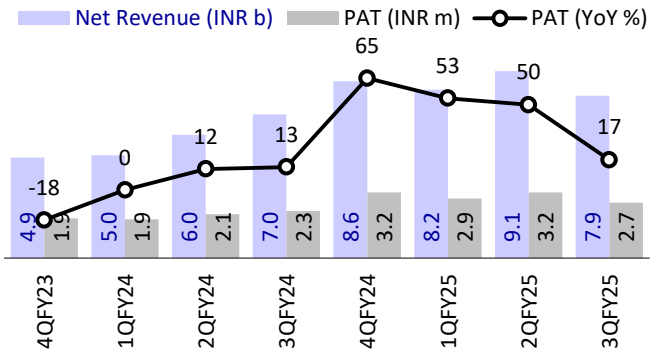
**Exhibit 13: HDFC Life's AUM reached INR3.3t**



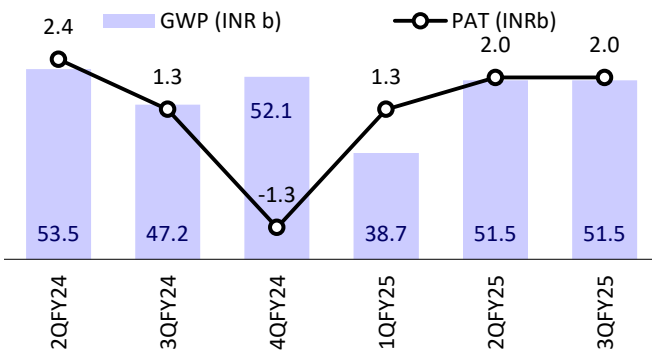
**Exhibit 14: HDFC AMC: PAT stood at 6.4b in 3QFY25**



**Exhibit 15: HDFC Sec: PAT grew 17% YoY to INR2.7m**



**Exhibit 16: HDFC Ergo's PAT stood at 2b**



Source: MOFSL, Company

**Exhibit 17: HDFC Bank's Consol. PAT overview**

INR b	3QFY24	2QFY25	3QFY25	YoY (%)	QoQ (%)
Stand Bank	163.7	168.2	167.4	2%	-1%
HDB Financials	6.4	5.9	4.7	-27%	-20%
HDFC Life	3.7	4.3	4.1	11%	-5%
HDFC AMC	4.9	5.8	6.4	31%	10%
HDFC Securities	2.3	3.2	2.7	17%	-16%
HDFC Ergo	1.3	2.0	1.0	-23%	-50%
<b>Reported Total</b>	<b>172.6</b>	<b>189.4</b>	<b>186.3</b>	<b>7.9%</b>	<b>-1.7%</b>
Stand. EPS	21.6	22.1	21.9		
Consol. EPS	22.7	23.4	23.1		

Source: MOFSL, Company

## Valuation and view: Reiterate Buy with a TP of INR2,050

- HDFCB reported in-line earnings, while margins contracted 3bp QoQ. Deposit growth was strong, while advances growth stood tepid, aligning with the bank's strategy to reduce the CD ratio at an accelerated rate. CASA ratio also declined to 34%.
- Asset quality witnessed a marginal deterioration, while PCR declined to ~67.8%. However, HDFCB holds healthy provisions (floating + contingent) of INR259b or 1.0% of loans. Given the bank's focus on bringing down the CD ratio at an accelerated pace, we factor in a moderation in loan growth in FY25/FY26 to 5%/10%. However, the gradual retirement of high-cost borrowings, along with an improvement in operating leverage, will support return ratios over the coming years.
- We cut our earnings estimate for FY26/27 by 3% each, reflecting slower loan growth and CASA moderation. We expect HDFCB to deliver FY26E RoA/RoE of 1.8%/13.9%. Reiterate BUY with a TP of INR2,050 (2.3x FY27E ABV + INR294 for subs).

### Exhibit 18: Changes to our estimates

INR b	Old Estimates			New Estimates			Change (%/bps)		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Net Interest Income	1,213.4	1,348.4	1,521.7	1,215.3	1,311.6	1,494.9	0.2	-2.7	-1.8
Other Income	462.9	532.3	612.1	462.9	533.7	605.7	0.0	0.3	-1.0
<b>Total Income</b>	<b>1,676.3</b>	<b>1,880.7</b>	<b>2,133.8</b>	<b>1,678.2</b>	<b>1,845.3</b>	<b>2,100.6</b>	<b>0.1</b>	<b>-1.9</b>	<b>-1.6</b>
Operating Expenses	686.0	756.7	843.0	681.5	749.2	830.4	-0.6	-1.0	-1.5
<b>Operating Profits</b>	<b>990.3</b>	<b>1,124.0</b>	<b>1,290.9</b>	<b>996.6</b>	<b>1,096.1</b>	<b>1,270.2</b>	<b>0.6</b>	<b>-2.5</b>	<b>-1.6</b>
Provisions	105.7	129.9	158.4	113.9	136.6	169.8	7.8	5.2	7.2
<b>PBT</b>	<b>884.6</b>	<b>994.1</b>	<b>1,132.4</b>	<b>882.7</b>	<b>959.5</b>	<b>1,100.4</b>	<b>-0.2</b>	<b>-3.5</b>	<b>-2.8</b>
Tax	216.7	243.6	277.4	209.2	235.1	269.6	-3.5	-3.5	-2.8
<b>PAT</b>	<b>667.9</b>	<b>750.6</b>	<b>855.0</b>	<b>673.5</b>	<b>724.4</b>	<b>830.8</b>	<b>0.8</b>	<b>-3.5</b>	<b>-2.8</b>
Loans	26,464	28,978	32,542	26,041	28,645	32,369	-1.6	-1.1	-0.5
Deposits	27,439	31,692	36,668	27,391	31,637	36,604	-0.2	-0.2	-0.2
Margins (%)	3.4	3.5	3.6	3.4	3.4	3.5	0	-10	-7
Credit Cost (%)	0.41	0.46	0.50	0.45	0.49	0.54	4	3	4
<b>RoA (%)</b>	<b>1.77</b>	<b>1.82</b>	<b>1.85</b>	<b>1.79</b>	<b>1.76</b>	<b>1.81</b>	<b>2</b>	<b>-6</b>	<b>-4</b>
<b>RoE (%)</b>	<b>14.3</b>	<b>14.4</b>	<b>14.6</b>	<b>14.4</b>	<b>13.9</b>	<b>14.3</b>	<b>11</b>	<b>-48</b>	<b>-33</b>
EPS	88	99	113	89	95	109	0.8	-3.5	-2.8
BV	647	725	817	648	723	811	0.1	-0.4	-0.7
ABV	618	693	781	617	690	772	-0.2	-0.4	-1.1

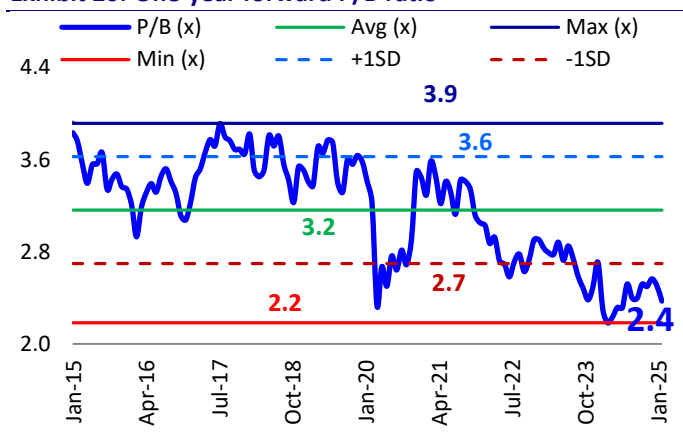
E: MOFSL Estimates

### Exhibit 19: SOTP table for HDFCB

	Stake (%)	Proportionate			% of Total	Rationale
		Value INRb	Value USD b	Per Share INR		
<b>HDFC Bank</b>		<b>13,335.4</b>	<b>159.7</b>	<b>1,755</b>	<b>85.6</b>	<b>2.3x FY27E ABV</b>
HDB Financial Ser	94.6	958.6	11.5	126	6.2	4.1x FY27E Net worth
HDFC Securities	95.1	317.2	3.8	42	2.0	17x FY27E PAT
HDFC Life Insurance	50.4	986.7	11.8	130	6.3	2.6x FY27E EV
HDFC Ergo General Insurance	50.5	129.2	1.5	17	0.8	22x FY27E PAT
HDFC AMC	52.6	404.9	4.8	53	2.6	24x FY27E PAT
<b>Total Value of Subs</b>		<b>2,796.6</b>	<b>33.5</b>	<b>368</b>	<b>18.0</b>	
Less: 20% holding Disc		559.3	6.7	74	3.6	
<b>Value of Subs (Post Holding Disc)</b>		<b>2,237.3</b>	<b>26.8</b>	<b>294</b>	<b>14.4</b>	
<b>Target Price</b>		<b>15,572.7</b>	<b>186.5</b>	<b>2,050</b>		

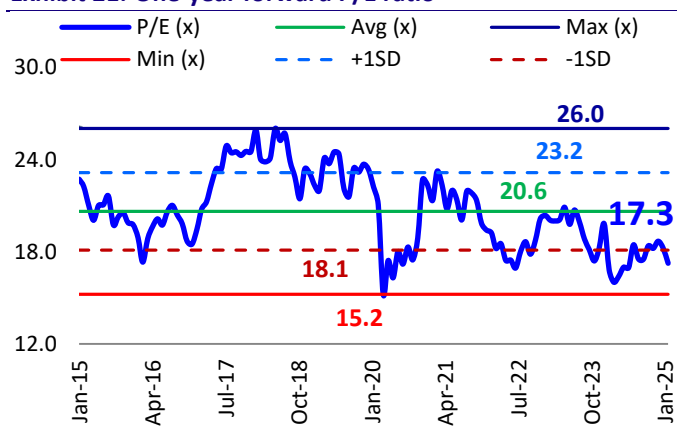
Source: Company, MOFSL

**Exhibit 20: One-year forward P/B ratio**



Source: MOFSL, Company

**Exhibit 21: One-year forward P/E ratio**



Source: MOFSL, Company

**Exhibit 22: DuPont Analysis – Return ratios to improve gradually**

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	6.70	7.13	7.59	7.74	7.56	7.43
Interest Expense	2.92	3.30	4.40	4.52	4.38	4.18
<b>Net Interest Income</b>	<b>3.77</b>	<b>3.83</b>	<b>3.19</b>	<b>3.22</b>	<b>3.18</b>	<b>3.26</b>
- Core Fee Income	1.22	1.24	0.98	0.70	0.76	0.78
- Trading and others	0.33	0.13	0.46	0.53	0.54	0.54
<b>Non Interest income</b>	<b>1.55</b>	<b>1.38</b>	<b>1.45</b>	<b>1.23</b>	<b>1.29</b>	<b>1.32</b>
<b>Total Income</b>	<b>5.32</b>	<b>5.21</b>	<b>4.63</b>	<b>4.45</b>	<b>4.48</b>	<b>4.57</b>
<b>Operating Expenses</b>	<b>1.96</b>	<b>2.10</b>	<b>1.86</b>	<b>1.81</b>	<b>1.82</b>	<b>1.81</b>
- Employee cost	0.63	0.68	0.65	0.66	0.65	0.65
- Others	1.33	1.42	1.21	1.15	1.17	1.16
<b>Operating Profits</b>	<b>3.36</b>	<b>3.11</b>	<b>2.77</b>	<b>2.64</b>	<b>2.66</b>	<b>2.77</b>
<b>Core operating Profits</b>	<b>3.03</b>	<b>2.97</b>	<b>2.31</b>	<b>2.11</b>	<b>2.12</b>	<b>2.23</b>
<b>Provisions</b>	<b>0.79</b>	<b>0.53</b>	<b>0.69</b>	<b>0.30</b>	<b>0.33</b>	<b>0.37</b>
<b>PBT</b>	<b>2.57</b>	<b>2.58</b>	<b>2.08</b>	<b>2.34</b>	<b>2.33</b>	<b>2.40</b>
Tax	0.63	0.63	0.30	0.55	0.57	0.59
<b>RoA</b>	<b>1.94</b>	<b>1.95</b>	<b>1.79</b>	<b>1.79</b>	<b>1.76</b>	<b>1.81</b>
Leverage (x)	8.6	8.7	8.2	8.1	7.9	7.9
<b>RoE</b>	<b>16.7</b>	<b>17.0</b>	<b>14.6</b>	<b>14.4</b>	<b>13.9</b>	<b>14.3</b>

Source: Company, MOFSL

## Financials and valuations

<b>Income Statement</b>						<b>(INRb)</b>
<b>Y/E March (INR b)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>	<b>FY27E</b>
Interest Income	1,277.5	1,615.9	2,583.4	2,919.7	3,117.0	3,412.9
Interest Expense	557.4	747.4	1,498.1	1,704.4	1,805.4	1,918.1
<b>Net Interest Income</b>	<b>720.1</b>	<b>868.4</b>	<b>1,085.3</b>	<b>1,215.3</b>	<b>1,311.6</b>	<b>1,494.9</b>
- growth (%)	11.0	20.6	25.0	12.0	7.9	14.0
Non Interest Income	295.1	312.1	492.4	462.9	533.7	605.7
<b>Total Income</b>	<b>1,015.2</b>	<b>1,180.6</b>	<b>1,577.7</b>	<b>1,678.2</b>	<b>1,845.3</b>	<b>2,100.6</b>
- growth (%)	12.7	16.3	33.6	6.4	10.0	13.8
Operating Expenses	374.4	476.5	633.9	681.5	749.2	830.4
<b>Pre Provision Profits</b>	<b>640.8</b>	<b>704.0</b>	<b>943.9</b>	<b>996.6</b>	<b>1,096.1</b>	<b>1,270.2</b>
- growth (%)	11.7	9.9	34.1	5.6	10.0	15.9
<b>Core PPOP</b>	<b>601.7</b>	<b>663.2</b>	<b>903.9</b>	<b>925.2</b>	<b>1,016.5</b>	<b>1,179.7</b>
Growth (%)	9.6	10.2	36.3	2.4	9.9	16.1
- growth (%)	150.6	119.2	234.9	113.9	136.6	169.8
<b>PBT</b>	<b>490.2</b>	<b>584.9</b>	<b>709.0</b>	<b>882.7</b>	<b>959.5</b>	<b>1,100.4</b>
Tax	120.5	143.8	100.8	209.2	235.1	269.6
Tax Rate (%)	24.6	24.6	14.2	23.7	24.5	24.5
<b>PAT</b>	<b>369.6</b>	<b>441.1</b>	<b>608.1</b>	<b>673.5</b>	<b>724.4</b>	<b>830.8</b>
Growth (%)	18.8	19.3	37.9	10.7	7.6	14.7

### Balance Sheet

<b>Y/E March (INR b)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>	<b>FY27E</b>
Equity Share Capital	5.5	5.6	7.6	7.6	7.6	7.6
Reserves & Surplus	2,395.4	2,796.4	4,394.9	4,916.4	5,481.3	6,152.6
<b>Net Worth</b>	<b>2,400.9</b>	<b>2,802.0</b>	<b>4,402.5</b>	<b>4,924.0</b>	<b>5,488.9</b>	<b>6,160.2</b>
<b>Deposits</b>	15,592.2	18,833.9	23,797.9	27,391.3	31,637.0	36,604.0
Growth (%)	16.8	20.8	26.4	15.1	15.5	15.7
<b>of which CASA Dep</b>	7,510.5	8,359.9	9,087.6	9,230.9	11,009.7	13,287.3
Growth (%)	22.0	11.3	8.7	1.6	19.3	20.7
Borrowings	1,848.2	2,067.7	6,621.5	5,360.3	4,304.6	3,796.2
Other Liabilities & Prov.	844.1	957.2	1,354.4	1,557.5	1,791.2	2,059.8
<b>Total Liabilities</b>	<b>20,685.4</b>	<b>24,660.8</b>	<b>36,176.2</b>	<b>39,233.2</b>	<b>43,221.7</b>	<b>48,620.2</b>
Current Assets	1,523.3	1,937.7	2,191.5	2,456.4	2,695.6	2,868.4
<b>Investments</b>	4,555.4	5,170.0	7,024.1	8,288.5	9,283.1	10,443.5
Growth (%)	2.7	13.5	35.9	18.0	12.0	12.5
<b>Loans</b>	13,688.2	16,005.9	24,848.6	26,041.3	28,645.5	32,369.4
Growth (%)	20.8	16.9	55.2	4.8	10.0	13.0
Fixed Assets	60.8	80.2	114.0	136.8	160.0	184.0
Other Assets	857.7	1,467.1	1,998.0	2,310.2	2,437.4	2,754.9
<b>Total Assets</b>	<b>20,685.4</b>	<b>24,660.8</b>	<b>36,176.2</b>	<b>39,233.2</b>	<b>43,221.7</b>	<b>48,620.2</b>

### Asset Quality

<b>Y/E March</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>	<b>FY27E</b>
GNPA (INR b)	161.4	180.2	311.7	374.9	397.8	447.0
NNPA (INR b)	44.1	43.7	80.9	120.7	118.0	150.6
Slippages (INR b)	268.6	245.4	402.6	368.7	382.8	427.1
GNPA Ratio (%)	1.2	1.1	1.2	1.4	1.4	1.4
NNPA Ratio (%)	0.3	0.3	0.3	0.5	0.4	0.5
Slippage Ratio (%)	2.1	1.7	2.0	1.4	1.4	1.4
Credit Cost (%)	1.2	0.8	1.2	0.5	0.5	0.5
PCR (Excl Tech. write off) (%)	72.7	75.8	74.0	67.8	70.3	66.3

Source: Company, MOFSL

## Financials and valuations

### Ratios

Y/E March (INR b)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Yield &amp; Cost Ratios (%)</b>						
<b>Avg. Yield-Earning Assets</b>	<b>7.4</b>	<b>8.0</b>	<b>8.4</b>	<b>8.7</b>	<b>8.5</b>	<b>8.3</b>
Avg. Yield on loans	7.9	8.6	8.8	9.2	9.0	8.8
Avg. Yield on Invnt	5.8	6.5	6.8	7.0	6.9	6.9
<b>Avg. Cost-Int. Bear. Liab.</b>	<b>3.5</b>	<b>3.9</b>	<b>5.3</b>	<b>5.4</b>	<b>5.3</b>	<b>5.0</b>
Avg. Cost of Deposits	3.4	3.6	4.7	5.2	5.1	-
<b>Interest Spread</b>	<b>3.9</b>	<b>4.1</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>	<b>3.3</b>
<b>Net Interest Margin</b>	<b>3.9</b>	<b>4.1</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.5</b>

### Capitalisation Ratios (%)

CAR	18.7	19.3	18.8	20.6	20.7	20.3
Tier I	17.7	17.1	16.8	18.0	18.3	18.1
- CET-1	16.7	16.4	16.3	17.7	18.2	18.2
Tier II	1.0	2.1	2.0	2.6	2.4	2.2

### Business Ratios (%)

Loans/Deposit	87.8	85.0	104.4	95.1	90.5	88.4
CASA Ratio	48.2	44.4	38.2	33.7	34.8	36.3
Cost/Assets	1.8	1.9	1.8	1.7	1.7	1.7
Cost/Total Income	36.9	40.4	40.2	40.6	40.6	39.5
Cost/Core Income	38.4	41.8	41.2	42.4	42.4	41.3
Staff Cost/Total Expense	32.1	32.6	35.1	36.4	35.8	35.9
Int. Expense/Int.Income	43.6	46.3	58.0	58.4	57.9	56.2
Fee Income/Total Income	22.9	23.9	21.2	15.6	16.9	17.1
Other Inc./Total Income	29.1	26.4	31.2	27.6	28.9	28.8

### Efficiency Ratios (INRm)

Employee per branch (in nos)	22.3	22.1	24.4	24.7	24.4	24.2
Staff cost per employee (INR m)	0.8	0.9	1.0	1.0	1.0	1.0
CASA per branch (INR m)	1,184	1,069	1,040	943	996	1,063
Deposits per branch (INR m)	2,459	2,408	2,723	2,799	2,861	2,929
Bus. per Employee (INR m)	207	201	228	221	223	228
Profit per Employee (INR m)	2.6	2.5	2.8	2.8	2.7	2.7

### Valuation

RoE	16.7	17.0	14.6	14.4	13.9	14.3
RoA	1.9	1.9	1.8	1.8	1.8	1.8
RoRWA	2.8	2.9	1.7	2.7	2.7	2.7
Book Value (INR)	433	502	580	648	723	811
Growth (%)	17.2	16.0	15.4	11.8	11.5	12.2
<b>Price-BV (x)</b>	<b>3.9</b>	<b>3.3</b>	<b>2.9</b>	<b>2.6</b>	<b>2.3</b>	<b>2.1</b>
Adjusted BV (INR)	420	490	555	617	690	772
<b>Price-ABV (x)</b>	<b>4.0</b>	<b>3.4</b>	<b>3.0</b>	<b>2.7</b>	<b>2.4</b>	<b>2.2</b>
EPS (INR)	66.8	79.3	80.0	88.7	95.4	109.4
Growth (%)	18.1	18.6	1.0	10.7	7.6	14.7
<b>Price-Earnings (x)</b>	<b>25.0</b>	<b>21.1</b>	<b>20.9</b>	<b>18.9</b>	<b>17.5</b>	<b>15.3</b>
<b>Price-Earnings (x) - Adj. Subs</b>	<b>20.6</b>	<b>17.4</b>	<b>17.2</b>	<b>15.5</b>	<b>14.4</b>	<b>12.6</b>
Dividend Per Sh (INR)	15.5	19.0	19.0	20.0	21.0	21.0
<b>Dividend Yield (%)</b>	<b>0.9</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>

Source: Company, MOFSLE

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH00000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity residing in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH00000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp grievances@motilaloswal.com.