HDFC Bank

BSE SENSEX	S&P CNX
77,265	24,176

HDFC BANK

Stock Info

Bloomberg	HDFCB IN
Equity Shares (m)	15401
M.Cap.(INRb)/(USDb)	11100.6 / 116.4
52-Week Range (INR)	1021 / 706
1, 6, 12 Rel. Per (%)	-3/-15/-23
12M Avg Val (INR M)	27324
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	1,287	1,396	1,616
OP	1,186	1,180	1,381
NP	747	797	910
NIM (%)	3.3	3.2	3.4
EPS (INR)	48.5	51.8	59.1
EPS Gr. (%)	10.2	6.7	14.2
BV/Sh. (INR)	366	397	446
ABV/Sh. (INR)	352	382	429
Ratios			
RoA (%)	1.8	1.7	1.8
RoE (%)	14.2	13.6	14.0
Valuations			
P/E(X)	14.8	13.9	12.2
P/E(X)*	12.2	11.4	10.0
P/BV (X)	2.0	1.8	1.6
P/ABV (X)*	1.7	1.5	1.4

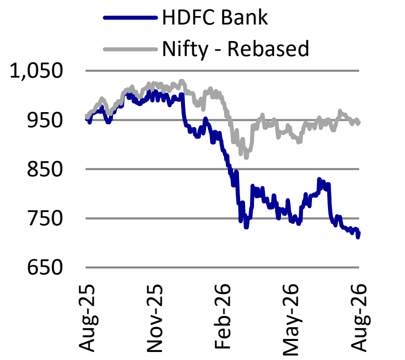
*adj for subs

Shareholding pattern (%)

As on	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	36.3	34.9	31.1
FII	49.6	51.5	55.7
Others	14.1	13.6	13.2

Note: FII includes depository receipts

Stock Performance (1-year)



CMP: INR720 TP: INR925 (+28%) Buy

Undergoing a leadership overhaul

Board to evaluate both internal/external candidates for CEO role

- **Mr. Sashidhar Jagdishan has decided to not seek his reappointment as MD & CEO of HDFC Bank and shall retire on 26th Oct'26. The board will thus fast-track the process of selection and appointment of his successor.**
- **With Mr. Jagdishan's decision not to seek reappointment, along with the upcoming superannuation of CFO Mr. Srinivasan Vaidyanathan on 30th Nov'26 and other recent changes in the leadership team (please refer to Exhibits 3 & 4), the bank will witness several changes in the key management personnel. Mr. Bhavin Lakhpatwala, Head of Strategy and IR, has also resigned earlier in Jun'26 and joined RBL Bank as CFO. Mr. Puneet Sharma, former Axis Bank CFO, is scheduled to take charge as CFO-designate of HDFC Bank on 1st Sep'26.**
- **Mr. Rajiv Kumar, ex-Chief Election Commissioner and ex-Finance Secretary, has recently taken charge as the new Chairman of the bank after the sudden exit of Mr. Atanu Chakraborty. The decision on MD & CEO was amongst the key matters on which deliberations were going on at the senior most level and clarity was awaited by the street. HDFCB stock also corrected 18% in the past six months amid ongoing uncertainty.**
- **Mr. Kaizad Bharucha, Deputy MD, remains the key internal contender to succeed Mr. Jagdishan. Another potential internal candidate is Mr. Jimmy Tata, chief credit officer, who has been associated with the bank for more than 30 years. The board will also likely evaluate external candidates.**
- **The bank is thus entering a phase of leadership transition after a series of adverse developments, challenges in operating performance after its merger with HDFC Ltd, and significant erosion of shareholder wealth over recent years.**
- **The changes in its leadership team will help to address the skepticism that has engulfed the bank over the recent period. A new leadership team, alongside an improvement in growth and earnings trajectory, should improve investor sentiment. We estimate HDFCB to deliver an improved earnings performance from FY28 onward, while RoA should sustain at ~1.8%. We revise our TP to INR925 (1.8x FY28E ABV + INR128 for subs) and maintain our BUY rating.**

Addressed recent issues but with collateral damages

HDFCB has gone through a tough phase in the recent period amid concerns about governance and subdued operating performance after its merger with HDFC Ltd. While the bank has addressed most of the issues, they have taken a toll on the bank's positioning and resulted in attrition in key leadership roles.

- **Resignation of ex-Chairman:** To address the trust deficit and thoroughly examine the functioning and governance, the board appointed an external law firm after the resignation of Mr. Atanu Chakraborty as Chairman. The law firm found no evidence regarding the concerns raised by the ex-Chairman.
- **DIFC operations -- Mis-selling AT-1 bonds to NRI clients:** After a thorough internal probe, the bank terminated three senior executives, including the Group Head of Branch Banking, suspended two employees, and penalized 12 other mid- to senior-level employees.

Research Analyst: Nitin Aggarwal - (Nitin.Aggarwal@MotilalOswal.com) | Dixit Sankharva (Dixit.sankharva@MotilalOswal.com)
Research Analyst: Akshay Badlani (Akshay.Badlani@MotilalOswal.com) | Devansh Jani (Devansh.Jani@MotilalOswal.com)

- **Preferential pricing on large institutional deposit:** There were allegations that the bank routed INR450m as marketing expenses to provide preferential interest rates to the Maharashtra State Road Development Corp. (MSRDC). The internal review by the board found it to be a case of business overreach rather than of any personal gain or improper motive, even as process discipline and commercial conduct concerns were validated. The bank fined INR1 lakh each for MD & CEO Mr. Jagdishan, CFO Mr. Vaidyanathan, and Retail Head Mr. Arvind Vohra. The bank also issued internal warning letters to select employees and reported findings to the RBI.
- **US class-action lawsuit**: A lawsuit was filed by investors in a New York federal court in late Aug'26 over misleading statements and failure to disclose material risks regarding the MSRDC arrangement. HDFCB claims that the lawsuit is without merit and the bank is confident of defending itself.

Will a new leadership team bring about a change in the bank's fortune?

HDFCB's share price has significantly underperformed its peers over the last few years, with a tough adjustment period after the merger and recent concerns about governance after the sudden resignation of chairman, among other issues mentioned above. The stock price has declined by 25% in the past one year and 8% in the past five years. The overhaul in its leadership team will help to address the overhang and aid investor sentiment. We expect the bank's operating performance to improve from 2HFY27 onward as we project earnings to grow in mid-teens in FY28E after sluggish trends over FY24-27E.

Board to likely evaluate both internal and external candidates

Mr. Bharucha, Deputy MD, has been with the bank for 26 years and has been an ED of the bank since 2014. He has managed diverse portfolios across the bank over this long stint and thus remains a prime candidate to succeed Mr. Jagdishan. However, given the cap of 15 years for board membership of a bank, it may restrict him to have a full three-year tenure and may need exceptional approval from the RBI. The current ED, Mr. V. Srinivasa Rangan, ex-CFO of HDFC Ltd, has already attained the age of 66 years, which may again limit his tenure as MD given a maximum age cap of 70 years. Mr. Jimmy Tata, chief credit officer, who has been associated with the bank for more than 30 years, could also be a potential candidate. Moreover, there is a high likelihood that the board will evaluate external candidates for the role; however, given limited time, the bank will need to fast-track the process.

Valuation and view: Reiterate BUY with a TP of INR925

HDFCB is entering a phase of leadership transition after a series of adverse developments, challenges in operating performance after its merger with HDFC Ltd, and significant erosion of shareholder wealth over recent years. The changes in its leadership team will help to address the skepticism that has engulfed the bank over the recent period. A new leadership team, along with an improvement in growth and earnings trajectory, should improve investor sentiment over the medium term. We estimate HDFCB to deliver an improved earnings performance from FY28 onward as we estimate PAT growth to recover to 14% YoY by FY28E vs. avg. 9% over FY24-27E. **We revise our TP to INR925 (1.8x FY28E ABV + INR128 for subs) and maintain our BUY rating.**

Exhibit 1: Tenures of MD/CEO of banks

Bank	Name	Date of appointment	Date of Renewal/ Retirement
PSBs			
Bank of Baroda	Debadatta Chand	01-Jul-26	30-Jun-29
Bank of India	Rajneesh Karnatak	29-Apr-23	29-Apr-26
Bank of Maharashtra	Nidhu Saxena	27-Mar-24	26-Mar-27
Canara Bank	Brajesh Kumar Singh	01-Jun-26	30-Apr-29
Central Bank of India	Kalyan Kumar	30-Sep-25	29-Sep-28
Indian Bank	Binod Kumar	16-Jan-25	15-Jan-28
Indian Overseas Bank	Ajay Kumar Srivastava	01-Jan-23	30-Oct-27
Punjab & Sind Bank	Swarup Kumar Saha	03-Jun-22	28-Feb-27
Punjab National Bank	Ashok Chandra	16-Jan-25	15-Jan-28
State Bank of India	Challa Sreenivasulu Setty	28-Aug-24	27-Aug-27
Private Banks			
Axis Bank	Amitabh Chaudhry	01-Jan-19	31-Dec-27
Bandhan Bank	Partha Pratim Sengupta	01-Nov-24	30-Sep-27
City Union Bank	R. Vijay Anand	01-May-26	29-Apr-29
CSB Bank	Pralay Mondal	15-Sep-25	14-Sep-28
DCB Bank	Praveen Kutty	29-Apr-24	28-Apr-27
Dhanlaxmi Bank	Ajith Kumar K.K.	20-Jun-24	19-Jun-27
Federal Bank	KVS Manian	23-Sep-24	22-Sep-27
HDFC Bank	Sashidhar Jagdishan	27-Oct-20	26-Oct-26
ICICI Bank	Sandeep Bakhshi	15-Oct-18	03-Oct-28
IDBI Bank	Rakesh Sharma	19-Mar-25	18-Mar-28
IDFC First Bank	V. Vaidyanathan	19-Dec-24	18-Dec-27
Indusind Bank	Rajiv Anand	25-Aug-25	24-Aug-28
Jammu & Kashmir Bank	Amitava Chatterjee	30-Dec-24	29-Dec-27
Karnataka Bank	Raghavendra S. Bhat	16-Nov-25	15-Nov-26
Karur Vysya Bank	B Ramesh Babu	29-Jul-23	28-Jul-28
Kotak Mahindra Bank	Ashok Vaswani	01-Jan-24	31-Dec-26
RBL Bank	R Subramaniakumar	23-Jun-25	22-Jun-28
South Indian Bank *	P.R. Seshadri	01-Oct-23	01-Oct-26
Yes Bank	Vinay Tonse	06-Apr-26	05-Apr-29

Source: Company, MOFSL, Note: South Indian Bank: New MD Mr. Mahesh Murlidhar Pai already announced

Exhibit 2: HDFC Bank's current senior leadership team

Bank	Name
Sashidhar Jagdishan	MD & CEO
Kaizad M. Bharucha	Deputy MD
V. Srinivasa Rangan	Executive Director
Abhijit Singh	Group Head – BaaS, Digital Ecosystem & International Banking
Ajay Agarwal	Company Secretary & Group Head – Secretarial & Group Oversight
Anil Bhavnani	Group Head – Transportation & Infrastructure Finance
Anjani Kumar Rathor	Group Head – Digital & Customer Experience
Arun Mediratta	Group Head – Retail Branch Banking-1
Arup Kumar Rakshit	Group Head – Treasury
Arvind Vohra	Group Head – Retail Assets, Rural Banking & SLI
Ashima Khanna Bhat	Group Head – Virtual Channels, Virtual Care, BEU, Channel Enablement & Infrastructure
Ashish Parthasarthy	Group Head – Branch Banking, Infrastructure, Treasury, Virtual Channels, Payments, Liabilities & Marketing
Gourab Roy	Group Head – Operations, ATM & Administration
Jimmy M. Tata	Chief Credit Officer
Mayuresh Vasant Apte	Group Head – Emerging Corporates & Healthcare Finance
N. Srinivasan	Group Head – Operations, Lending Vertical & Pan-India Branch Operations
Nirav Vimal Shah	Group Head – Corporate Banking
Prashant Ramesh Mehra	Group Head – Collections, Credit Intelligence & Control, Debt Management
Prasun Singh	Group Head – Ethics Office
Rakesh Kumar Rajput	Group Chief Compliance Officer
Rakesh Kumar Singh	Group Head – Financial Institutions, International Banking, Wealth & BaaS
Ramesh Lakshminarayanan	Chief Information Officer
Ravi Santhanam	Chief Marketing Officer
Ravi SSN	Group Head – Large Corporates Coverage
Sameer Ratolikar	Group Head & Chief Information Security Officer
Sanjay John D'Souza	Group Head – Business Banking, Emerging & Micro Enterprises
Sanmoy Chakrabarti	Group Chief Risk Officer
Srinivasan Vaidyanathan	Chief Financial Officer
Sudhir Kumar Jha	Group Head – Legal & Group General Counsel
Suketu Kapadia	Group Head – Internal Audit
Sumant Vinay Rampal	Group Head – Mortgage Business
Sunderesan N	Group Head – Retail credit strategy & control
Vibash Naik	Chief Human Resources Officer
Vinayak Ravindra Mavinkurve	Group Head – Realty Business Finance
Vivek Jagdish Capoor	Group Head – Financial account group and taxation

Source: Company, MOFSL

Exhibit 3: Key senior management exits in last three years

Period	Person	Change	Nature of exit
Mar-24	Ravi Narayanan	Group Head – Large Corporates / Supply Chain Finance	Resigned
Apr-24	Arvind Kapil	Group Head – Retail Assets / Mortgage Business	Resigned; joined Poonawalla Fincorp as MD & CEO
Jan-25	V. Chakrapani	Group Head – Internal Audit	Superannuated
Jun-25	Vinay Razdan	Chief Human Resources Officer	Resigned
Sep-25	Sachin Suryakant Rane	Chief – Internal Vigilance	Resigned
Sep-25	Parag Rao	Group Head – Payments, Liability Products, Consumer Finance & Marketing	Superannuated
Oct-25	Rahul Shyam Shukla	Group Head – Corporate & Business Banking	Resigned for personal reasons
Apr-26	Bhavesh Zaveri	Executive Director	Did not seek reappointment/retired

Source: Company, MOFSL

Exhibit 4: Key senior management changes/ additions/ expansion in roles in last three years

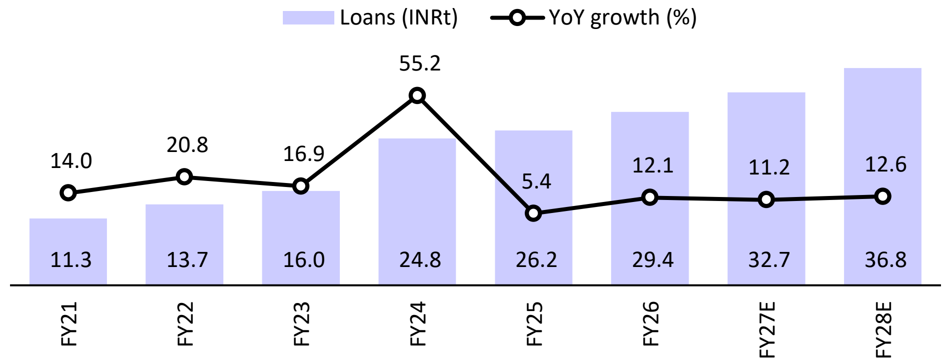
Period	Person	New/ Expansion in role	Remarks
Apr-23	Kaizad Bharucha	Deputy Managing Director	Elevated to DMD from ED.
Apr-23	V. Srinivasa Rangan	Executive Director	Promoted to ED; now one of the two whole-time directors alongside Kaizad.
Oct-23	Rakesh Kumar Rajput	Chief Compliance Officer	Elevated to Chief compliance officer on 1-Oct-23
Apr-24	Suketu Kapadia	Group Head – Internal Audit	Took over Internal Audit from V. Chakrapani.
Apr-24	Sumant Rampal	Group Head – Mortgage Business	Moved from Business Banking / Rural Banking / SLI to head the mortgage franchise.
Jul-24	Ajay Agarwal	Company Secretary & Head – Group Oversight	New senior-management addition, effective July 21, 2024; subsequently elevated to Group Head – Secretarial & Group Oversight from Apr'25.
Jun'25	Prasun Singh	Group Head – Ethics	Elevated from Chief Ethics Officer to Group Head – Ethics, effective Jun'1 2025.
FY25/26	Gourab Roy	Group Head – Transactional Banking Operations	
FY25/26	Vivek Kapoor	Group Head – FAG & Taxation	
FY26	Anil Bhavnani	Group Head – Transportation & Infrastructure Finance	
FY26	Arun Mediratta	Group Head – Retail Branch Banking & Alternate Banking Channel / Partnerships	
FY26	Mayuresh Apte	Group Head – Emerging Corporates & Healthcare Finance	Takes over responsibilities following changes in the ECFG/HCF leadership
FY26	Ravi SSN	Group Head – Large Corporates Coverage	
FY26	Sameer Ratolikar	Group Head & CISO	
FY26	Vibhash Naik	Group Head & CHRO	Follows the exit of Vinay Razdan.

Source: Company, MOFSL

Story in Charts

Loan book growth to remain calibrated with new leadership team coming in

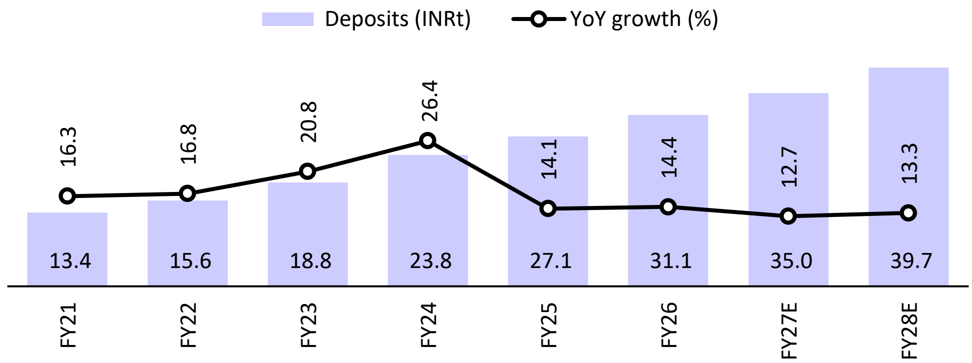
Exhibit 5: Loan book to clock a CAGR of ~12% for FY26-FY28



Source: Company, MOFSL

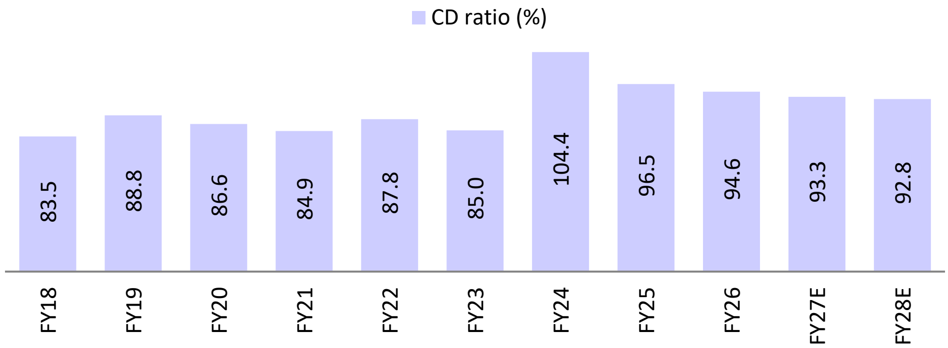
Deposit growth to exceed loan growth in the medium term

Exhibit 6: Deposit book to witness a CAGR of ~13% for FY26-FY28



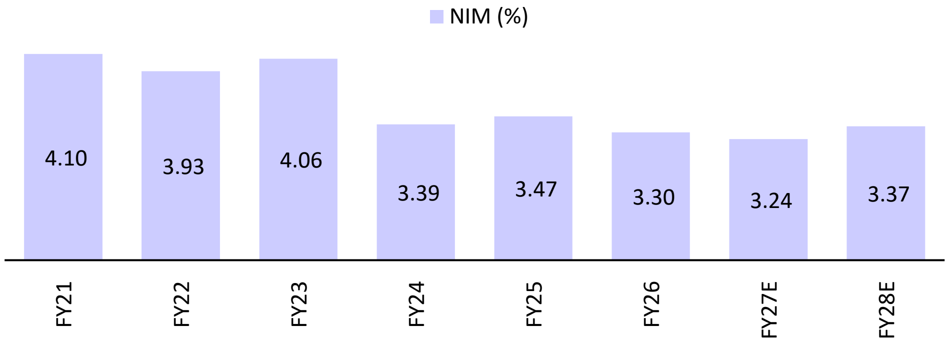
Source: Company, MOFSL

Exhibit 7: CD ratio to gradually lower to 92.8% by FY28



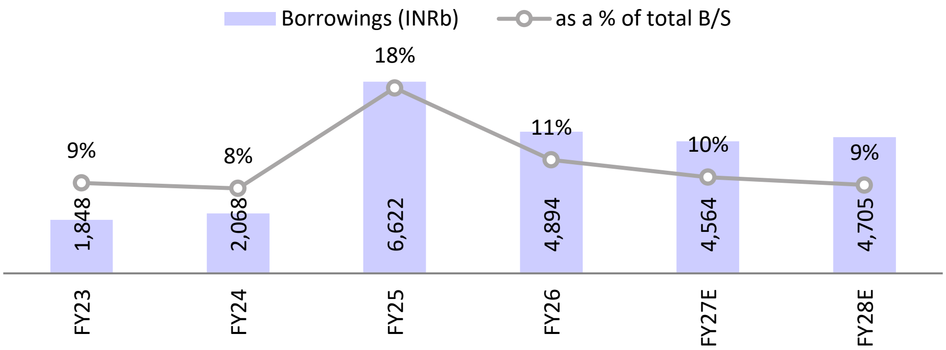
Source: Company, MOFSL

Exhibit 8: NIMs to inch up to 3.37% by FY28 with improvement in cost of funds



Source: Company, MOFSL

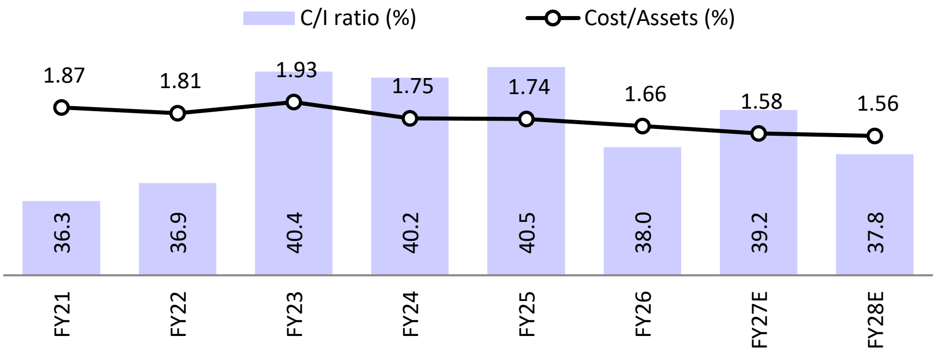
Exhibit 9: Borrowings mix to come down to 9% of total balance sheet by FY28, closer to pre-merger levels



Source: Company, MOFSL

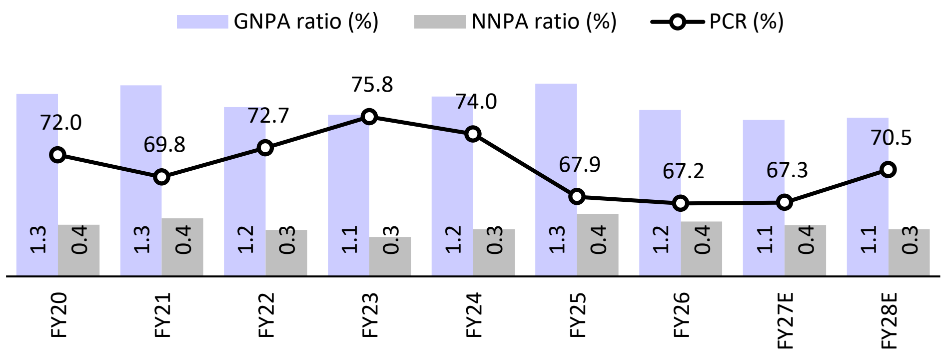
Exhibit 10: Cost-to-income ratio and Cost/assets ratios to improve to 37.8% and 1.56%, respectively, by FY28

Operating leverage to be among the key drivers of earnings growth



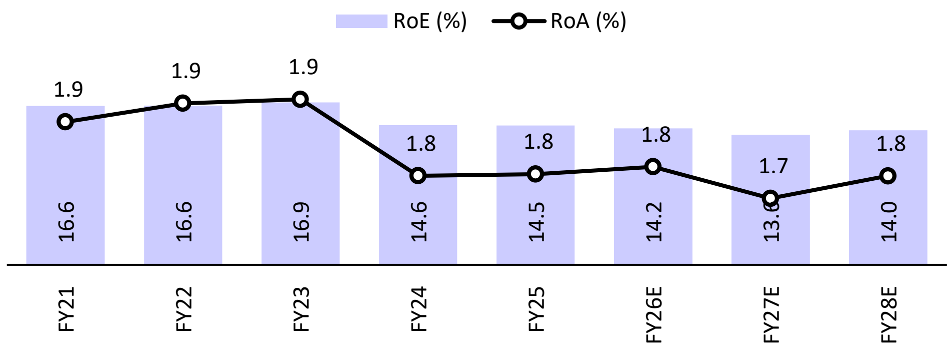
Source: Company, MOFSL

Exhibit 11: Asset quality to remain benign



Source: Company, MOFSL

Exhibit 12: RoA/RoE to improve to 1.8%/14.0% in FY28



Source: Company, MOFSL

Exhibit 13: SOTP-based pricing

	Stake (%)	Proportionate Value INR b	Value USD b	Per Share INR	% of Total	Rationale
HDFC Bank		**12,254.1**	**129.5**	**797**	**86.1**	**1.8x Mar'28E ABV**
HDB Financial Ser	74.2	498.6	5.3	33	3.5	2.4x Mar'28E Net worth
HDFC Securities	94.5	305.1	3.2	20	2.2	17x Mar'28E PAT
HDFC Life Insurance	50.3	743.4	7.9	49	5.3	2.0x Mar'28E EV
HDFC Ergo General Insurance	50.3	152.9	1.6	10	1.1	24x Mar'28E PAT
HDFC AMC	52.5	739.7	7.8	49	5.3	38x Sep'27E PAT
Total Value of Subs		**2,439.7**	**25.8**	**161**	**17.4**	
Less: 20% holding Disc		487.9	5.2	32	3.5	
Value of Subs (Post Holding Disc)		**1,951.8**	**20.6**	**128**	**13.9**	
Target Price		**14,205.9**	**150.2**	**925**		

Financials and valuations

Income Statement

(INRb)

Y/E March (INR b)	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	1,615.9	2,583.4	3,005.2	3,075.2	3,382.1	3,783.0
Interest Expense	747.4	1,498.1	1,778.5	1,788.4	1,986.3	2,167.4
Net Interest Income	**868.4**	**1,085.3**	**1,226.7**	**1,286.9**	**1,395.9**	**1,615.6**
- growth (%)	20.6	25.0	13.0	4.9	8.5	15.7
Non-Interest Income	312.1	492.4	456.3	625.3	544.0	603.9
Total Income	**1,180.6**	**1,577.7**	**1,683.0**	**1,912.2**	**1,939.9**	**2,219.5**
- growth (%)	16.3	33.6	6.7	13.6	1.4	14.4
Operating Expenses	476.5	633.9	681.7	726.6	759.7	838.6
Pre Provision Profits	**704.0**	**943.9**	**1,001.3**	**1,185.6**	**1,180.2**	**1,380.9**
- growth (%)	9.9	34.1	6.1	18.4	(0.5)	17.0
Core PPOP	**663.2**	**903.9**	**952.1**	**1,121.0**	**1,090.5**	**1,280.0**
Growth (%)	10.2	36.3	5.3	17.7	(2.7)	17.4
Provisions	119.2	234.9	116.5	233.9	134.2	181.8
PBT	**584.9**	**709.0**	**884.8**	**951.7**	**1,045.9**	**1,199.1**
Tax	143.8	100.8	211.3	205.0	248.9	289.0
Tax Rate (%)	24.6	14.2	23.9	21.5	23.8	24.1
PAT	**441.1**	**608.1**	**673.5**	**746.7**	**797.0**	**910.1**
Growth (%)	19.3	37.9	10.7	10.9	6.7	14.2

Balance Sheet

Y/E March (INR b)	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	11.2	15.2	15.3	15.4	15.4	15.4
Reserves & Surplus	2,790.8	4,387.3	4,998.9	5,613.6	6,096.1	6,845.7
Net Worth	**2,802.0**	**4,402.5**	**5,014.2**	**5,629.0**	**6,111.5**	**6,861.1**
Deposits	18,833.9	23,797.9	27,147.1	31,052.5	34,996.2	39,650.7
Growth (%)	20.8	26.4	14.1	14.4	12.7	13.3
of which CASA Dep	8,359.9	9,087.6	9,445.6	10,603.0	11,443.7	13,322.6
Growth (%)	11.3	8.7	3.9	12.3	7.9	16.4
Borrowings	2,067.7	6,621.5	5,479.3	4,893.9	4,564.5	4,704.9
Other Liabilities & Prov.	957.2	1,354.4	1,461.3	2,073.4	2,363.7	2,694.6
Total Liabilities	**24,660.8**	**36,176.2**	**39,102.0**	**43,648.9**	**48,035.8**	**53,911.2**
Current Assets	1,937.7	2,191.5	2,395.7	2,984.7	2,729.7	2,927.5
Investments	5,170.0	7,024.1	8,363.6	8,842.0	9,947.3	11,230.5
Growth (%)	13.4	35.9	19.1	5.7	12.5	12.9
Loans	16,005.9	24,848.6	26,196.1	29,371.7	32,661.3	36,776.6
Growth (%)	16.9	55.2	5.4	12.1	11.2	12.6
Fixed Assets	80.2	114.0	136.6	147.2	164.9	178.1
Other Assets	1,467.1	1,998.0	2,010.0	2,303.3	2,532.6	2,798.6
Total Assets	**24,660.8**	**36,176.2**	**39,102.0**	**43,648.9**	**48,035.8**	**53,911.2**

Asset Quality

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
GNPA (INR b)	180.2	311.7	352.2	340.6	355.4	406.8
NNPA (INR b)	43.7	80.9	113.2	111.7	116.2	119.9
Slippages (INR b)	245.4	402.6	319.8	312.5	335.0	381.9
GNPA Ratio (%)	1.1	1.2	1.3	1.2	1.1	1.1
NNPA Ratio (%)	0.3	0.3	0.4	0.4	0.4	0.3
Slippage Ratio (%)	1.7	2.0	1.3	1.1	1.1	1.1
Credit Cost (%)	0.8	1.2	0.5	0.8	0.4	0.5
PCR (Excl Tech. write off) (%)	75.8	74.0	67.9	67.2	67.3	70.5

Source: Company, MOFSLE

Financials and valuations

Ratios

Y/E March (INR b)	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield & Cost Ratios (%)						
Avg. Yield-Earning Assets	**8.0**	**8.4**	**8.9**	**8.2**	**8.2**	**8.2**
Avg. Yield on loans	8.6	8.8	9.3	8.6	8.6	8.6
Avg. Yield on Invt	6.5	6.8	7.1	7.0	6.8	6.7
Avg. Cost-Int. Bear. Liab.	**3.9**	**5.3**	**5.6**	**5.2**	**5.3**	**5.2**
Avg. Cost of Deposits	3.6	4.7	4.9	4.8	4.9	4.9
Interest Spread	**4.1**	**3.2**	**3.2**	**3.0**	**2.9**	**3.0**
Net Interest Margin	**4.1**	**3.4**	**3.5**	**3.3**	**3.2**	**3.4**
Capitalisation Ratios (%)						
CAR	19.3	18.8	19.6	19.7	19.7	19.5
Tier I	17.1	16.8	17.7	17.7	17.6	17.5
- CET-1	16.4	16.3	17.2	17.3	17.4	17.5
Tier II	2.1	2.0	1.9	2.0	2.1	2.0
Business Ratios (%)						
Loans/Deposit	85.0	104.4	96.5	94.6	93.3	92.8
CASA Ratio	44.4	38.2	34.8	34.1	32.7	33.6
Cost/Assets	1.9	1.8	1.7	1.7	1.6	1.6
Cost/Total Income	40.4	40.2	40.5	38.0	39.2	37.8
Cost/Core Income	41.8	41.2	41.7	39.3	41.1	39.6
Staff Cost/Total Expense	32.6	35.1	35.1	35.9	36.0	36.4
Int. Expense/Int.Income	46.3	58.0	59.2	58.2	58.7	57.3
Fee Income/Total Income	23.9	21.2	23.1	22.0	15.5	15.1
Other Inc./Total Income	26.4	31.2	27.1	32.7	28.0	27.2
Efficiency Ratios (INRm)						
Employee per branch (in nos)	22.1	24.4	22.7	21.8	21.6	21.4
Staff cost per employee (INR m)	0.9	1.0	1.1	1.2	1.2	1.2
CASA per branch (INR m)	1,069	1,040	999	1,094	1,045	1,077
Deposits per branch (INR m)	2,408	2,723	2,871	3,205	3,196	3,205
Bus. per Employee (INR m)	201	228	249	286	286	288
Profit per Employee (INR m)	2.5	2.8	3.1	3.5	3.4	3.4
Valuation						
RoE	16.9	14.6	14.5	14.2	13.6	14.0
RoA	1.9	1.8	1.8	1.8	1.7	1.8
RoRWA	2.9	1.7	1.5	2.7	2.5	2.6
Book Value (INR)	251	290	328	366	397	446
Growth (%)	15.7	15.4	13.1	11.6	8.6	12.3
Price-BV (x)	**2.9**	**2.5**	**2.2**	**2.0**	**1.8**	**1.6**
Adjusted BV (INR)	245	278	313	352	382	429
Price-ABV (x)	**2.9**	**2.6**	**2.3**	**2.0**	**1.9**	**1.7**
EPS (INR)	39.6	40.0	44.0	48.5	51.8	59.1
Growth (%)	18.6	1.0	9.9	10.2	6.7	14.2
Price-Earnings (x)	**18.2**	**18.0**	**16.4**	**14.8**	**13.9**	**12.2**
Price-Earnings (x) - Adj. Subs	**14.9**	**14.8**	**13.4**	**12.2**	**11.4**	**10.0**
Dividend Per Sh (INR)	9.5	5.5	9.7	13.5	10.4	10.4
Dividend Yield (%)	**1.3**	**0.8**	**1.3**	**1.9**	**1.4**	**1.4**

Source: Company, MOFSLE

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. INH000000412 and BSE enlistment no. 5028. 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. MOFSL 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.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. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, 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 resident 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. INH000000412) 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.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. 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
2. 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
3. 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.
4. 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.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. 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.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. 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, not 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, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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 dpgrievances@motilaloswal.com.