



# HDFC

## Strong core, improving retail CE

**Strong core PBT, improving retail CE, developer CE weak but along expected lines**

PAT of INR 29bn for Q3FY21 declined 65% YoY but grew 2% QoQ and was 7% higher than our estimate. The YoY decline was driven by fair value gains on merger of HDFC's erstwhile subsidiary GRUH with Bandhan Bank. While PAT declined, core PBT grew strongly by 27% YoY / 10% QoQ driven by stronger than expected NII. Collection efficiency (CE) in retail loans improved to 97.6% in December from 96.3% in September. CE for total loans was 92% indicating CE of 75% on the non-retail book. CE on non-retail loans is low but better than expectations and higher than 69% in September. There was a sharp increase in stage-2 loans that grew 47% to 7% of EAD from 5% QoQ. Stage-3 loans grew 6% QoQ to 2.3% of EAD / 2% of gross AUM. The sharp increase in stage-2 loans was because the company classified a few restructured loans and loans on which ECLGS was disbursed as stage-2. NPLs on individual loans rose from 0.84% to 0.98% while NPLs on non-individual loans rose from 4.2% to 4.35% QoQ. There were NPL recoveries in the non-retail segment including from the GVK group. Total restructuring was at 0.9% while the company has sanctioned ECLGS of INR 27bn / 0.6% of loans. Gross stage-3 + restructuring is 2.6% of loans. In Q3, the net QoQ increase in stage-2 + stage-3 stands at 8bp annualized. The stage-3 ECL cover remained high at 49%. But there was a sharp drop in ECL cover on stage-2 loans from 25% to 18% because provisions for restructured loans and ECLGS loans in stage-2 were lower (even RBI has mandated 10% provisions on restructured loans). Total ECL cover stands strong at 2.6%.

### Core PBT grew 27% YoY / 9 QoQ.

AUM grew 9% YoY / 2% QoQ with retail growing 10% YoY / 4% QoQ and wholesale growing 7% YoY but declining 3% QoQ. NII from housing grew strongly by 39% YoY and 21% QoQ as cost of funds dropped sharply and the company lowered its liquidity buffer. Gross fees declined 19% QoQ but grew 10% YoY. Core employee expenses grew 6% YoY and declined 6% QoQ. However there was a charge of INR 1.5bn towards fair value of stock options in Q3FY21 versus INR 0.5bn QoQ. Total opex grew 40% YoY / 47% QoQ. Ex fair value of stock options, opex grew 2% YoY / 22% QoQ. Credit cost grew 36% QoQ to 43 bp of loans. Core PBT grew 27% YoY / 10% QoQ due to strong NII.

### Valuation: Recommend Accumulate with TP of INR 2,975

With disbursements reviving sooner than expected and credit costs having peaked, we recommend Accumulate.

## Rating: Accumulate

Target Price: INR 2,975

Upside: 12%

CMP: INR 2,658 (as on 2 February 2021)

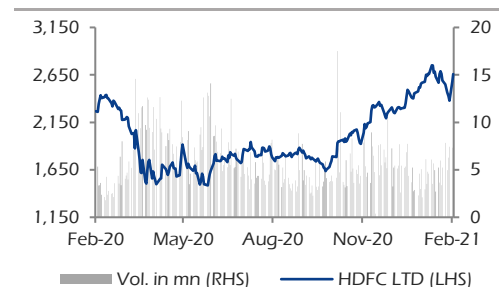
### Key data

Bloomberg /Reuters Code	HDFC IN/HDFC.BO
Current /Dil Shares O/S (mn)	1,800/1,800
Mkt Cap (INR bn/USD mn)	4,784/65,519
Daily Volume (3M NSE Avg)	329,996
Face Value (INR)	2

1 USD = INR 73.0

Note: \*as on 2 February 2021; Source: Bloomberg

### Price & Volume



Source: Bloomberg

Shareholding (%)	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Promoter	-	-	-	-
Institutional Investor	88.7	88.5	88.5	89.1
Other Investor	3.1	3.2	3.0	2.9
General Public	8.2	8.4	8.5	8.0

Source: BSE

Price performance (%)	3M	6M	12M
Sensex	25.3	32.4	25.3
HDFC	30.2	49.1	17.2
LIC Housing Finance	47.4	68.0	9.6

Source: Bloomberg

YE March (INR mn)	Q3FY21	Q2FY21	Q3FY20	YoY (%)	QoQ (%)	Q3FY21E	Variance
Operating profit	43,465	39,678	121,380	(64.2)	9.5	38,187	13.8
PBT	37,525	35,318	91,430	(59.0)	6.3	33,587	11.7
PAT	29,258	28,701	83,725	(65.1)	1.9	27,374	6.9

### Key Financials

YE Mar	PPoP (INR bn)	YoY (%)	NP (INR bn)	YoY (%)	EPS (INR)	YoY (%)	RoAE (%)	RoAA (%)	P/E (x)	P/BV (x)
FY20	263	86.9	178	84.5	103	83.3	21.1	3.7	25.9	5.1
FY21E	166	(36.9)	112	(37.1)	62	(39.3)	11.1	2.1	42.7	4.4
FY22E	197	19.0	139	24.1	77	24.1	12.1	2.2	34.4	4.0
FY23E	225	14.1	162	16.8	90	16.8	12.9	2.3	29.4	4.0

Note: pricing as on 2 February 2021 ; Source: Company, Elara Securities Estimate

Mahrukh Adajania • mahrukh.adajania@elaracapital.com • +91 22 6164 8500

Riddhi Mehta • riddhi.mehta@elaracapital.com • +91 22 6164 8500

Elara Securities (India) Private Limited

## Financials (YE March)

Income statement (INR bn)	FY20	FY21E	FY22E	FY23E
NII from housing	105	133	150	171
Other income	173	50	65	73
Operating expenses	15	17	18	18
<b>PPOP</b>	<b>263</b>	<b>166</b>	<b>197</b>	<b>225</b>
Provisions	59	28	26	25
<b>PBT</b>	<b>204</b>	<b>138</b>	<b>171</b>	<b>200</b>
Tax	26	26	33	38
<b>PAT</b>	<b>178</b>	<b>112</b>	<b>139</b>	<b>162</b>

Balance Sheet (INR bn)	FY20	FY21E	FY22E	FY23E
Cash and bank balances	34	38	30	32
Loans	4,509	4,969	5,699	6,620
Investments	649	812	975	983
Other assets	(72)	(89)	(91)	(93)
Fixed assets	10	10	11	11
<b>Total assets</b>	<b>5,131</b>	<b>5,740</b>	<b>6,625</b>	<b>7,554</b>

Equity capital	3	4	4	4
Shareholders' funds	911	1,097	1,198	1,319
Borrowings	4,191	4,610	5,394	6,203
Other liabilities	29	32	32	32
<b>Total Liabilities</b>	<b>5,131</b>	<b>5,740</b>	<b>6,625</b>	<b>7,554</b>

Operating ratio (%)	FY20	FY21E	FY22E	FY23E
Cost/Income	5.4	9.4	8.2	7.6
Operating Expense/Avg assets	0.3	0.3	0.3	0.3
Effective Tax Rate	12.7	19.0	19.0	19.0

## Profitability ratios (%)

RoE	21.1	11.1	12.1	12.9
RoA	3.7	2.1	2.2	2.3
Spread	1.8	2.3	2.4	2.4

## Asset Quality (%)

GNPLs, (INR mn)	89,828	119,471	117,082	114,740
GNPLs, %	2.0	2.5	2.1	1.8

## Growth (%)

Loans	11.0	10.2	14.7	16.2
Borrowings	14.4	10.0	17.0	15.0
PPOP	86.9	(36.9)	19.0	14.1
PAT	84.5	(37.1)	24.1	16.8
Shareholders' funds	17.7	20.5	9.2	10.1

## Per share data (INR)

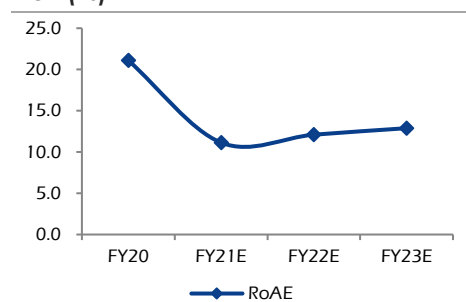
No. of shares (mn)	1,732	1,796	1,796	1,796
BVPS	526	611	667	734
EPS	103	62	77	90
P/BV (x)	5.1	4.4	4.0	3.6
P/E (x)	25.9	42.7	34.4	29.4

## Capital (%)

Capital adequacy	17.7	21.0	20.6	20.5
Tier 1 CAR	16.6	19.9	19.5	18.5
RWA / Total assets	75.6	75.0	75.0	82.0

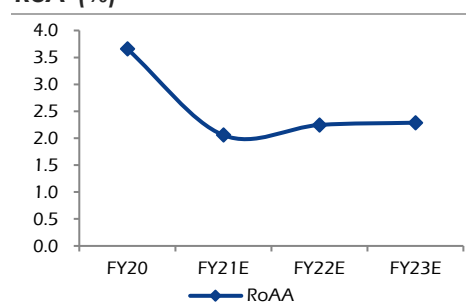
Note: pricing as on 2 February 2021; Source: Company, Elara Securities Estimate

## RoE (%)



Source: Company, Elara Securities Estimate

## RoA (%)



Source: Company, Elara Securities Estimate

**Valuation: TP of INR 2,975**

With disbursements reviving sooner than expected, benefit from low funding cost and credit costs having peaked, we recommend Accumulate. While total stress loans have risen to 2.6%, they are still lower than our estimate of 3-3.2%. Given the low LGD in the retail segment, we expect retail NPLs to revert to pre-Covid levels in the next 2-3 quarters. Asset quality concerns on the developer book have reduced because HDFC and other financiers now have many options to resolve developer stress compared to last year. Demand recovery in residential housing, developers willing to clear inventory at a discount, resolution under the SWAMIH fund, private equity investments in stressed projects, the ECLGS scheme and restructuring under the old NHB circular have reduced asset quality concerns on the developer book. However residential real estate still remains stressed and requires long-lasting demand recovery to come out of stress. Till then stage 2 and stage 3 loans for HDFC could remain higher than normal is what management has indicated. But we believe ECL cover of 2.6% is adequate to handle the stress.

**Strong growth in core PBT:**

- AUM grew 9% YoY / 2% QoQ with retail growing 10% YoY / 4% QoQ and wholesale growing 7% YoY.
  - The traction in retail disbursements remains strong with retail disbursements growing 26% YoY in Q3FY21.
  - Reported NIM improved 10bp QoQ to 3.4% due to the capital raise, lower liquidity buffer and sharp reduction in cost of funds.
  - Calculated spread expanded 27bp QoQ while reported spread remained stable. Calculated cost of funds declined 55bp QoQ.
  - NII grew 39% YoY and 21% QoQ.
  - Ex-assignment income, NII growth was lower, but still strong at 33% YoY and 13% QoQ.
  - Gross fees grew 10% YoY but declined 19% QoQ
- Opex grew 40% YoY and 47% QoQ. Excluding fair value of stock options, growth was lower at 2% YoY and 22% QoQ.
  - Credit cost rose from 32bp to 43bp QoQ. The company drew down on Covid provisions during the quarter. Total Covid provisions now stand at INR 9.6bn vs 12bn QoQ.
  - Core PBT grew strongly at 27% YoY and 10% QoQ driven by higher NII.

**Asset Quality:**

- Proforma GNPLs were 1.91% versus 1.83% QoQ.
- Gross stage-3 stood at 2% of AUM and 2.3% of EAD.
- Individual proforma GNPLs were 0.98% versus reported 0.75% while non-individual GNPLs were 4.35% versus reported 4%.
- Total ECL cover stands at 2.6%, which is stable QoQ. This is amongst the highest in the sector.
- Stage-3 loans grew 10% QoQ. Stage-3 PCR remained stable at 49%
- Stage-2 grew 47% QoQ to 7% of EAD versus 5% QoQ. The sharp rise was driven by the classification of some restructured and ECLGS loans as part of stage-2. Stage-2 PCR dropped from 25% to 18% as the company made lower provisions on restructured and ECLGS loans.
- Stage-1 loans declined marginally by 1% QoQ. Stage-1 PCR declined to 20bp from 30bp QoQ.
- CE on retail loans improved to 97.6% in December from 96.3% in September. CE on non-retail loans was lower at ~75%. Total CE was 92%. While CE on non-retail loans is low, it is higher than 69% QoQ and in line with expectations. A few developer loans will be restructured.
- HDFC has invoked restructuring for 0.9% of loans or INR 50bn. This includes retail and developer loans.
- HDFC has sanctioned ECLGS-2 of INR 27bn but disbursed only INR 1bn. The ECLGS window is open till March 2021.

**Exhibit 1: Reported versus calculated spread and NIM**

	Q3FY21	Q2FY21	Q3FY20	YoY (bp)	QoQ (bp)
Calculated spread	2.65	2.18	1.91	74	47
Calculated spread ex assignment income	2.31	2.04	1.75	56	26
Reported NIM	3.40	3.30	3.30	10	10

Source: Company, Elara Securities Research

**Exhibit 2: Expected Credit Loss(ECL) based on Exposure At Default (EAD)**

As per IND AS	Q3FY21	Q2FY21	Q3FY20
Gross Stage 1	4,375	4,404	4,117
ECL Provision Stage 1	9	13	2
Net Stage 1	4,366	4,391	4,115
<b>Coverage Ratio % Stage 1</b>	<b>0.20%</b>	<b>0.30%</b>	<b>0.05%</b>
Gross Stage 2	342	233	223
ECL Provision Stage 2	60	59	63
Net Stage 2	282	174	160
<b>Coverage Ratio % Stage 2</b>	<b>17.56%</b>	<b>25.33%</b>	<b>28.30%</b>
Gross Stage 3	110	104	70
ECL Provision Stage 3	54	51	34
Net Stage 3	56	53	36
<b>Coverage Ratio % Stage 3</b>	<b>49.46%</b>	<b>49.02%</b>	<b>49.04%</b>
EAD	4,827	4,741	4,410
ECL Provision	123	123	99
Net	4,704	4,618	4,310
<b>ECL/EAD</b>	<b>2.56%</b>	<b>2.60%</b>	<b>2.25%</b>

Source: Company, Elara Securities Research

**Exhibit 3: Asset Quality**

Gross NPA (%)	Q3FY21	Q3FY21	Q2FY21	Q1FY21	Q2FY20
	Proforma	Reported	Reported	Reported	Reported
Individual loans	0.98	0.79	0.84	0.92	0.73
Non-individual	4.35	4.00	4.19	4.1	2.87
Gross NPA (%)	1.91	1.67	1.81	1.87	1.33

Source: Company, Elara Securities Research

**Exhibit 4: AUM mix**

(INR bn)	Q3 FY21	Q2 FY21	Q3 FY20	YoY (%)	QoQ (%)
Individuals	3,519	3,390	3,185	10.5	3.8
Corporate bodies	1,247	1,291	1,154	8.0	(3.4)
Others	73	70	75	(3.5)	4.2
On-book AUMs	4,839	4,751	4,415	9.6	1.9
Loans sold down	682	651	639	6.8	4.8
<b>Total loans including loans sold off</b>	<b>5,522</b>	<b>5,403</b>	<b>5,054</b>	<b>9.3</b>	<b>2.2</b>
- of which individual AUMs	4,202	4,042	3,824	9.9	4.0
- of which corporate AUMs	1,320	1,361	1,230	7.3	(3.0)

Source: Company, Elara Securities Research

**Exhibit 5: Income Statement**

YE March (INR mn)	Q3 FY21	Q2 FY21	Q3 FY20	YoY (%)	QoQ (%)
Interest Income	108,415	107,243	106,524	1.8	1.1
Of which interest on loan sell down	4,103	1,590	1,703	141.0	158.0
Interest Expenses	68,327	73,991	77,696	(12.1)	(7.7)
<b>NII on housing loans</b>	<b>40,088</b>	<b>33,251</b>	<b>28,828</b>	<b>39.1</b>	<b>20.6</b>
Other interest	3,423	3,036	2,720	25.8	12.8
<b>Total net interest income</b>	<b>43,511</b>	<b>36,287</b>	<b>31,548</b>	<b>37.9</b>	<b>19.9</b>
<b>Total non interest income</b>	<b>5,232</b>	<b>7,001</b>	<b>93,611</b>	<b>(94.4)</b>	<b>(25.3)</b>
-Fees and other charges	532	588	445	19.3	(9.7)
-Net loan related fees	(633)	(437)	(267)	136.8	44.9
-Dividend	22	3,230	38	(40.8)	(99.3)
-Sale of investment	1,571	(6)	0	NA	NA
-Profit on Sale of Investments in Properties	0	0	74	NA	NA
-Net gain/(loss) on fair value changes	2,303	1,660	390	NA	38.8
-Surplus from liquid funds	1,272	1,768	2,554	(50.2)	(28.1)
-Others	165	198	90,378	(99.8)	(16.4)
<b>Total operating income</b>	<b>48,744</b>	<b>43,289</b>	<b>125,159</b>	<b>(61.1)</b>	<b>12.6</b>
Non operating income	93	47	60	56.2	97.0
<b>Expenses</b>	<b>5,372</b>	<b>3,658</b>	<b>3,839</b>	<b>39.9</b>	<b>46.8</b>
-Staff expenses	1,434	1,356	1,530	(6.3)	5.8
-Depreciation	516	360	421	22.8	43.6
-Other expenses	3,421	1,943	1,889	81.1	76.1
<b>Operating profit / PPOP</b>	<b>43,465</b>	<b>39,678</b>	<b>121,380</b>	<b>(64.2)</b>	<b>9.5</b>
Provision for contingencies	5,940	4,360	29,950	(80.2)	36.2
<b>PBT</b>	<b>37,525</b>	<b>35,318</b>	<b>91,430</b>	<b>(59.0)</b>	<b>6.3</b>
Tax	8,267	6,617	7,705	7.3	24.9
<b>PAT</b>	<b>29,258</b>	<b>28,701</b>	<b>83,725</b>	<b>(65.1)</b>	<b>1.9</b>

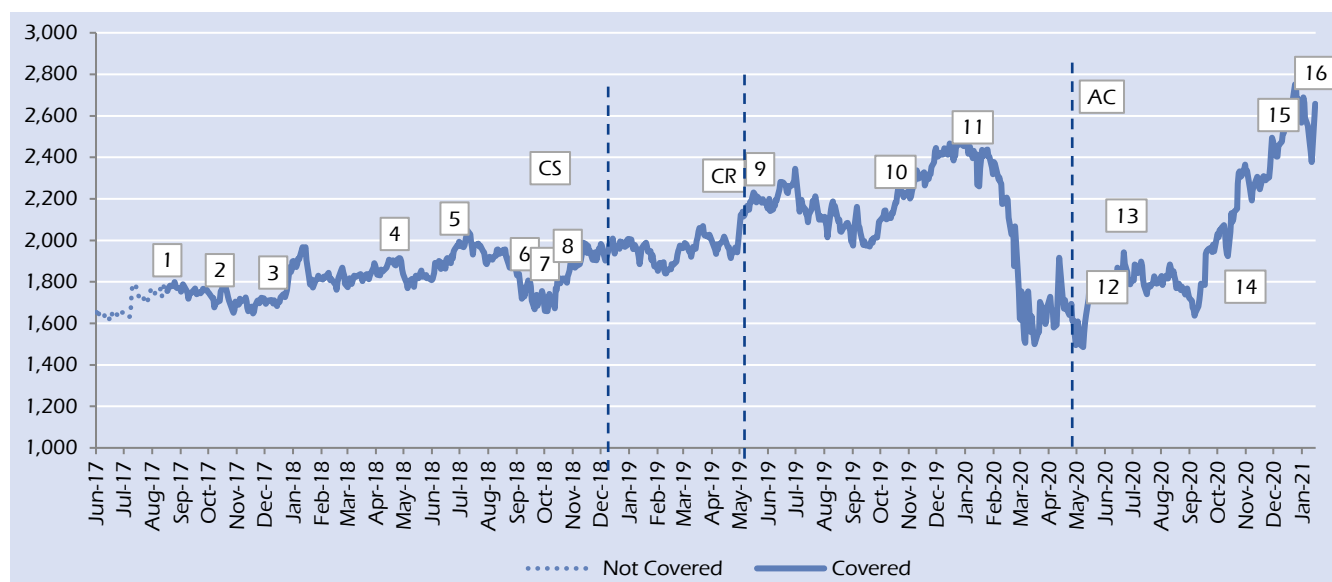
Source: Company, Elara Securities Research

**Exhibit 6: Change in estimates**

(INR bn)	Earlier		Revised		% Change		New
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	
NII from housing	118	141	133	150	12.6	6.8	171
Provisions	28	26	28	26	-	-	25
PAT	109	131	112	139	2.9	6.2	162
<b>Target price (INR)</b>	<b>2,670</b>		<b>2,975</b>		<b>11.4</b>		

Source: Elara Securities Estimate

### Coverage History



AC= Analyst change

	Date	Rating	Target Price	Closing Price
1	4-Sep-2017	Reduce	INR 1,724	INR 1,755
2	30-Oct-2017	Reduce	INR 1,781	INR 1,706
3	20-Dec-2017	Accumulate	INR 1,911	INR 1,692
4	2-May-2018	Accumulate	INR 2,097	INR 1,911
5	31-Jul-2018	Accumulate	INR 2,100	INR 1,995
6	28-Sep-2018	Accumulate	INR 1,929	INR 1,755
7	9-Oct-2018	Accumulate	INR 1,923	INR 1,713
8	12-Nov-2018	Accumulate	INR 1,999	INR 1,796
9	11-June-2019*	Accumulate	INR 2,262	INR 2,190
10	31-Oct-2019	Accumulate	INR 2,343	INR 2,132
11	27-Jan-2020	Accumulate	INR 2,555	INR 2,396
12	22-May-2020	Reduce	INR 1,585	INR 1,516
13	30-Jul-2020	Accumulate	INR 1,930	INR 1,811
14	2-Nov-2020	Accumulate	INR 2,200	INR 2,041
15	30-Dec-2020	Accumulate	INR 2,670	INR 2,517
16	2-Feb-2021	Accumulate	INR 2,975	INR 2,658

CS = Coverage suspended; CR: Coverage resumed;

### Guide to Research Rating

<b>BUY</b>	Absolute Return >+20%
<b>ACCUMULATE</b>	Absolute Return +5% to +20%
<b>REDUCE</b>	Absolute Return -5% to +5%
<b>SELL</b>	Absolute Return < -5%



## Disclosures & Confidentiality for non U.S. Investors

The Note is based on our estimates and is being provided to you (herein referred to as the "Recipient") only for information purposes. The sole purpose of this Note is to provide preliminary information on the business activities of the company and the projected financial statements in order to assist the recipient in understanding / evaluating the Proposal. Nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. 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. Nevertheless, Elara Securities (India) Private Limited or any of its affiliates is committed to provide independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Elara Securities (India) Private Limited or any of its affiliates have not independently verified all the information given in this Note and expressly disclaim all liability for any errors and/or omissions, representations or warranties, expressed or implied as contained in this Note. The user assumes the entire risk of any use made of this information. Elara Securities (India) Private Limited or any of its affiliates, 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 Note. Each of these entities functions as a separate, distinct and independent of each other. This Note is strictly confidential and is being furnished to you solely for your information. This Note should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This Note 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 Elara Securities (India) Private Limited or any of its affiliates to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. Upon request, the Recipient will promptly return all material received from the company and/or the Advisors without retaining any copies thereof. The Information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This Information is subject to change without any prior notice. Elara Securities (India) Private Limited or any of its affiliates reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Elara Securities (India) Private Limited is under no obligation to update or keep the information current. Neither Elara Securities (India) Private Limited nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. This Note should not be deemed an indication of the state of affairs of the company nor shall it constitute an indication that there has been no change in the business or state of affairs of the company since the date of publication of this Note. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Elara Securities (India) Private Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Any clarifications / queries on the proposal as well as any future communication regarding the proposal should be addressed to Elara Securities (India) Private Limited. It is important to note that any dispute with respect to this research report, would not have access to stock exchange investor redressal forum or arbitration mechanism.

Elara Securities (India) Private Limited was incorporated in July 2007 as a subsidiary of Elara Capital (India) Private Limited.

Elara Securities (India) Private Limited is a SEBI registered Stock Broker in the Capital Market and Futures & Options Segments of National Stock Exchange of India Limited [NSE], in the Capital Market Segment of BSE Limited [BSE] and a Depository Participant registered with Central Depository Services (India) Limited [CDSL].

Elara Securities (India) Private Limited's business, amongst other things, is to undertake all associated activities relating to its broking business.

The activities of Elara Securities (India) Private Limited were neither suspended nor has it defaulted with any stock exchange authority with whom it is registered in last five years. However, during the routine course of inspection and based on observations, the exchanges have issued advise letters or levied minor penalties on Elara Securities (India) Private Limited for minor operational deviations in certain cases. Elara Securities (India) Private Limited has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has the certificate of registration been cancelled by SEBI at any point of time.

Elara Securities (India) Private Limited offers research services primarily to institutional investors and their employees, directors, fund managers, advisors who are registered or proposed to be registered.

Details of Associates of Elara Securities (India) Private Limited are available on group company website [www.elaracapital.com](http://www.elaracapital.com)

Elara Securities (India) Private Limited is maintaining arms-length relationship with its associate entities.

Research Analyst or his/her relative(s) may have financial interest in the subject company. Elara Securities (India) Private Limited does not have any financial interest in the subject company, whereas its associate entities may have financial interest. Research Analyst or his/her relative does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Elara Securities (India) Private Limited does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Associate entities of Elara Securities (India) Private Limited may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relative or Elara Securities (India) Private Limited or its associate entities does not have any other material conflict of interest at the time of publication of the Research Report.

Research Analyst or his/her relative(s) has not served as an officer, director or employee of the subject company.

Research analyst or Elara Securities (India) Private Limited have not received any compensation from the subject company in the past twelve months. Associate entities of Elara Securities (India) Private Limited may have received compensation from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities have not managed or co-managed public offering of securities for the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company or third party in connection with the Research Report in the past twelve months.

## Disclaimer for non U.S. Investors

The information contained in this note is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

## Disclosures for U.S. Investors

The research analyst did not receive compensation from HDFC Limited.

Elara Capital Inc.'s affiliate did not manage an offering for HDFC Limited.

Elara Capital Inc.'s affiliate did not receive compensation from HDFC Limited in the last 12 months.

Elara Capital Inc.'s affiliate does not expect to receive compensation from HDFC Limited in the next 3 months.

## Disclaimer for U.S. Investors

This material is based upon information that we consider to be reliable, but Elara Capital Inc. does not warrant its completeness, accuracy or adequacy and it should not be relied upon as such.

This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors. Any opinions expressed herein are given in good faith, are subject to change without notice, and are only correct as of the stated date of their issue. Prices, values or income from any securities or investments mentioned in this report may fall against the interests of the investor and the investor may get back less than the amount invested. Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. This material does not take into account your particular investment objectives, financial situations or needs and is not intended as a recommendation of particular securities, financial instruments or strategies to you. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

Certain statements in this report, including any financial projections, may constitute "forward-looking statements." These "forward-looking statements" are not guarantees of future performance and are based on numerous current assumptions that are subject to significant uncertainties and contingencies. Actual future performance could differ materially from these "forward-looking statements" and financial information.

## India

**Elara Securities (India) Pvt. Ltd.**  
 Indiabulls Finance Centre, Tower 3,  
 21st Floor, Senapati Bapat Marg,  
 Elphinstone Road (West)  
 Mumbai – 400 013, India  
 Tel : +91 22 6164 8500

## Europe

**Elara Capital Plc.**  
 6th Floor, The Grove,  
 248A Marylebone Road,  
 London, NW1 6JZ  
 United Kingdom  
 Tel : +44 20 7486 9733

## USA

**Elara Securities Inc.**  
 950 Third Avenue, Suite  
 1903, New York, NY 10022,  
 USA  
 Tel: +1 212 430 5870  
 Fax: +1 212 208 2501

## Asia / Pacific

**Elara Capital (Asia) Pte.Ltd.**  
 1 Raffles Place, #42-03  
 One Raffles Place  
 Singapore 048616  
 Tel : +65 6692 0174

Harendra Kumar	Managing Director		harendra.kumar@elaracapital.com	+91 22 6164 8571
<b>Sales</b>				
Hitesh Danak	India		hitesh.danak@elaracapital.com	+91 22 6164 8543
Karan Rathod	India		karan.rathod@elaracapital.com	+91 22 6164 8570
Prashin Lalvani	India		prashin.lalvani@elaracapital.com	+91 22 6164 8544
Shraddha Shrikhande	India		shraddha.shrikhande@elaracapital.com	+91 22 6164 8567
Sudhanshu Rajpal	India		sudhanshu.rajpal@elaracapital.com	+91 22 6164 8508
Gangadhara Kini	US, Australia		gangadhara.kini@elaracapital.com	+91 22 6164 8558
Anita Nazareth	Corporate Access, Conference & Events		anita.nazareth@elaracapital.com	+91 22 6164 8520
Tina D'souza	Corporate Access		tina.dsouza@elaracapital.com	+91 22 6164 8595
<b>Quantitative, Alternatives, Sales Trading &amp; Dealing</b>				
Sunil Jain	Quantitative & Alternates		sunil.jain@elaracapital.com	+91 22 6164 8531
Manan Joshi	India		manan.joshi@elaracapital.com	+91 22 6164 8555
Manoj Murarka	India		manoj.murarka@elaracapital.com	+91 22 6164 8551
Nupur Barve	India		nupur.barve@elaracapital.com	+91 22 6164 8532
Vinay Goel	India		vinay.goel@elaracapital.com	+91 22 6164 8552
Ravi Sundar Muthukrishnan PhD	Director & Head of Research		ravi.muthukrishnan@elaracapital.com	+91 22 6164 8572
<b>Research</b>				
Abhishek Shindadkar	Analyst	IT Services, Internet, Telecom	abhishek.shindadkar@elaracapital.com	+91 22 6164 8502
Akhil Parekh	Analyst	Consumer Discretionary, Mid Cap, Small Cap	akhil.parekh@elaracapital.com	+91 22 6164 8519
Ankita Shah	Analyst	Infrastructure, Ports & Logistics	ankita.shah@elaracapital.com	+91 22 6164 8516
Biju Samuel	Analyst	Quantitative & Alternate Strategy	biju.samuel@elaracapital.com	+91 22 6164 8505
Gagan Dixit	Analyst	Aviation, Oil & Gas	gagan.dixit@elaracapital.com	+91 22 6164 8504
Garima Kapoor	Economist		garima.kapoor@elaracapital.com	+91 22 6164 8527
Harshit Kapadia	Analyst	Capital Goods, Consumer Electronics	harshit.kapadia@elaracapital.com	+91 22 6164 8542
Jay Kale, CFA	Analyst	Auto & Auto Ancillaries	jay.kale@elaracapital.com	+91 22 6164 8507
Karan Taurani	Analyst	Alcoholic Beverages, Media & Entertainment	karan.taurani@elaracapital.com	+91 22 6164 8513
Mahrukh Adajania	Analyst	Banking & Financials	mahrukh.adajania@elaracapital.com	+91 22 6164 8500
Param Desai	Analyst	Healthcare, Pharmaceuticals, Real Estate	param.desai@elaracapital.com	+91 22 6164 8528
Pradeep Kumar Kesavan, CFA	Analyst	Strategy	pradeep.kesavan@elaracapital.com	+91 22 6164 8541
Pratik Tholiya	Analyst	Agrochemicals, Travel & Hospitality, Sugar	pratik.tholiya@elaracapital.com	+91 22 6164 8518
Ravi Sodah	Analyst	Cement, Building Materials, Metals & Mining	ravi.sodah@elaracapital.com	+91 22 6164 8517
Ritika Dua	Analyst	Diversified Financials, Insurance	ritika.dua@elaracapital.com	+91 22 6164 8526
Rupesh Sankhe	Analyst	Utilities, Renewables, Capital Goods	rupesh.sankhe@elaracapital.com	+91 22 6164 8581
Sagarika Mukherjee	Analyst	Dairy, FMCG, Paints	sagarika.mukherjee@elaracapital.com	+91 22 6164 8594
Saurabh Mitra	Sr. Associate	Cement, Building Materials, Metals & Mining	saurabh.mitra@elaracapital.com	+91 22 6164 8546
Ankeet Pandya	Associate	Healthcare, Pharmaceuticals, Real Estate	ankeet.pandya@elaracapital.com	+91 22 6164 8535
Anushka Chhajed	Associate	Strategy	anushka.chhajed@elaracapital.com	+91 22 6164 8536
Jayprakash Nagar	Associate	Economics	jayprakash.Nagar@elaracapital.com	+91 22 6164 8500
Pratik Poddar	Associate	Diversified Financials, Insurance	pratik.poddar@elaracapital.com	+91 22 6164 8506
Rachael Alva	Associate	Aviation, Oil & Gas	rachael.alva@elaracapital.com	+91 22 6164 8525
Riddhi Mehta	Associate	Banking & Financials	riddhi.mehta@elaracapital.com	+91 22 6164 8500
Rohit Harlikar	Associate	Dairy, FMCG, Paints	rohit.harlikar@elaracapital.com	+91 22 6164 8562
Tushar Wavhal	Associate	IT Services, Internet, Telecom	tushar.wavhal@elaracapital.com	+91 22 6164 8500
Vijay Gyanchandani	Associate	Auto & Auto Ancillaries	vijay.gyanchandani@elaracapital.com	+91 22 6164 8511
Viren Deshpande	Associate	Alcoholic Beverages, Media & Entertainment	viren.deshpande@elaracapital.com	+91 22 6164 8565
Vinayak Patil	Database		vinayak.patil@elaracapital.com	+91 22 6164 8510
Priyanka Sheth	Editor		priyanka.sheth@elaracapital.com	+91 22 6164 8568
Gurunath Parab	Production		gurunath.parab@elaracapital.com	+91 22 6164 8515
Jinesh Bhansali	Production		jinesh.bhansali@elaracapital.com	+91 22 6164 8537

Access our reports on Bloomberg: Type **RESP ESEC <GO>**

Also available on **Thomson & Reuters**

### Elara Securities (India) Private Limited

CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: INH000000933  
 Member of BSE Limited and National Stock Exchange of India Limited | SEBI REGN. NO.: INZ 000 238236  
 Member of Central Depository Services (India) Limited | SEBI REGN. NO.: IN-DP-370-2018  
 Website: [www.elaracapital.com](http://www.elaracapital.com) Investor Grievance Email ID: [investor.grievances@elaracapital.com](mailto:investor.grievances@elaracapital.com)