

INDIABULLS HOUSING FINANCE

Investors' day takeaways: On chartered course

India Equity Research | Banking and Financial Services

We hosted an “Investors Day” with top management of Indiabulls Housing Finance (IHFL) to get insight into the company’s business dynamics and strategic plans. The interaction with management reinforced our conviction on the strong credit framework and risk management practices at IHFL. Moreover, the thrust on digitisation and productivity improvement coupled with emerging opportunities indicates that IHFL is making strides towards its FY20 targets (loan CAGR of >25%, cost/income <10%, and credit cost of <50bps). Given rising demand for housing finance and the company’s stringent risk mitigants and strong track record, execution risks are minimal in our view. Maintain ‘BUY’.

Growth momentum broadening out

In light of structural industry levers and improving affordability, IHFL is confident of sustaining >25% growth to reach AUM of INR4tn by FY23. Besides the core home loan segment, the company is seeing equally strong demand in LAP (given PSBs are struggling) and construction finance (on the back of increasing need for RERA-compliant projects), and thus anticipates better growth momentum for these segments as well.

Building blocks in place for sustainable scale-up and market gains

IHFL follows stringent risk management practices (in-house technical and legal teams with internal sourcing >90%, granular portfolio and clearly defined target segments). This along with a diversified borrowing mix (supported by a sharp improvement in credit rating) indicates that the foundation is in place for sustainable growth. IHFL is likely to benefit from the RBI’s relaxation on ECB borrowings. The recent lending rate hikes will help it trace book spreads back to higher end of guided 300–325bps range.

Embarks on digital journey

IHFL has been sharpening the focus on ‘beyond top-20 cities’ (which account for 80 branches now, 11% of disbursements) with spotlight on Smart City home loans & e-home loans. IHFL aims to ramp up share of disbursements to >50% by FY20. IHFL is hopeful of sharp productivity gains, anticipating cost/income to be <10% by FY20E and <8% by FY23E.

Outlook and valuations: Strong franchise; maintain ‘BUY’

IHFL is envisaged to sustain superior return ratios—RoA and RoE of 2.8% and >30%—riding optimal product strategy with stringent risk mitigants, stable franchise and high liquidity. The stock is trading at 2.8x FY20 P/BV. Maintain ‘BUY/SO’.

Financials	(INRMn)			
Year to March	FY17	FY18	FY19E	FY20E
Net revenue	50,025	64,279	77,026	93,821
Net profit	28,424	35,665	42,810	51,937
Diluted EPS (INR)	67.1	84.1	101.0	122.5
Adj. BV (INR)	274.6	297.2	348.4	410.2
Price/ Adj book (x)	4.3	4.0	3.4	2.9
ROE (%)	25.4	28.8	30.5	31.4

EDELWEISS 4D RATINGS	
Absolute Rating	BUY
Rating Relative to Sector	Outperform
Risk Rating Relative to Sector	Medium
Sector Relative to Market	Overweight

MARKET DATA (R: INBF.BO, B: IHFL IN)	
CMP	: INR 1,200
Target Price	: INR 1,600
52-week range (INR)	: 1,440 / 1,040
Share in issue (mn)	: 426.6
M cap (INR bn/USD mn)	: 512 / 7,527
Avg. Daily Vol.BSE/NSE('000)	: 1,825.2

SHARE HOLDING PATTERN (%)			
	Current	Q3FY18	Q2FY18
Promoters *	23.5	23.5	23.6
MF's, FI's & BK's	11.9	11.9	7.2
FII's	54.9	54.9	59.7
Others	9.6	9.6	9.6
* Promoters pledged shares (% of share in issue)	:	NIL	

PRICE PERFORMANCE (%)			
	Stock	Nifty	EW Banks and Financial Services Index
1 month	(2.5)	0.0	0.2
3 months	(3.3)	3.8	6.6
12 months	2.2	12.4	12.1

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Retail mortgage loans – Core Home loans

What is your outlook on growth and expansion plans?

Management is confident that structural growth drivers (especially in the affordable housing space) are in place, viz: 1) fiscal and regulatory support; 2) improved affordability (property at 3.8x annual income has fallen down to 2.7x); and 3) urbanization, which will drive growth. The company aims to continue to gain market share (PSBs are grappling with their own set of HR challenges even on the retail sourcing side) with large competitors being HDFC, ICICI Bank, Axis Bank and SBI.

In terms of the distribution franchise, while focus will continue to move into deeper geography (currently in 350 centers in A- and B-category towns), but it will be through Smart City home loan branches (which management **aims to increase to 100 branches by H1FY19 from 80 in FY18**). A clear focus is on e-home loans (evident from the headway in creating the e-business value chain), which currently forms 27% of home loans (including LAP) and envisage this proportion to go up. The focus on digital has paid off; productivity **shot up from 1.6 loans/per person/month last year to 2.2 loans/person/month this year**.

What is the sort of target customer base?

IHFL is largely targeting the salaried home loan segment while focusing on the mid-income affordable housing segment. The average loan size is INR2.4mn with LTV at origination of 73% (versus a maximum of 80%). **Management is wary of investment-led demand and, thus as a principle, doesn't generally fund the second or third property**.

What is the key risk that you see in building this business?

The key risk associated with this business is the liability strength that the company has built. In this respect, the company is well placed given: 1) the steepest rise in credit rating upgrades (the rating now stands at AAA by CRISIL); and 2) ECB relaxation by the RBI (incremental 15–20% of borrowing will be through this route for IHFL). This along with recent lending rate hikes by the company (both for LAP and HL) will lift NIMs (which management aims to trace back to the higher-end of book spread guidance of 300–325bps).

Retail mortgage loans – Loan against property (LAP)

What is your outlook for this segment and any skepticism around asset quality?

LAP is the flagship business and risk adjusted margins in this product are much better. Management is seeing improving growth traction in this segment given: a) SMEs are stabilizing post-DeMon/GST challenges; and b) banks are now constrained to provide cash credit, which will present a growth opportunity for HFCs.

Regarding asset quality, management said that the focus is on small business segments with a minimum track record of five years of running a profitable business (average experience of seven years in the business) and average loan size of INR7.3mn, not to mention the lower challenges. Currently, INR0.8–2mn ticket size in LAP presents a main challenge since these are essentially consumption loans and not 'productive' loans. Consequently, management intends to continue to focus on relatively high-ticket LAP loans.

What are the key differentiators that make IHFL market leader?

One of the key differentiators for IHFL is the strong and experienced credit teams (across Delhi, Mumbai and Bengaluru) they have built over time. The other benefit comes from its scale. Management illustrated the credit assessment and approval processes, which looked robust, and thus we anticipate that growth in the segment is likely to sustain without any major hiccups along the way.

Corporate mortgage loans – Lease Rental Discount (LRD) and Residential Construction Finance (RCF)**What has been the impact of RERA?**

RERA has had a positive effect on financing demand as: 1) greater transparency and accountability in the wake of RERA implementation implies a greater number of projects qualify for financing under its risk framework; 2) the overall cost of development of RERA-compliant real estate projects is expected to go up; 3) restriction cash flow utilization by developers through a separate account for 70% of the cash flow; and 4) this is in contrast with the earlier norm of FSI approval based on a project completion percentage; under RERA, approval is required for all the floors at one go, which implies capital cost must be incurred upfront.

What is the nature of business underwritten in LRD and construction finance?

In LRD, which is a very low LTV product, the company largely funds dollar per square foot (psf) yield kind of properties. Typically, the rent to EMI is around 2x and the property must be multi-tenanted—therefore the default by any single tenant does not have impact of more than 20%. These tenants are generally blue-chips and AAA-rated companies. There is a non-amendable undertaking from the lessee that the cash will be deposited in the escrow account.

In construction finance, IHFL is a sole project financier and does not share its agreement with any other company, except for one asset wherein HDFC is a co-lender.

In the residential construction finance segment, the company works only with top 50 developers and more so with the ones funded by top HFCs. IHFL is also trying to cross-sell LRD and construction finance. Currently, the company operates only in top six cities with a 16% yield and an average ticket size of INR1.5bn. The book has an NPL of 200bps including Palais Royale (which has been adequately provided for).

Within construction finance, top 20 borrowers make up 12–13% of the total loan book while top five will have an ~25% share in the corporate book (INR50bn out of INR200bn). Inventory funding proposals are rare.

How do you see this market playing out?

Delhi/Noida/NCR is generally a lead indicator for the market. Inputs suggests that in Delhi even higher floors (higher prices) have started selling, which is a positive sign. In Bengaluru, properties with ticket size of >INR20mn, which were stagnant for the past three years, have started showing green shoots. Overall, both affordable and premium should regain momentum.

For LRD: At the industry level, 43mn sqft of area was leased out last year around INR60psf, which translates into a ~INR2.6bn worth of monthly rent and ~INR30bn annually. Among this, the company would have exposure of INR1.5–INR2.0bn, implying a very small market share.

What has helped IHFL in making a move in this segment?

IHFL has been able to consistently maintain a >20% proportion of the corporate book. With inputs from the group's real estate company, IHFL is able to gauge industry trends ahead of peers and is thus able to position itself better. In this regard, management believes LRD/residential construction finance would provide a huge opportunity going forward. The current composition of corporate book is 50% LRD (which includes 20% retail) and 50% residential construction.

Other highlights

- With respect to implementation of IND-AS, management highlighted that standard asset provisions are on the higher side; thus there is scope for providing less under IND-AS. Having said that, management believes that the regulator will be conservative and so will be the company, suggesting a very low possibility of any write-backs.
- Management showed a fair bit of commitment to continue with the 40% of dividend payout on a gross basis.
- In terms of capital-raising, IHFL has historically raised capital at 7x leverage (which is currently the case), but given a strong liability franchise, management aims to raise capital once leverage touches 8x, which is expected in about 18 months. The dilution will be closer to 10%, which will help it raise about USD1bn.

Company Description

IHFL is the third largest housing finance company in India with AUM of INR1.2tn. It was established as a wholly-owned subsidiary of Indiabulls Financial Services (IBFSL), a leading non-banking financial firm providing home loans, commercial vehicle loans and business loans that was established in 2000. In early 2013, keeping with IHFL's long-term commitment to the housing finance business, the company was reversed-merged into its housing finance subsidiary IHFL. IHFL offers a broad suite of lending and other financial products to target client base of middle and upper-middle income individuals and small- and medium-sized enterprises, or SMEs. It has presence across 220+ locations across India and in house sales team of sourcing agents

Investment Theme

IHFL, a prominent mortgage financier (with AUM of INR1.2tn), emerged much stronger after down-sizing riskier assets post FY09. The company is undergoing structural metamorphosis with steady 20% plus asset growth, credit rating upgrades and active sell-downs supporting its best-in-class NIMs. We believe an optimal product strategy with stringent risk mitigants to manage NPLs, stable franchise, high liquidity and low gearing will help sustain superior return ratios (RoA/RoE of 2.8%/30% plus). Moreover, high dividend yield and consistent earnings delivery will lend predictability and result in further re-rating of the stock.

Key Risks

Any slowdown in the real estate sector will adversely hit growth and earnings. It will also impact the default rates and recoverability in the event of default.

Adverse regulatory changes like increase in risk weights, cap on the interest spread under refinance schemes, etc., can impact IHFL's growth and profitability. Changes in the terms and eligibility conditions of the refinance schemes can also impact margins.

Financial Statements (Standalone)

Key Assumptions

Year to March	FY17	FY18	FY19E	FY20E
Macro				
GDP(Y-o-Y %)	7.1	6.5	7.1	7.6
Inflation (Avg)	4.5	3.6	4.5	5.0
Repo rate (exit rate)	6.3	6.0	6.3	6.5
USD/INR (Avg)	67.1	64.5	68.0	69.0
Sector				
Credit growth	9.0	12.0	14.0	17.0
Bank's base rate (%)	9.0	9.0	9.0	9.0
Wholesale borr. cost (%)	8.5	8.5	8.5	8.5
G-sec yield	6.5	6.5	7.0	7.1
Company				
Yield on advances	13.6	12.3	12.6	12.4
Cost of funds	8.6	7.5	8.2	8.3
Spread	4.9	4.8	4.3	4.1
Employee cost growth	23.1	16.1	16.5	11.9
Other opex growth	(48.4)	94.5	13.2	13.4
Dividend payout	53.7	50.0	44.0	44.0
Disbursement growth	34.6	35.7	25.5	24.2
Repayment rate	19.2	18.1	17.6	16.0
Gross NPLs	0.9	0.8	0.8	0.9
Net NPLs	0.4	0.3	0.3	0.4
Provision coverage	57.8	55.7	60.0	60.0

Income statement

(INR mn)

Year to March	FY17	FY18	FY19E	FY20E
Interest income	97,309	118,483	160,629	207,189
Interest expended	63,148	73,548	105,058	137,728
Net interest income	34,161	44,935	55,571	69,461
Fee & other income	4,804	2,093	5,545	6,357
Other income	11,059.63	17,250.82	15,910.61	18,002.8
Net revenues	50,025	64,279	77,026	93,821
Operating expense	5,613	7,227	8,264	9,263
- Employee exp	4,537	5,266	6,132	6,860
- Depn /amortisation	207	270	216	231
- Other opex	869	1,691	1,915	2,172
Preprovision profit	44,412	57,052	68,763	84,558
Provisions	7,604	11,152	10,517	12,424
Profit Before Tax	36,808	45,900	58,246	72,134
Less: Provision for Tax	8,384	10,236	15,435	20,198
Net profit	28,424	35,665	42,810	51,937
Reported Profit	28,424	35,665	42,810	51,937
Shares o /s (mn)	424	424	424	424
Basic EPS (INR)	67.1	84.1	101.0	122.5
Diluted shares o/s (mn)	424	424	424	424
Adj. Diluted EPS (INR)	67.1	84.1	101.0	122.5
Dividend per share (DPS)	36.0	42.1	44.4	53.9
Dividend Payout Ratio(%)	53.7	50.0	44.0	44.0

Growth ratios (%)

Year to March	FY17	FY18	FY19E	FY20E
Operating income growth	25.7	31.5	23.7	25.0
Revenues	25.1	28.5	19.8	21.8
Opex growth	0.9	28.7	14.3	12.1
PPP growth	29.0	28.5	20.5	23.0
Provisions growth	95.0	46.7	(5.7)	18.1
Adjusted Profit	23.9	25.5	20.0	21.3

Operating ratios

Year to March	FY17	FY18	FY19E	FY20E
Yield on advances	13.6	12.3	12.6	12.4
Cost of funds	8.6	7.5	8.2	8.3
Net interest margins	4.1	4.1	3.9	3.8
Spread	4.9	4.8	4.3	4.1
Cost-income	11.2	11.2	10.7	9.9
Tax rate	22.8	22.3	26.5	28.0

Balance sheet		(INR mn)			
As on 31st March	FY17	FY18	FY19E	FY20E	
Share capital	848	848	848	848	
Reserves & Surplus	117,845	128,061	150,642	178,272	
Shareholders' funds	118,693	128,909	151,490	179,120	
Long term borrowings	500,757	647,285	848,063	1,106,121	
Short term borrowings	352,243	455,315	596,546	778,070	
Total Borrowings	853,000	1,102,600	1,444,608	1,884,192	
Long Term Liabilities	2,477	3,475	4,294	5,256	
Def. Tax Liability (net)	1,184	1,230	4,142	7,749	
Sources of funds	975,353	1,236,214	1,604,534	2,076,316	
Gross Block	1,787	2,087	2,237	2,387	
Net Block	813	941	877	798	
Intangible Assets	25	29	27	24	
Total Fixed Assets	838	970	904	823	
Non current investments	28,530	31,203	34,258	38,069	
Cash and Equivalents	54,441	43,480	62,717	92,243	
Loans & Advances	824,506	1,102,000	1,451,520	1,893,182	
Current assets (ex cash)	114,162	124,871	137,096	152,347	
Trade payable	69	286	377	492	
Other Current Liab	47,055	66,024	81,583	99,856	
Total Current Liab	47,124	66,310	81,960	100,348	
Net Curr Assets-ex cash	67,038	58,560	55,136	51,998	
Uses of funds	975,353	1,236,214	1,604,534	2,076,316	
Earning assets	972,038	1,231,769	1,599,336	2,070,237	
Disbursements	354,816	481,368	604,026	750,156	
BVPS (INR)	280.0	304.1	357.4	422.6	
AUM	909,582	1,226,000	1,614,849	2,106,208	
Total borrowing	940,012	1,226,583	1,605,830	2,089,259	
AUM growth	32.4	34.8	31.7	30.4	
EA growth	36.3	26.7	29.8	29.4	
Gross NPAs	7,770.0	9,480.0	13,657.4	18,708.0	
Net NPAs	3,280.0	4,200.0	5,463.0	7,483.2	
Provision coverage	57.8	55.7	60.0	60.0	
Gross NPA ratio	0.9	0.8	0.8	0.9	
Net NPA ratio	0.4	0.3	0.3	0.4	

RoE decomposition (%)					
Year to March	FY17	FY18	FY19E	FY20E	
Net int. income/assets	4.1	4.1	3.9	3.8	
Other income/Assets	1.9	1.8	1.5	1.3	
Net revenues/assets	5.9	5.8	5.4	5.1	
Operating expense/assets	0.7	0.7	0.6	0.5	
Provisions/assets	0.9	1.0	0.7	0.7	
Taxes/assets	1.0	0.9	1.1	1.1	
Total costs/assets	2.6	2.6	2.4	2.3	
ROA	3.4	3.2	3.0	2.8	
Equity/assets	13.3	11.2	9.9	9.0	
ROAE (%)	25.4	28.8	30.5	31.4	

Valuation parameters					
Year to March	FY17	FY18	FY19E	FY20E	
Adj. Diluted EPS (INR)	67.1	84.1	101.0	122.5	
Y-o-Y growth (%)	23.2	25.5	20.0	21.3	
BV per share (INR)	280.0	304.1	357.4	422.6	
Adj. BV per share (INR)	274.6	297.2	348.4	410.2	
Diluted P/E (x)	17.9	14.3	11.9	9.8	
P/B (x)	4.3	3.9	3.4	2.8	
Price/ Adj. BV (x)	4.4	4.0	3.4	2.9	
Dividend Yield (%)	3.0	3.5	3.7	4.5	

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		P/B (X)		ROAE (%)	
		FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Indiabulls Housing Finance	7,527	11.9	9.8	3.4	2.8	30.5	31.4
Dewan Housing Finance	2,868	13.5	11.7	2.0	1.8	16.0	16.7
HDFC	-	31.4	27.1	4.6	4.3	15.3	16.5
LIC Housing Finance	3,715	11.7	9.9	1.7	1.5	17.8	18.1
Mahindra & Mahindra Financial Services	4,323	22.6	19.1	2.9	2.6	13.4	14.5
Manappuram General Finance	1,280	10.9	9.4	2.1	1.9	20.7	21.4
Muthoot Finance	2,295	8.8	7.8	1.7	1.5	21.1	20.4
Power Finance Corp	3,133	3.3	3.1	0.5	0.4	15.0	14.6
Repco Home Finance	519	14.0	12.0	2.3	1.9	17.4	17.4
Rural Electrification Corporation	-	4.6	3.7	0.6	0.5	13.2	14.9
Shriram City Union Finance	2,223	13.5	11.4	2.3	2.0	18.8	19.0
Shriram Transport Finance	4,896	12.4	10.1	2.2	1.9	19.5	20.2
Median	-	12.2	10.0	2.2	1.9	17.6	17.8
AVERAGE	-	13.2	11.3	2.2	1.9	18.2	18.8

Source: Edelweiss research

Additional Data

Directors Data

Sameer Gehlaut	Founder & Executive Chairman	Gagan Banga	Vice-Chairman & MD
Ashwini Kumar Hooda	Deputy Managing Director	Ajit Kumar Mittal	Executive Director
Sachin Chaudhary	Chief Operating Officer & Whole-time Director	Bisheshwar Prasad Singh	Director
Labh Singh Sitara	Director	Samsher Singh Ahlawat	Director
Prem Prakash Mirdha	Director	Kamalesh Shailesh Chandra Chakrabarty	Director
Manjari Ashok Kacker	Director	Gyan Sudha Misra	Director

Auditors - S.R. Batliboi & Co. LLP

**as per last annual report*

Holding - Top 10

	Perc. Holding		Perc. Holding
Life Insurance Corp Of India	9.93	Euro Pacific Growth	3.85
Blackrock Inc	2.99	Vanguard Group	2.84
Merrill Lynch Capital Markets ES	2.62	Tupelo Consultancy LLP	2.14
Nomura	1.83	Dimensional Fund Advisors LP	1.54
Principal Financial	1.47	Cinnamon Capital	1.41

**as per last available data*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
03 Apr 2018	Merrill Lynch Markets Singapore Pte. Ltd.	Sell	7597785	1292.50
03 Apr 2018	Treetop Convertible Sicav - Treetop Convertible International	Buy	7597785	1292.50
09 Nov 2017	Europacific Growth Fund	Sell	3100000	1190.17
09 Nov 2017	Bnp Paribas Arbitrage	Buy	2742373	1190.00

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
04 Jun 2018	Ajit Kumar Mittal	Sell	23669.00
11 Apr 2018	Naveen Uppal	Sell	20000.00
12 Feb 2018	Naveen Uppal	Sell	17508.00
12 Feb 2018	Mukesh Kumar Garg	Sell	50000.00
08 Feb 2018	Manvinder Singh Walia	Sell	19500.00

**in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Allahabad Bank	HOLD	SU	M	Axis Bank	HOLD	SU	M
Bajaj Finserv	BUY	SP	L	Bank of Baroda	BUY	SP	M
Bharat Financial Inclusion	BUY	SP	M	Capital First	BUY	SO	M
DCB Bank	HOLD	SP	M	Dewan Housing Finance	BUY	SO	M
Equitas Holdings Ltd.	BUY	SO	M	Federal Bank	BUY	SP	L
HDFC	HOLD	SP	L	HDFC Bank	BUY	SO	L
ICICI Bank	BUY	SO	L	IDFC Bank	BUY	SP	L
Indiabulls Housing Finance	BUY	SO	M	IndusInd Bank	BUY	SP	L
Karnataka Bank	BUY	SP	M	Kotak Mahindra Bank	BUY	SO	M
L&T FINANCE HOLDINGS LTD	BUY	SO	M	LIC Housing Finance	BUY	SP	M
Magma Fincorp	BUY	SP	M	Mahindra & Mahindra Financial Services	HOLD	SP	M
Manappuram General Finance	BUY	SO	H	Max Financial Services	BUY	SO	L
Multi Commodity Exchange of India	HOLD	SU	M	Muthoot Finance	BUY	SO	M
Oriental Bank Of Commerce	HOLD	SP	L	Power Finance Corp	BUY	SO	M
Punjab National Bank	REDUCE	SU	M	Reliance Capital	BUY	SP	M
Repco Home Finance	BUY	SO	M	Rural Electrification Corporation	BUY	SO	M
Shriram City Union Finance	BUY	SO	M	Shriram Transport Finance	BUY	SO	M
South Indian Bank	BUY	SO	M	State Bank of India	BUY	SP	L
Union Bank Of India	HOLD	SP	M	Yes Bank	BUY	SO	M

ABSOLUTE RATING

Ratings

Expected absolute returns over 12 months

Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings

Criteria

Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings

Criteria

Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings

Criteria

Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

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Coverage group(s) of stocks by primary analyst(s): Banking and Financial Services

Allahabad Bank, Axis Bank, Bharat Financial Inclusion, Bajaj Finserv, Bank of Baroda, Capital First, DCB Bank, Dewan Housing Finance, Equitas Holdings Ltd., Federal Bank, HDFC, HDFC Bank, ICICI Bank, IDFC Bank, Indiabulls Housing Finance, IndusInd Bank, Karnataka Bank, Kotak Mahindra Bank, LIC Housing Finance, L&T FINANCE HOLDINGS LTD, Max Financial Services, Multi Commodity Exchange of India, Manappuram General Finance, Magma Fincorp, Mahindra & Mahindra Financial Services, Muthoot Finance, Oriental Bank Of Commerce, Punjab National Bank, Power Finance Corp, Reliance Capital, Rural Electrification Corporation, Repco Home Finance, State Bank of India, Shriram City Union Finance, Shriram Transport Finance, South Indian Bank, Union Bank Of India, Yes Bank

Recent Research

Date	Company	Title	Price (INR)	Recos
18-Jun-18	Federal Bank	Growth on track; asset quality holds key; <i>Visit Note</i>	84	Buy
13-Jun-18	Aditya Birla Capital	Exclusively inclusive; <i>Initiating Coverage</i>	139	Buy
13-Jun-18	Insurance	Insurance premiums: Momentum softening, for now; <i>Sector Update</i>		

Distribution of Ratings / Market Cap

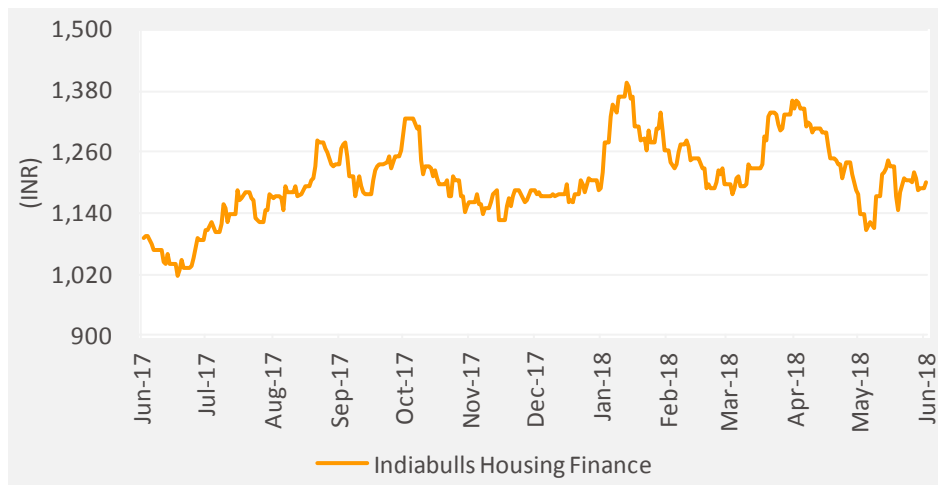
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart



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