

PRE-IPO NOTE

Basic Parameters

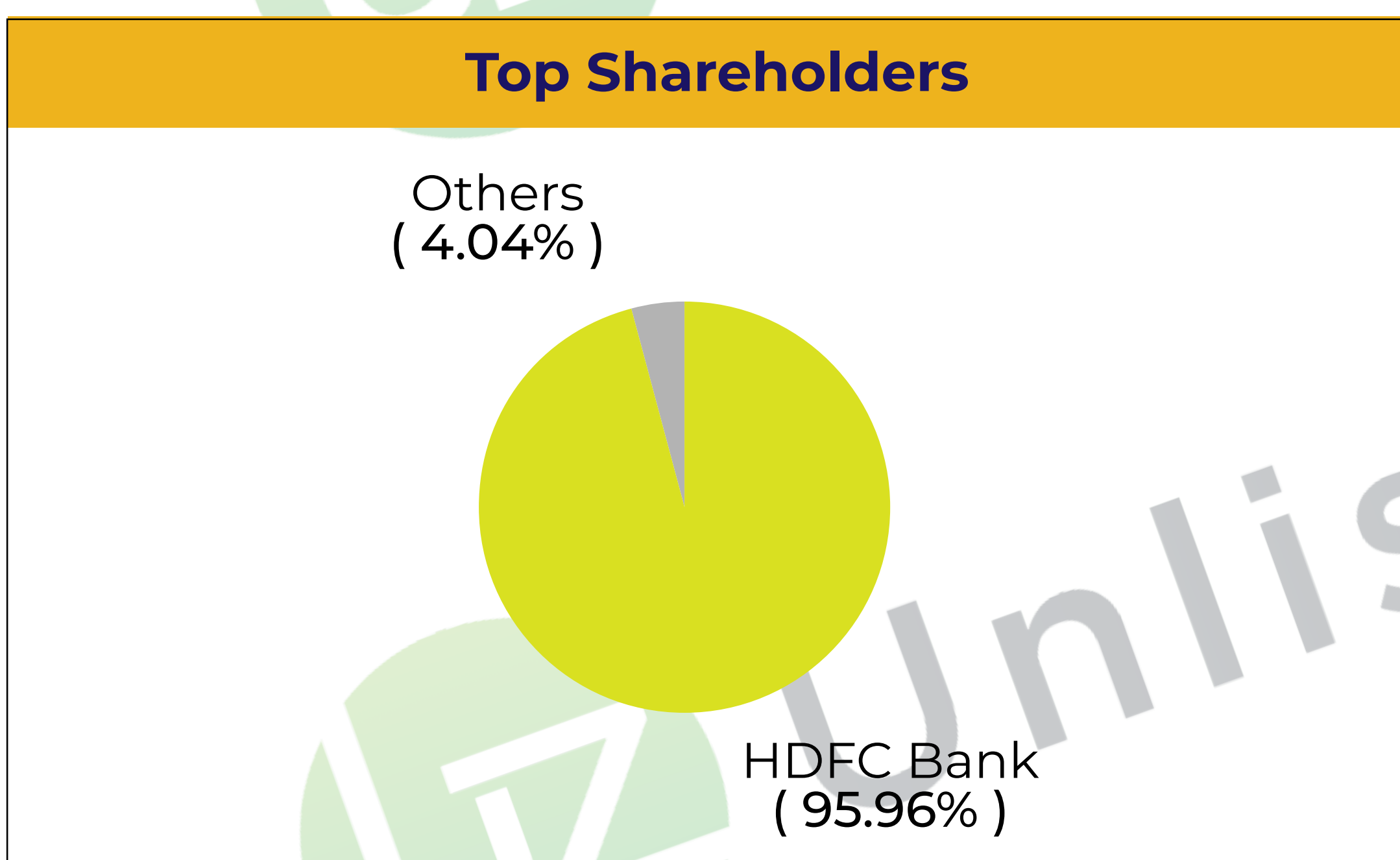
M Cap.	49000 Cr.
CMP	₹ 630
52 W H/L	900 / 580
Face Value	₹ 10
No. of Shares	79 Cr.

Financials

Particulars	2021	2022	Q1Fy22	Q2Fy23
NII	4605	5037	1326	1329
Other Income	2465	2948	858	872
Total Income	7070	7985	2184	2201
Provisioning	3068	2400	398	350
PAT	391	1000	447	471
GNPA	4.71%	5.24%	4.95%	4.88%

(Fig. Cr)

Top Shareholders



About HDB Financials

- HDB Financials Limited is a subsidiary of HDFC Bank with a shareholding of ~95.96% as on March 31, 2022.
- It is a lender that provides a variety of retail loans, including loan against property (LAP), commercial vehicle (CV) and construction equipment (CE) financing, gold loan, consumptions loans, personal loans, etc.
- As of March 31, 2022, the HDB Financials operates through a network of 1,374 branches spread in 989 cities across India.
- As on 30.06.2022, they have loan book of ~63000 Crores.

Effect of Corona

The disbursement of loan was slow in the last 2 years due to covid. In the Fy22, they have done disbursement of ~29000 Crores. However, in Q1Fy23, they have done disbursement of ~9000 Crores. After a loss in Fy21, and poor performance in Fy22, in Q1Fy23, the company performance has improved and they clock profit of ~440 Crores.

NPA of HDB Financials

The last two years have been impacted by Covid, resulting in extremely high levels of NPAs. The NPAs climbed from 4.50% in FY21 to 7.75% in Q1FY21 (second wave of corona). However, as a result of the improved collection efficiency in Fy22 as economy is opening up, the GNPA's are lowered to 4.99%.

Experience Management

G Ramesh (MD and CEO) oversees the company's operations. He has around 27 years of experience in business development, banking, consumer finance, and operations.

Valuation of HDB Financials

As on 31.03.2022, the book value of HDB Financials stands at 120 per share. The CMP of HDB in the unlisted market is Rs.630 per share. So, P/B is 5.25x. This looks reasonable as compared to Bajaj Finance which is trading at P/B of 10x.

