



GHAR BANEGA, TOH DESH BANEGA.

SHINING STAR SERIES

Investment Thesis

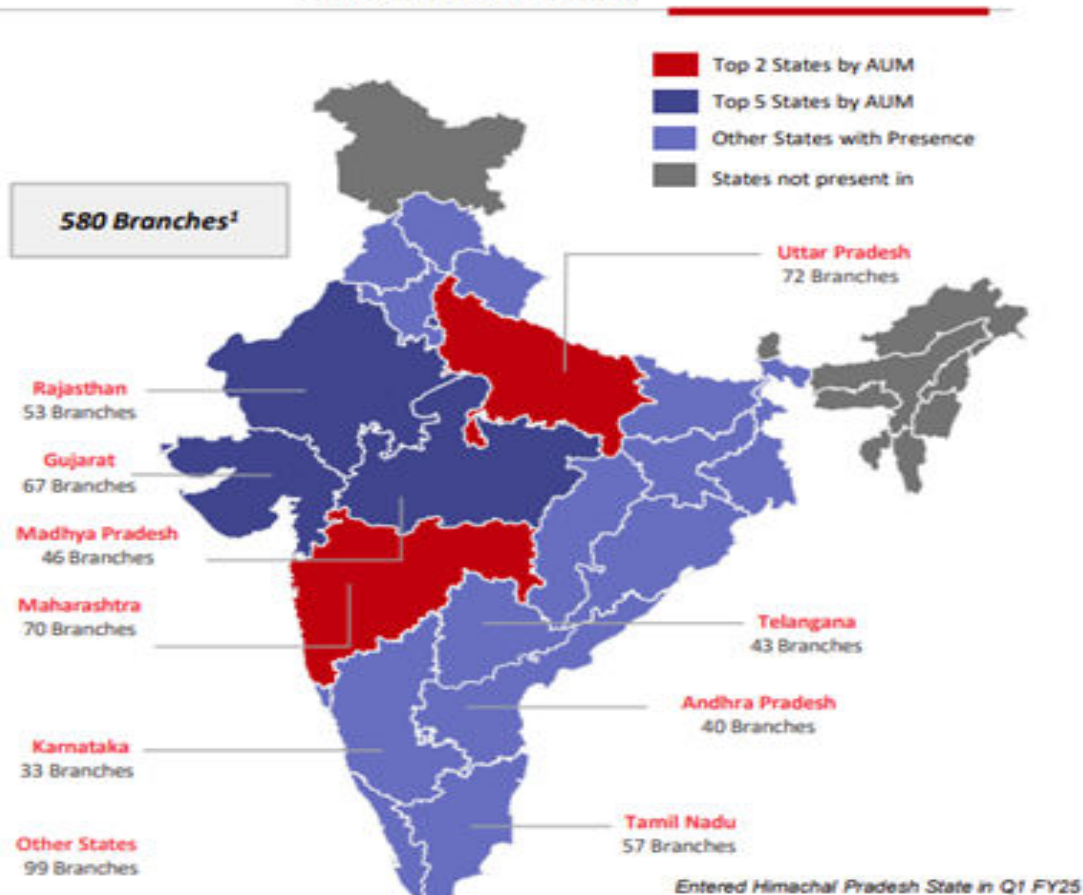
- ⇒ Delivering consistent AUM growth with focused retail strategy
- ⇒ Diversified distribution approach
- ⇒ Relatively lower COF and change in borrowing mix to aid margins
- ⇒ Risk-based underwriting and In-house collections

Company Background

Aadhar Housing Finance Ltd. (Aadhar), incorporated in 2010, is a focused player in providing housing finance solutions to the low-income segment in India. The company primarily caters to customers with an average loan ticket size of Rs. 10 lakhs and reported Assets Under Management (AUM) of Rs. 25,530 crores as of FY25. Aadhar's product portfolio includes mortgage-related loans such as home purchase and construction loans, home improvement and extension loans, and loans for commercial property construction and acquisition, with a primary focus on mortgage needs up to Rs. 15 lakhs. Aadhar was initially established as a private limited company and commenced operations in February 2011. In 2017, DHFL Vysya Housing Finance and the pre-merger Aadhar Housing Finance Private Ltd. (AHFPL) merged to form the current entity, which was subsequently listed in May 2024. Originally formed in November 1990 as 'Vysya Bank Housing Finance Limited' in Bengaluru, the company was later renamed DHFL Vysya Housing Finance in October 2003. Since its inception, Aadhar has focused on broadening its geographic footprint rather than deepening market share in specific regions. Within just five years of operations, the company expanded to 10 states with 100 branches. This strategic expansion has enabled Aadhar to establish a Pan-India presence, currently covering 21 states and union territories with 580 branches as of FY25.

Exhibit 1 - Diversified distribution across 21 States in India

Distribution Network



Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

Stock

CMP (Rs.)	444
Target Price (Rs.)	542 (23%Upside)
BSE code	544176
NSE Symbol	AADHARFC
Bloomberg	AADHARHF IN
Reuters	AADA.BO

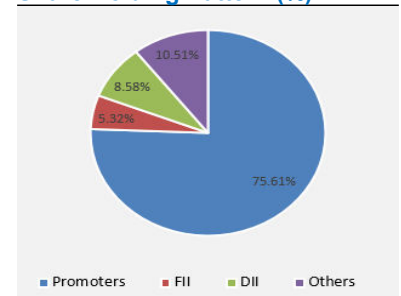
Key Data

Nifty	25,244
52 Week H/L (Rs.)	517/340
O/s Shares (Mn)	4,321
Market Cap (Rs. Bn)	191
Face Value (Rs.)	2

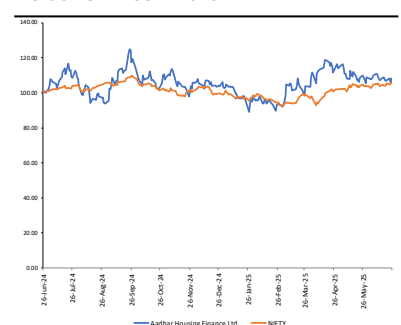
Average volume

3 months	44,30,954
6 months	80,07,640
1 year	2,25,52,160

Share Holding Pattern (%)



Relative Price Chart



Research Analyst

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Investment Rationale

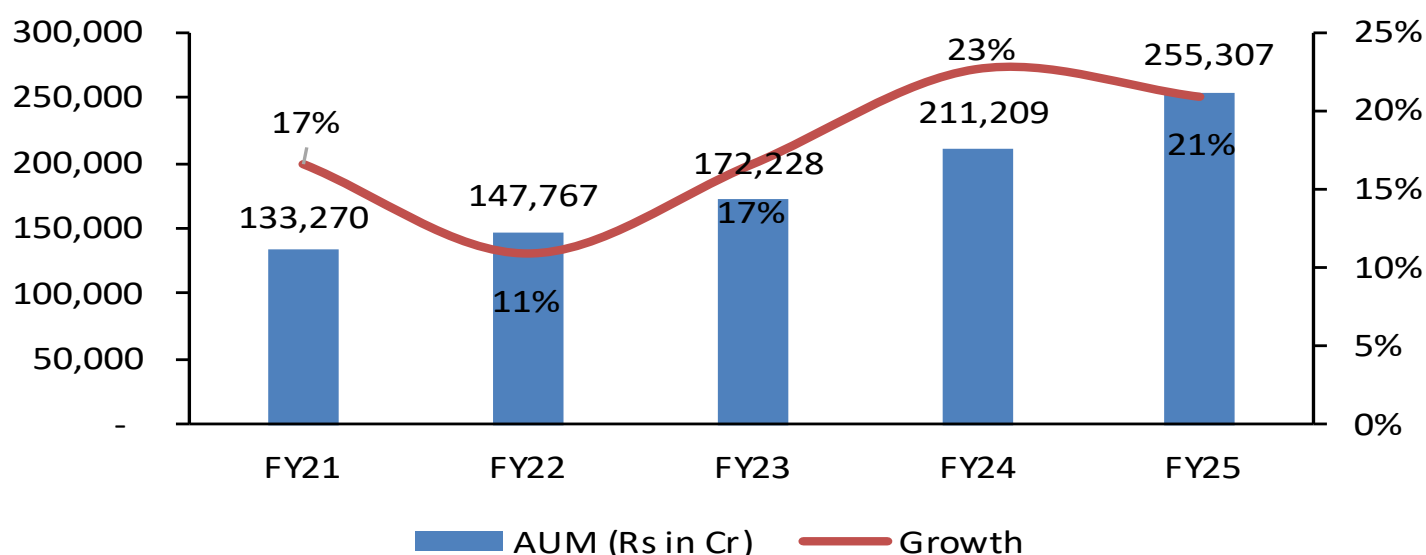
1. Delivering consistent AUM growth with focused retail strategy

Aadhar Housing has consistently demonstrated strong growth in its gross AUM, rising from Rs. 13,337 crores in FY21 to Rs. 25,530 crores in FY25, delivering a robust CAGR of 17.6% over the period. The entire AUM portfolio remains fully secured, with retail home loans contributing 75% of the total portfolio and the balance 25% coming from Loan Against Property (LAP), largely in the micro-LAP segment, which carries an average ticket size of Rs. 8 lakhs. Since its inception in May 2010, Aadhar Housing has firmly positioned itself as a retail-focused leader within the affordable housing finance space, consistently outpacing broader industry growth. While the overall affordable housing finance sector has grown at a single-digit pace, Aadhar has expanded its portfolio at a CAGR exceeding 17% over the past four years, capturing approximately 2% market share in the low-income housing segment, particularly for ticket sizes below Rs. 25 lakhs. Post its acquisition by Blackstone Group, the company has achieved significant improvements in governance, operational processes, and profitability. Across most of its key operating geographies, Aadhar ranks as either the largest or second-largest affordable housing finance provider, catering to a diverse customer base that includes both salaried and self-employed individuals across formal and informal income categories.

Currently, urban markets account for 55% of the company's AUM, while emerging markets contribute the remaining 45%. The company is now targeting a portfolio shift, aiming to increase the share from emerging markets to 55% over the next two years, reinforcing its strategy to deepen penetration in underserved regions. Aadhar's portfolio is skewed towards the salaried segment, which constitutes 57% of AUM, with over 35% of these customers being government employees, a customer group typically associated with higher repayment stability.

For FY26, the management has guided for AUM growth exceeding 20%. Backed by a solid execution track record and accelerated growth in emerging markets, Aadhar Housing is well-positioned to sustain its growth momentum going forward.

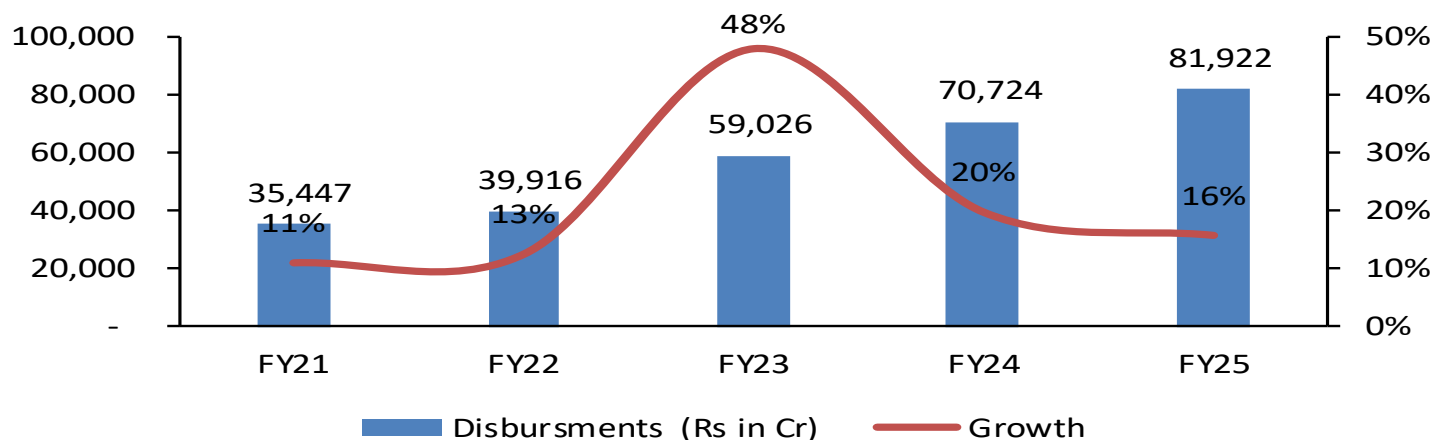
Exhibit 2 – Strong 17.6% CAGR in AUM in last five years



Source: Company Reports, BP Equities Research

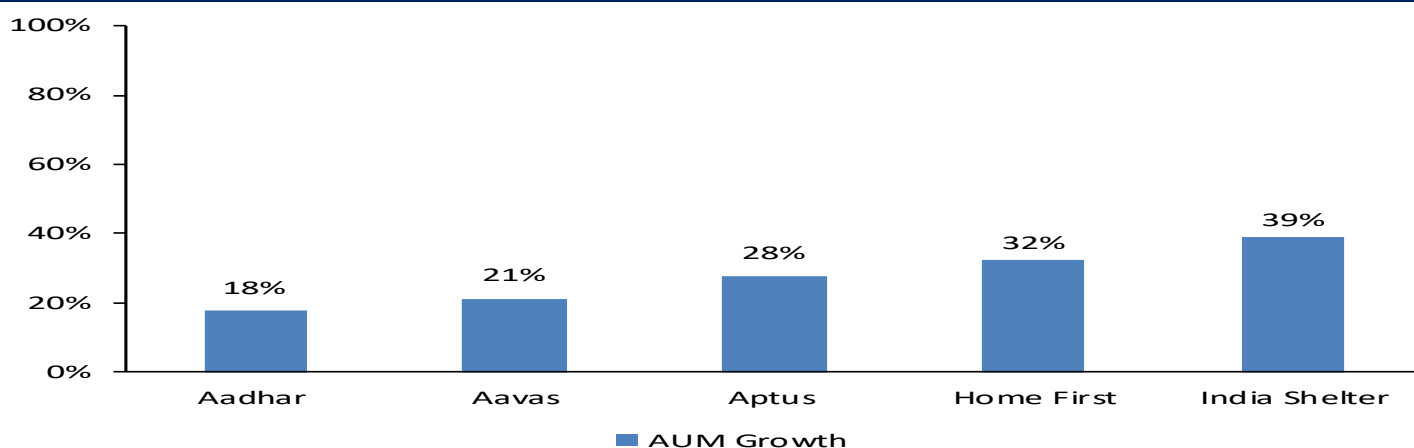
Aadhar Housing Finance Ltd.

Exhibit 3 – Disbursement remained strong in last five years



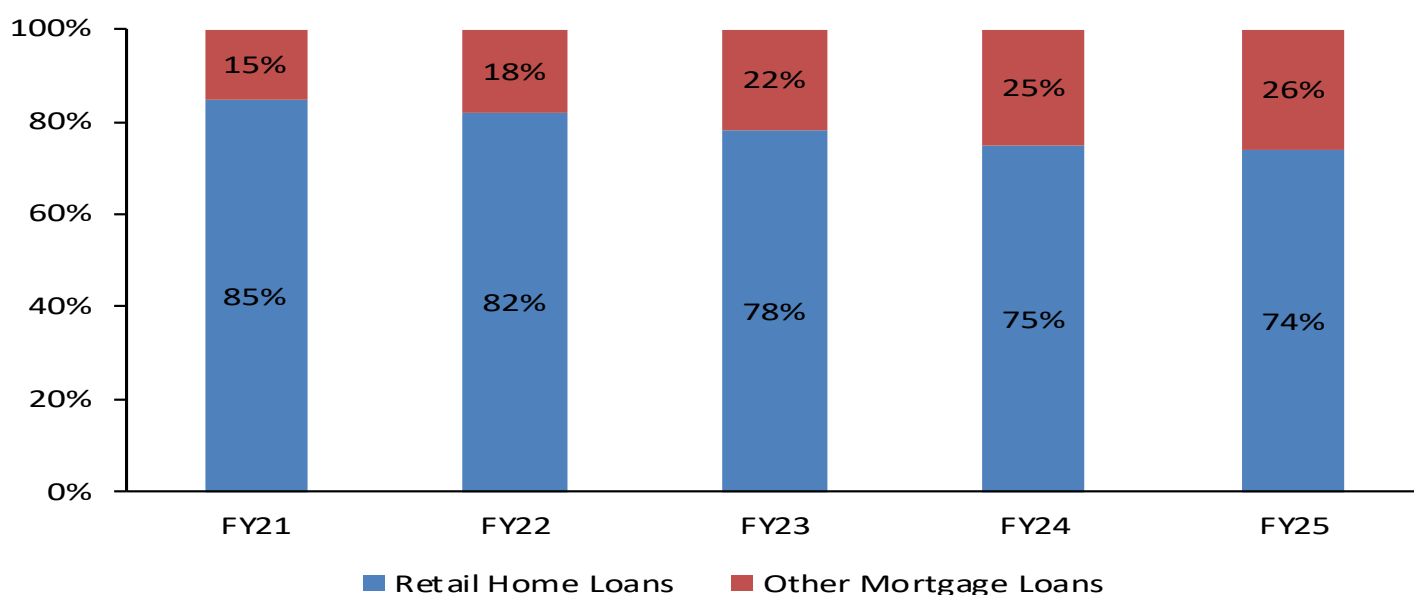
Source: Company Reports, BP Equities Research

Exhibit 4 – AUM Growth - Growing consistently at >17% CAGR in last five years



Source: Company Reports, BP Equities Research

Exhibit 5 – RHL Proportion Gradually Reducing as other mortgages provide better yields



Source: Company Reports, BP Equities Research

Aadhar Housing Finance Ltd.

Exhibit 6 – AUM yield on HL & against LAP

AUM Yield (%)	FY20	FY21	FY22	FY23	FY24	FY25
Home Loan	12.9	12.7	12.4	12.6	12.9	13.4
Other Property Loan	15.5	15.4	15.5	16.4	16.8	16.8
Total	13.1	13.3	13.1	13.0	13.4	13.9

Source: Company Reports, BP Equities Research

2. Diversified distribution approach

Unlike many affordable housing finance (AHF) players that initially focus on dominating their core states, Aadhar Housing Finance has adopted a differentiated strategy of building a wide, deep, and diversified distribution network from the outset. The company now boasts a Pan-India presence, with an extensive network spanning 21 states and union territories, supported by 580 branches, including 140 sales offices (excluding regional and corporate offices). Between FY22 and FY25, Aadhar Housing added 236 branches, achieving district-level penetration exceeding 90% in nine states, thereby reinforcing its deep market presence. The management remains focused on further expanding this footprint, targeting the addition of 50-55 new branches annually, with a sharp focus on increasing penetration in smaller towns and high-potential districts where demand for affordable housing remains under-served.

To sharpen its approach, Aadhar has reorganized its branch network into four segments: Urban, Emerging A, Emerging B, and Emerging C.

This allows the company to customize its strategy for each region and tailor underwriting policies to balance growth, maintain healthy margins, and protect asset quality. As of FY25, emerging markets contribute 45% of the company's AUM. The management is aiming to increase this to 55% over the next three years, with a clear focus on deepening its presence in lower-tier cities and tapping into growth opportunities in emerging regions.

Exhibit 7 – Aadhar housing most diversified amongst its peers (FY25)

State-wise AUM (%)	Aadhar	Aptus	Home First	Aavas
Maharashtra	14.00%	0.50%	13.90%	20.00%
Uttar Pradesh	13.00%	0.00%	6.50%	5.00%
Rajasthan	13.10%	0.00%	6.20%	33.00%
Gujarat	11.00%	0.00%	28.90%	12.00%
Madhya Pradesh	9.40%	0.00%	8.20%	12.00%
Tamil Nadu	8.60%	33.00%	13.00%	0.00%
Telangana	6.90%	16.00%	8.50%	0.00%
Andhra Pradesh	4.50%	42.00%	5.50%	0.00%
Karnataka	3.60%	8.00%	6.30%	0.00%
Others	16.10%	0.50%	3.00%	18.00%
Total	100%	100%	100%	100%

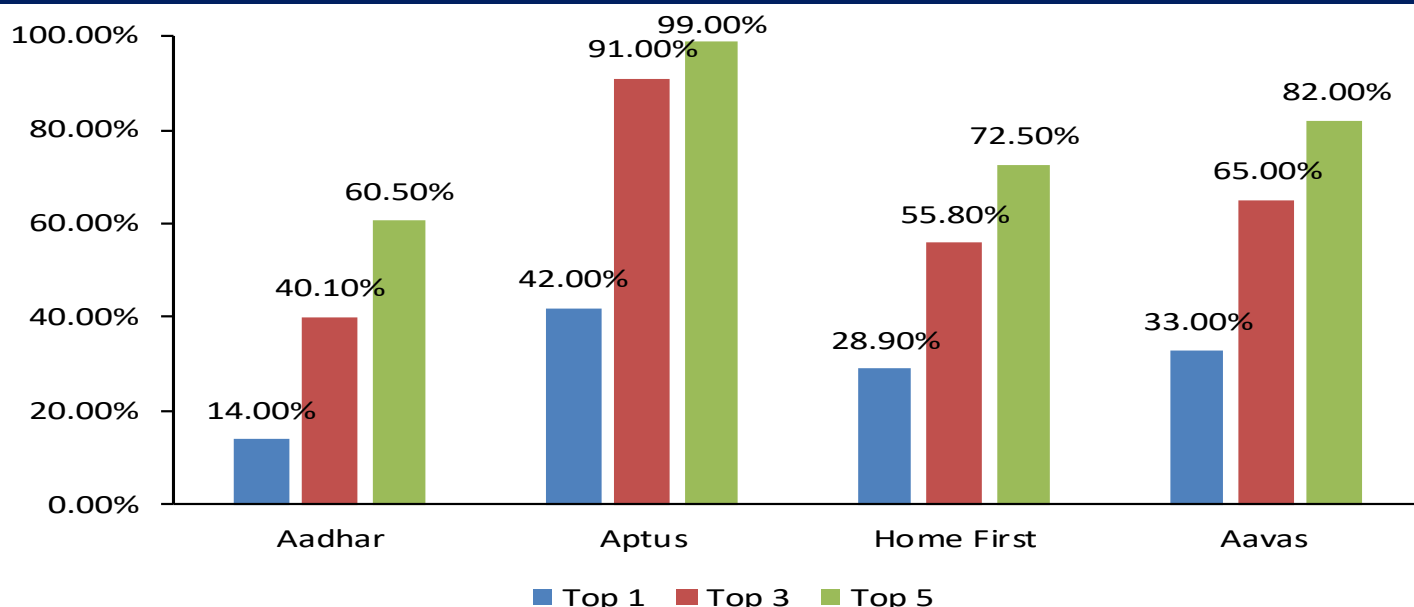
Source: Company Reports, BP Equities Research

Aadhar Housing Finance demonstrates strong geographical diversification, with its largest contributing state accounting for just 14% of its AUM. This is in stark contrast to higher concentration levels seen in peers such as Aptus (42%), Home First (29%), and Aavas (33%).

Additionally, Aadhar's top five states collectively contribute 56.1% of its AUM, which is significantly lower compared to Aptus (91%), Home First (72%), and Aavas (82%). This highlights Aadhar's comparatively lower geographical concentration risk and a more balanced portfolio distribution across regions, providing greater resilience and sustainability in its growth strategy.

Aadhar Housing Finance Ltd.

Exhibit 8 – Top State constitutes only 14% for Aadhar vs. >25% for Peers; Top 5 states constitute 60% of AUM



Source: Company Reports, BP Equities Research

The chart (Exhibit 8) highlights that Aadhar has a well-diversified portfolio, with its top state contributing only 14% of AUM compared to over 25% concentration for peers. **Additionally, Aadhar's top five states together constitute around 60% of AUM, indicating lower geographical concentration risk relative to competitors.**

Exhibit 9 – Aadhar Housing – RJ fastest-growing state, Followed by TL, AP, TN and GJ

AUM Distribution by States	FY21	FY22	FY23	FY24	FY25	CAGR
Maharashtra	15%	15%	14%	14%	14%	-1.71%
Uttar Pradesh	16%	15%	14%	13%	13%	-5.06%
Rajasthan	10%	11%	13%	13%	13%	6.98%
Gujarat	11%	11%	11%	11%	11%	0.00%
Madhya Pradesh	11%	11%	10%	9%	9%	-3.85%
Tamil Nadu	7%	8%	8%	8%	9%	5.28%
Telangana	6%	6%	7%	7%	7%	3.56%
Andhra Pradesh	4%	4%	4%	4%	5%	2.99%
Karnataka	5%	4%	4%	4%	4%	-7.88%
Others	15%	15%	16%	16%	16%	1.78%
Total	100%	100%	100%	100%	100%	2.09%

Source: Company Reports, BP Equities Research

Market positioning: dominance in UP/MP/RJ; scaling up in TL/AP/TN: Aadhar has expanded market share in affordable housing finance. Leveraging on first-mover advantage in under-penetrated Uttar Pradesh and Madhya Pradesh, it continued to have a dominant presence in these states.

3. Relatively lower COF and change in borrowing mix to aid margins

Aadhar Housing Finance has consistently enhanced its Net Interest Margin (NIM) profile, driven by a strategic portfolio shift toward higher-yielding segments such as Loan Against Property (LAP) and self-employed borrowers, along with deeper penetration into underserved markets. Portfolio yields have improved to 13.9% in FY25, up from 13.0% in FY20, supported by a 300–350 bps yield differential between home loans and LAP. The company's focus on maintaining a balanced business mix and prudent liability management has underpinned its ability to deliver sustained margins. Aadhar benefits from a well-diversified borrowing base and active relationships with 43 lenders. Its strong credit ratings (AA/Stable) from ICRA, India Ratings, and Brickwork have further reinforced lender confidence, enabling the company to access funds at competitive rates ranging between 7.2% and 8.1%.

On the liability side, Aadhar has built a well-structured and diversified borrowing profile:

Bank borrowings: 53% of total borrowings

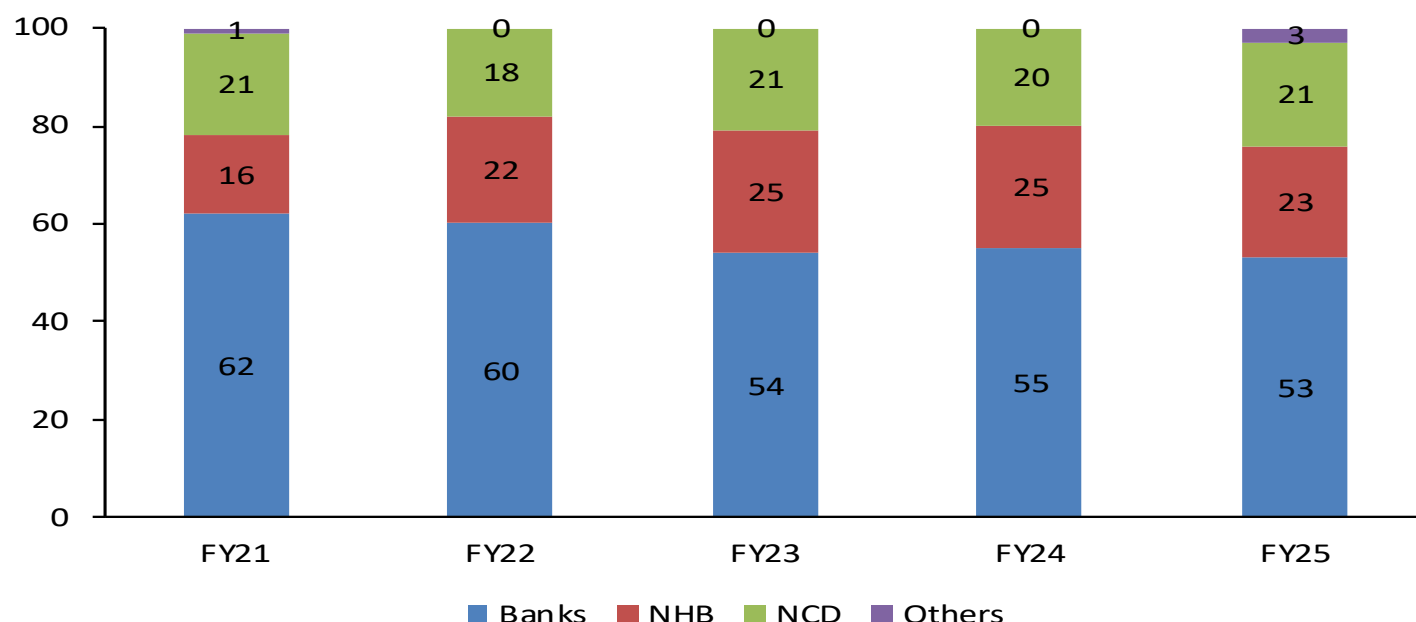
NCDs: 23%

NHB refinance: 21%

Notably, Aadhar has strategically reduced reliance on bank borrowings (from 62% in FY21 to 53% in FY25) and increased the share of NHB refinance (from 16% to 23%) to optimize its funding costs. Nearly 50% of NHB funding is linked to a fixed spread over floating rate loans, allowing efficient cost control. In terms of asset-liability management (ALM), 79% of AUM and 77% of borrowings are floating-rate linked. This high degree of alignment offers flexibility in managing rate transmission, supporting margin stability even in a dynamic interest rate environment.

Stable Borrowing Mix

Exhibit 10 – Borrowings mix for Aadhar Housing Finance, March 2025 in last five years

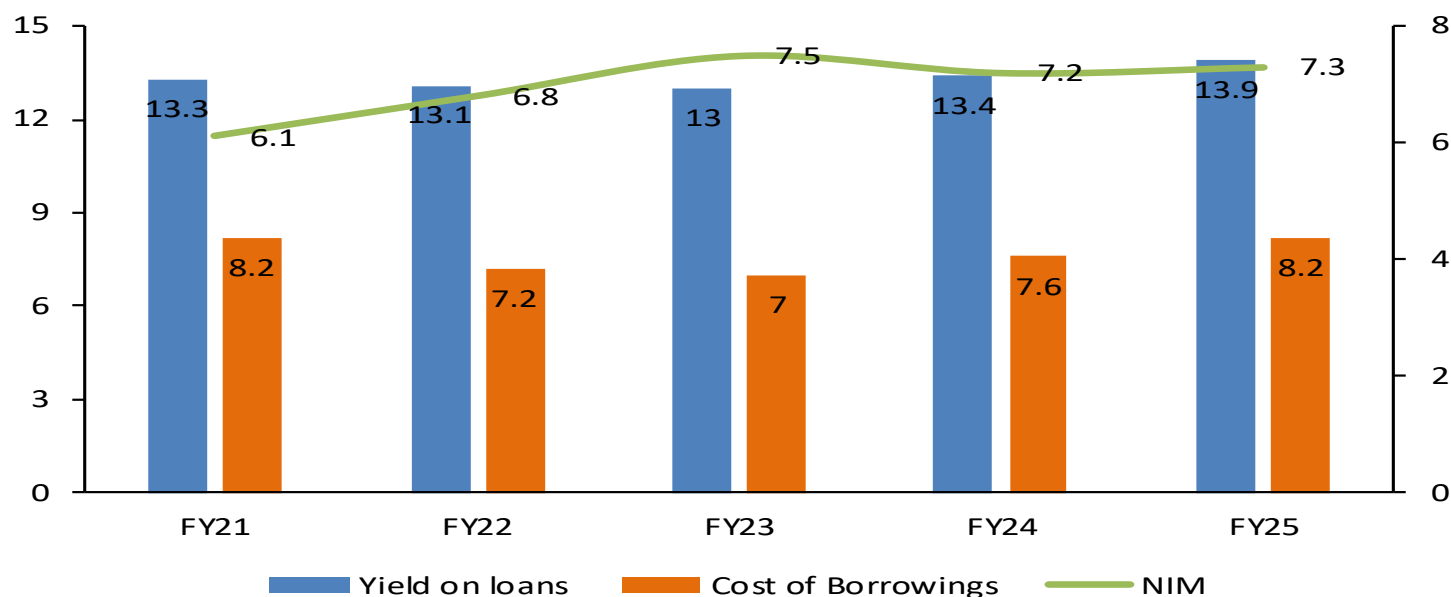


Source: Company Reports, BP Equities Research

Cost of borrowing has been inching up to 8.1% (vs. 7.7% YoY), though it has one of the lowest CoFs among peers. It is yet to draw the benefit of NHB borrowing for this fiscal and enjoys long-term credit ratings of AA/Stable from ICRA, CARE, India Ratings, Brickworks. **Despite the softening rate environment, Aadhar's rising share of LAP and deeper-market expansion should help sustain elevated portfolio yields and strong spreads.**

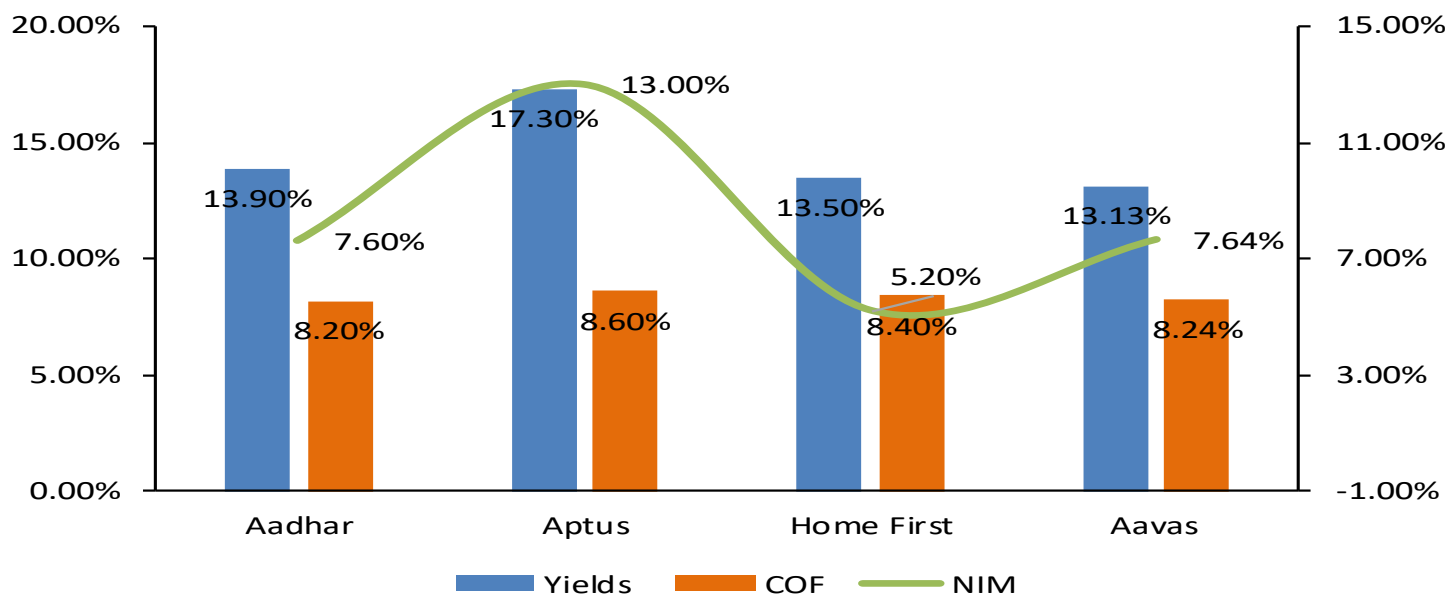
Aadhar Housing Finance Ltd.

Exhibit 11 – Yields, cost of borrowings, spreads and NIM for Aadhar Housing Finance Ltd. in last five years



Source: Company Reports, BP Equities Research

Exhibit 12 – Peer Comparison



Source: Company Reports, BP Equities Research

At the start of FY25, Aadhar Housing Finance's management had guided for an 80 bps improvement in the cost-to-income (C/I) ratio for the full year. However, supported by stronger-than-expected revenue growth and productivity gains, the company delivered a >100 bps YoY reduction in the C/I ratio, which improved to 36.4% in FY25 from 37.5% in FY24. Total operating expenses increased by 17% YoY, while AUM and Net Interest Income (NII) grew at 21% YoY, reflecting improving operating leverage and enhanced productivity throughout FY25.

Looking ahead, the management remains confident about sustaining this efficiency trajectory and is targeting an additional 30–50 bps YoY improvement in the C/I ratio in FY26, driven by continued focus on optimizing branch productivity and maintaining cost discipline.

4. Risk-based underwriting and in-house collections

The company follows a two-pronged underwriting process: i) loan applications from salaried-customers go through 16 RPUs (in each business region), for standardization, cost optimization, quick turnaround and processing; ii) those from self-employed customers, which require a close understanding of the customer and their cash flows, are managed regionally.

There are specialized teams for:

Credit underwriting: Experienced team (551 members) of credit managers across branches to undertake credit assessment.

Technical: 354 technical members and 213 technical agencies empanelled.

Legal due diligence: 46 in-house lawyers and 667 local law firms and lawyers empanelled.

Risk Containment Unit: Comprises 47 personnel, also engages third-party vendors to assist in fraud control.

Exhibit 13 – Skilled technical team



Source: Company Reports, BP Equities Research

Aadhar Housing Finance has successfully embedded digital solutions across key functions of its business operations. The company's credit underwriting, risk management, and fraud detection teams leverage technology-driven platforms to streamline loan processing, enhance credit risk assessment, detect potential frauds, and apply objective, cognitive, rule-based policies for credit decision-making. This analytics-backed digital framework significantly reduces turnaround time for loan approvals while ensuring a robust and consistent credit evaluation process.

To further improve efficiency, Aadhar has adopted a decentralized sanctioning structure, wherein loan approval authorities are distributed across the branch, regional, and head-office levels. Predefined sanctioning thresholds based on loan size, branch classification, and product type ensure that loans are approved at the appropriate level, balancing speed and risk oversight. This approach not only enhances processing efficiency but also maintains prudent risk control across the portfolio.

Exhibit 14 – Lending process



Source: Company Reports, BP Equities Research

Despite company's focus on under-penetrated non-white-collar salaried segments in Tier-2+ cities, asset quality remains strong with 94.8% of loans in Stage-1 and Stage-3 assets limited to 1.4%. Exposure to microfinance remains minimal (707 delinquent customers out of 2.86 lakh), reducing over-leveraging risk. Selective disbursal with focus on customer creditworthiness and collateral reflects strong risk control, thus resulting in steady asset quality with GNPA at 1.1-1.5% reinforcing prudent risk management

Q4FY25 Concall Highlights

FY26 Guidance

- Targets AUM growth of >20% in FY26.
- Disbursements expected to grow by 18-19%.
- GNPA expected to be in the range of 105-110 bps.
- Aims for a 30-50 bps reduction in cost-to-income ratio.

AUM & Business Growth

- AUM crossed Rs. 25,000 crores, growing 7% QoQ and 21% YoY.
- Company to focus more on Emerging B and C locations, expecting higher AUM growth here.
- Current AUM mix: 55% Urban, 45% Emerging; Targeting 55% Emerging and 45% Urban in the coming years.
- Average ticket size: Rs. 13 lakhs (Rs. 15 lakhs for home loans and Rs. 9 lakhs for non-home loans).

Operational Efficiency

- Cost-to-income ratio fell by 104 bps YoY in FY25.
- Most of the branch expansion is complete; C/I expected to decline further in FY26.
- 30% of FY25 disbursements were sourced through Aadhar Mitra channel (up from 22% in FY24).

Margins and Yield Strategy

- 79% of borrowings and 76% of assets are floating rate.
- Urban yields at 12%, while Emerging locations offer 14-16% yields.
- Balance transfer-out (BT-out) rate improved by 50 bps QoQ to 6.49%, with a target to bring it to 6%.

Branch Network

- Added 57 new branches in FY25.
- Reached 299k live customers.
- Entered North-East India with its first branch in Guwahati, supporting NHB's financial inclusion agenda.
- No single state contributes more than 14% of AUM or disbursements.

Borrowings

- Borrowings grew 17% YoY.
- Completed first ECB issuance of USD 50 million in Q4FY25; fully hedged at an all-in cost of 8.1%.

Asset Quality

- Portfolio remains concentrated in secured retail loans.
- 60-70 bps of Stage-2 assets are actually Stage-1 based on overdue days.
- No state-specific asset quality concerns observed.
- Q4 write-offs at Rs. 8-9 crores; total FY25 write-offs at Rs. 32 crores.

Peers Comparison – FY25

Banks	Market Capitalization (Rs. in crores)	Net Interest Income (Rs. in crores)	NIMs	EPS (Rs.)	Book Value (Rs.)	P/E	P/BV
Aadhar Housing Finance	19,088	1,545	7.50%	22	148	20.0	3.0
Peers							
Aptus Value Housing	15,965	1,258	12.96%	15	86.4	21.5	3.7
Home First Finance Ltd.	14,189	567	5.20%	42.8	280	32.1	4.9
Aavas Financiers Ltd.	15,127	1,343	7.64%	72	550.9	26.1	3.4
India Shelter Finance Corp. Ltd.	9,497	600	12.10%	35.2	251.1	24.9	3.5

Source: Company Reports, BP Equities Research

Valuation & Outlook

Aadhar Housing Finance (Aadhar) continues to reinforce its leadership in the affordable housing finance space, driven by a healthy AUM growth trajectory of 21% YoY (6.5% QoQ) in Q4FY25. The company's well-diversified geographic footprint, where no single state contributes more than 14% of AUM, alongside its expansive distribution network of over 580 branches, provides strong visibility for sustained 20–22% AUM growth. Aadhar's focused approach on salaried home loan borrowers in the low-income segment (average ticket size < Rs. 25 lakhs) significantly mitigates asset quality risks, which is evident in its stable portfolio performance with Stage 3 assets at 1.1% (down 35 bps QoQ) and controlled credit costs in the 20–30 bps range. With strong capitalization (Tier-1 CAR at 45.9%), Aadhar is well-positioned to capture the multi-decade opportunity in affordable housing, which is projected to require financing of Rs. 45 trillion by 2030, a 3.5x growth from current levels. Structural tailwinds, including increasing urbanization and a large housing shortage, further reinforce the long-term growth potential. Supported by sustainable RoA/RoE expectations of over 4.4%/16.5% through FY25–28E, we believe Aadhar warrants a valuation premium. Its scalable business model, prudent underwriting, improving cost efficiencies, and seasoned management team make it a compelling structural growth story within the 20%+ compounders' category. **The stock is currently trading at 2.6x/2.2x/1.9x its FY26E/FY27E/FY28E BV, offering an attractive risk-reward profile. We maintain a 'Buy' rating on Aadhar Housing Finance with a target price of Rs. 541, implying a 23% upside, valuing the company at 2.6x its FY27E BV.**

Key Risks

Shift towards self-employed (informal) borrowers increases the risk of delinquency

Aadhar has been gradually shifting its portfolio towards the self-employed segment over the past couple of years. Consequently, its borrower mix is evolving, with a rising share of informal income earners, borrowers who typically lack formal income documentation. The proportion of loans to salaried individuals has declined from 64% in FY21 to 57% in 9MFY24, while the share of loans to informal self-employed borrowers has increased significantly from 20.5% to 34% during the same period. Informal self-employed borrowers generally present higher credit risk due to limited income visibility and greater sensitivity to economic cycles. While this strategic shift can potentially support yield expansion, it inherently carries elevated asset quality risks that will require careful portfolio monitoring and prudent underwriting to manage effectively.

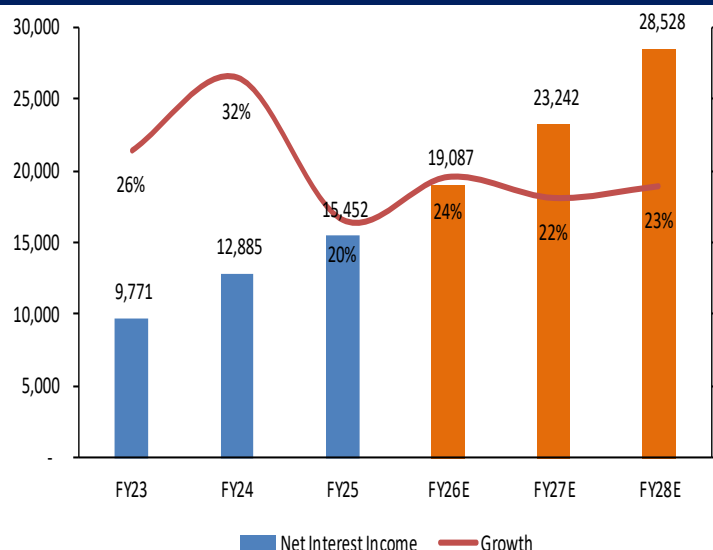
Dependence on the vulnerable segment poses a demand risk:

Aadhar's business model is heavily reliant on demand from the economically weaker sections and the low-to-middle income segment, which together represent a substantial portion of India's housing shortage. However, this focused exposure also makes the company more vulnerable to macroeconomic and policy-driven risks. Adverse developments such as changes in government policies, a slowdown in the housing finance sector, regulatory shifts, or disruptions caused by natural calamities can disproportionately affect these income groups, potentially leading to reduced demand for housing loans. Given Aadhar's concentrated focus on these segments, any prolonged weakness could materially impact its growth trajectory, asset quality, and overall financial performance.

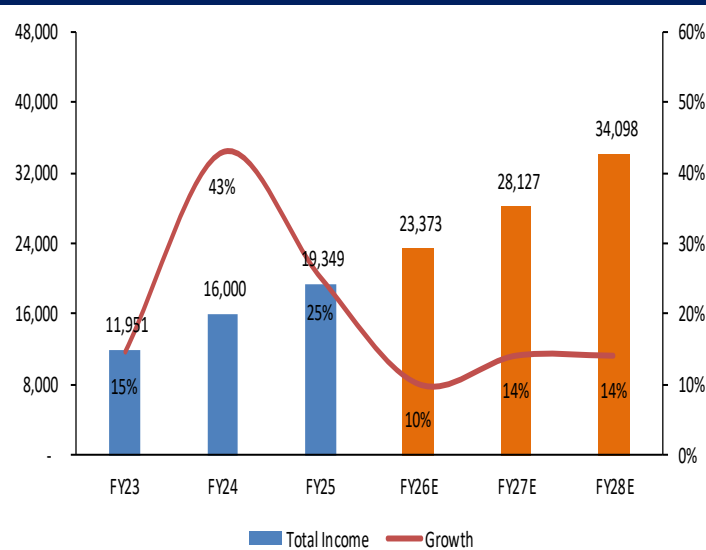
Aadhar Housing Finance Ltd.

Story in Charts (Rs. in mn)

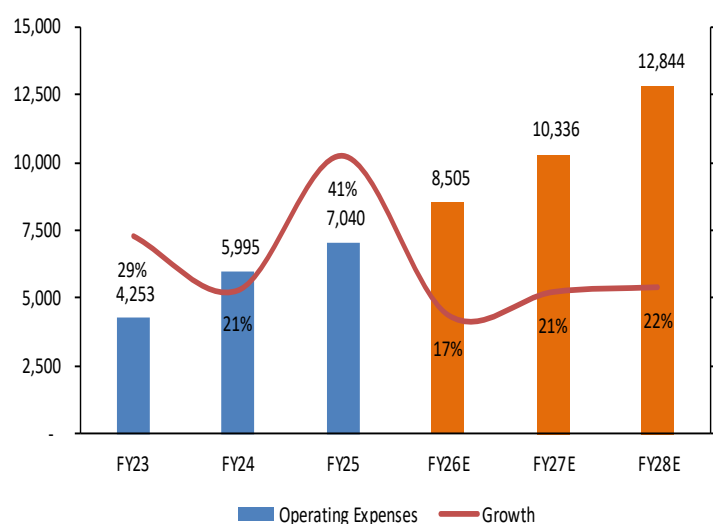
Net Interest Income



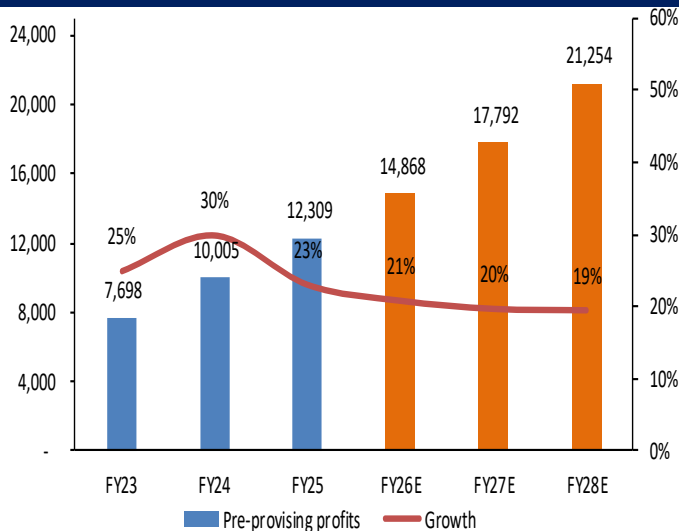
Total Income



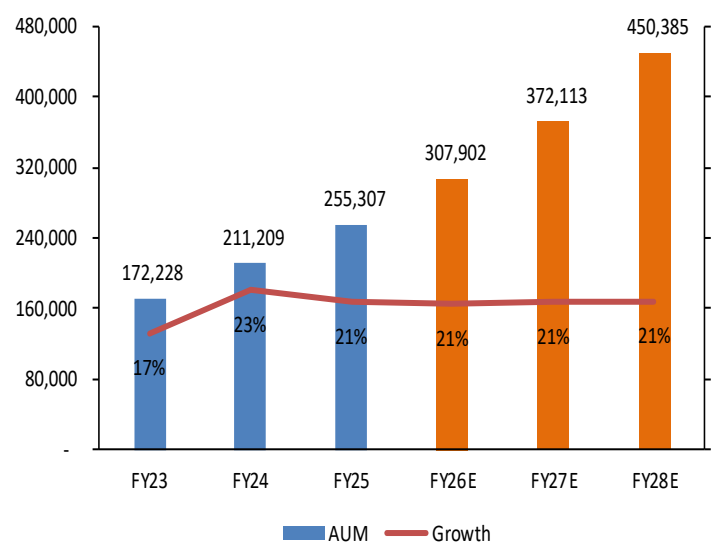
Operating Expenses



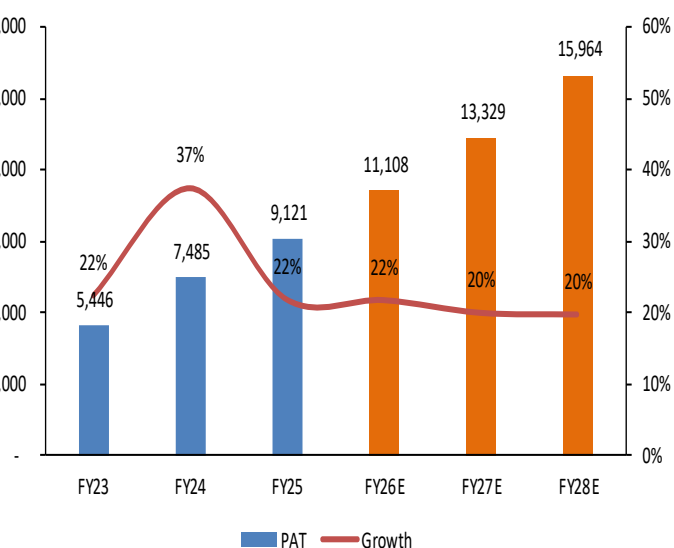
Pre-Provision Operating Profit



AUM Growth



Profit After Tax



Aadhar Housing Finance Ltd.

Story in Charts (Rs. in mn)



Aadhar Housing Finance Ltd.

Operating Performance

Profit & Loss (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Interest Income	15,383	17,763	22,752	27,190	33,123	40,200	48,970
Interest Expense	7,612	7,992	9,867	11,738	14,035	16,958	20,442
Net Interest Income	7,771	9,771	12,885	15,452	19,087	23,242	28,528
% Growth	27.2	25.7	31.9	19.9	23.5	21.8	22.7
Treasury Income	736	556	1,684	1,994	2,253	2,716	3,287
Other Inc. excl Treasury	1,167	1,624	1,431	1,903	2,033	2,170	2,283
Total Income	9,674	11,951	16,000	19,349	23,373	28,127	34,098
Employees Expenses	2,482	2,791	3,457	4,072	4,845	5,815	7,036
Other Op. Expenses	1,031	1,462	2,538	2,968	3,659	4,521	5,808
Operating Profit	6,161	7,698	10,005	12,309	14,868	17,792	21,254
% Growth	26.4	24.9	30.0	23.0	20.8	19.7	19.5
Total Provisions	487	492	412	571	628	703	787
Tax	1,225	1,510	2,107	2,617	3,133	3,759	4,503
Net Profit	4,449	5,696	7,485	9,121	11,108	13,329	15,964
% Growth	30.8	28.0	31.4	21.9	21.8	20.0	19.8

Source: Company Reports, BP Equities Research

Per Share Data	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Book value per share, Rs	79.7	93.6	112.6	147.6	173.4	204.3	241.3
Adj. BVPS, Rs.	77.3	91.6	110.5	145.3	169.9	199.9	236.3
Price/ Adj. Book value	5.7	4.8	4.0	3.0	2.6	2.2	1.9
EPS, Rs.	11.3	13.8	19.0	22.1	25.7	30.9	37.0
P/E Ratio	39.2	32.0	23.3	20.0	17.1	14.3	11.9
% EPS Growth	(34.6)	22.4	37.4	16.5	16.6	20.0	19.8

Source: Company Reports, BP Equities Research

RoE decomposition	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Interest income	11.0	11.5	12.7	12.9	13.1	13.4	13.6
Interest expenses	5.4	5.2	5.5	5.5	5.5	5.6	5.7
Net interest income	5.5	6.3	7.2	7.3	7.5	7.7	7.9
Treasury income	0.5	0.4	0.9	0.9	0.9	0.9	0.9
Other Inc. from operations	0.8	1.0	0.8	0.9	0.8	0.7	0.6
Total income	6.9	7.7	9.0	9.1	9.2	9.4	9.5
Employee expenses	1.8	1.8	1.9	1.9	1.9	1.9	2.0
Other operating expenses	0.7	0.9	1.4	1.4	1.4	1.5	1.6
Operating profit	4.4	5.0	5.6	5.8	5.9	5.9	5.9
Loan loss provisions	0.3	0.3	0.2	0.3	0.2	0.2	0.2
Tax	0.9	1.0	1.2	1.2	1.2	1.3	1.3
RoAA	3.2	3.7	4.2	4.3	4.4	4.4	4.4
RoAE	15.2	16.6	18.4	16.9	16.0	16.4	16.6

Source: Company Reports, BP Equities Research

Aadhar Housing Finance Ltd.

Financial Snapshot

Particulars (Rs. in crores)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Capital	39,476	39,476	39,476	43,138	43,138	43,138	43,138
Reserves and Surplus	275,193	330,081	405,125	593,658	704,735	838,026	997,668
Shareholders Funds	314,669	369,557	444,601	636,796	747,873	881,164	1,040,806
Deposits	799	312	118	54	59	64	68
Borrowings	1,058,326	1,208,486	1,389,885	1,626,211	1,927,060	2,312,472	2,798,091
Other Liabilities & Provisions	63,787	82,960	73,967	58,566	64,423	70,865	77,951
Total liabilities	1,437,581	1,661,315	1,908,571	2,321,627	2,739,415	3,264,565	3,916,916
Cash & Balances with RBI	345	97	246	510	530	552	574
Bal. with banks/ call money	170,671	191,520	126,892	171,673	167,659	196,566	237,844
Investments	33,802	45,824	45,784	50,885	57,838	30,994	9,709
Advances	1,196,034	1,385,145	1,690,294	2,048,410	2,458,092	2,974,291	3,598,892
Fixed Assets	2,160	2,504	3,126	3,541	3,878	4,576	5,400
Other Assets	34,569	36,224	42,229	46,743	51,417	57,587	64,498
Total assets	1,437,581	1,661,314	1,908,571	2,321,762	2,739,415	3,264,565	3,916,916
% Growth	5.5	15.6	14.9	21.6	18.0	19.2	20.0

Source: Company Reports, BP Equities Research

Asset Quality	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Gross NPA (Rs mn)	18,257	16,259	18,690	20,919	27,679	33,111	36,398
Gross NPA (%)	1.5	1.2	1.1	1.0	1.1	1.1	1.0
Net NPA (Rs mn)	13,389	11,117	11,786	14,356	21,444	27,188	30,771
Net NPA (%)	1.1	0.8	0.7	0.7	0.9	0.9	0.9

Source: Company Reports, BP Equities Research

Earnings Ratios	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Interest Inc. / Avg. assets (%)	11.0	11.5	12.7	12.9	13.1	13.4	13.6
Interest Exp./ Avg. assets (%)	5.4	5.2	5.5	5.5	5.5	5.6	5.7
NIM (%)	5.7	6.5	7.4	7.5	7.7	7.9	8.1
Int. exp/ Int earned (%)	49.5	45.0	43.4	43.2	42.4	42.2	41.7
Oth. Inc./ Tot. Inc. (%)	19.7	18.2	19.5	20.1	18.3	17.4	16.3
Staff exp/Total opt. exp (%)	70.7	65.6	57.7	57.8	57.0	56.3	54.8
Cost/ Income Ratio (%)	36.3	35.6	37.5	36.4	36.0	36.5	37.1

Source: Company Reports, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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