

Shriram Finance

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	SHFL IN
Equity Shares (m)	1880
M.Cap.(INRb)/(USD\$)	1232 / 14.4
52-Week Range (INR)	730 / 439
1, 6, 12 Rel. Per (%)	-5/7/25
12M Avg Val (INR M)	4284

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	234	278	326
PPOP	163	196	233
PAT	82.7	99.4	117.9
EPS (INR)	44	53	63
EPS Gr. (%)	15	20	19
Standalone BV (INR)	299	344	394

Valuations

NIM on AUM (%)	9.0	9.1	9.2
C/I ratio (%)	30.5	29.6	28.7
RoAA (%)	3.1	3.2	3.3
RoE (%)	15.8	16.4	17.0
Div. Payout (%)	22.5	22.7	22.5

Valuations

P/E (x)	14.9	12.4	10.4
P/BV (x)	2.2	1.9	1.7
Div. Yield (%)	1.5	1.8	2.2

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	25.4	25.4	25.4
DII	15.3	16.0	15.7
FII	53.6	53.1	53.9
Others	5.7	5.6	5.0

FII Includes depository receipts

CMP: INR655 TP: INR790 (+21%) Buy

NIM compression due to excess liquidity; credit costs rise QoQ

Earnings in line; technical write-offs lead to GS3 improvement

- Shriram Finance (SHFL)'s 4QFY25 PAT rose ~10% YoY to ~INR21.4b (inline). FY25 PAT (excluding exceptional gain) grew ~15% YoY to INR82.7b.
- NII in 4QFY25 grew ~9% YoY to INR55.7b (inline). Credit costs at ~INR15.6b (~12% higher than MOFSLe) translated into annualized credit costs of ~2.4% (PQ: 2.1% and PY: 2.3%). PPOP grew ~11% YoY to ~INR43.4b (inline).
- Yields (calc.) rose ~5bp QoQ, while CoB increased ~30bp QoQ to 9.1%, resulting in a spread decline of ~25bp QoQ. Reported NIM also dipped ~25bp QoQ to ~8.25%, primarily because of excess liquidity on the balance sheet. SHFL guided liquidity to normalize within the next two quarters.
- SHFL undertook technical write-offs of ~INR23.5b in 4QFY25, which was P&L neutral but led to an improvement of ~85bp in GS3 to 4.55%. Ex-technical write-offs, GS3 rose ~3bp QoQ. Gross Stage 2 (GS2) rose ~20bp QoQ. Management shared that it does not anticipate any further increase in stress or credit costs in the upcoming fiscal year. Additionally, management remains confident that there will be no significant forward flows from the GS2 pool in 1QFY26.
- SHFL's 4QFY25 was very unlike the typical 4Q of a fiscal year, as (organic) asset quality deteriorated and net slippages continued to remain elevated. 1QFY26 will be an acid test for the vehicle financiers. Hence, we remain cautiously optimistic, as opined in our recent [Vehicle Finance Report](#).
- SHFL expects the overall credit situation to improve, aided by an increase in urban demand (from higher government spending) and rural activity. SHFL continued to guide for AUM growth of 15%+ in FY26 and expects the cost-to-income ratio to decline to ~27-28% by the exit of FY26.
- SHFL has positioned itself to capitalize on its diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities. The company has yet to fully utilize its distribution network for non-vehicle products. SHFL is our [Top Idea \(refer to the report\)](#) in the NBFC sector for CY25, given that we find its valuations of 1.7x FY27E P/BV attractive for a strong franchise that can deliver a ~17%/~19% AUM/PAT CAGR over FY25-27E and an RoA/RoE of ~3.3%/17% in FY26. **Reiterate BUY with a TP of INR790 (premised on 2x FY27E BVPS).**

Credit costs higher QoQ; GS3 improves driven by technical write-offs

- GS3/NS3 improved ~85bp/5bp QoQ to ~4.55%/2.65%. The reduction in GS3 was driven by a technical write-off of INR23.5b. Net slippages were higher in 4QFY25 and stood at INR14b (PQ: INR12b and PY: INR8b).
- PCR on Stage 3 declined ~8pp QoQ to ~43%. (PQ: ~52%). Management shared that it does not expect the S3 PCR to be increased again, but it would instead remain in the range of 43-45%.
- Management continued to guide for credit costs of ~2%, and we estimate credit costs of ~2.0%/2.1% (as % of assets) in FY26/FY27.

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com)

Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | **Raghav Khemani** (Raghav.Khemani@MotilalOswal.com)

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NIM to expand due to normalization in liquidity and likely decline in CoB

- A shift in the product mix to high-yielding non-CV products will be marginally accretive to the blended yields.
- Surplus liquidity stood at ~INR31b (PQ: INR27b), and the company expects the liquidity to normalize to INR18-19b within the next two quarters.
- SHFL is well-positioned to benefit from a declining interest rate environment. The recent rate cuts are likely to further support NIM expansion, and we model NIMs of 9.1%/9.2% in FY26/FY27 (FY25: ~9%).

Highlights from the management commentary

- Between 2019 and 2021, CV sales were subdued, resulting in a limited supply of used vehicles in the market. With CV sales picking up from FY22 onwards, the availability of used vehicles and the volume of used vehicle transactions are expected to increase from FY27.
- Certain rural segments in central parts of India (Chhattisgarh, MP, and some parts of Bihar), alongside their border areas, had some collection impact because of the slowdown in the economy. The situation has improved now, and the company does not see any scope for further deterioration in asset quality.

Valuation and view

- SHFL delivered a decent operational performance during the quarter, supported by healthy growth in AUM and disbursements. Although credit costs in the quarter were higher than guidance, the company does not foresee any further stress or deterioration in asset quality in FY26. Moreover, it anticipates an improvement in the overall credit environment, which is expected to sustain healthy AUM growth. NIMs are expected to revert to previous levels and further expand as excess liquidity on the balance sheet normalizes.
- SHFL is effectively leveraging cross-selling opportunities to reach new customers and introduce new products, which will lead to improved operating metrics and a solid foundation for sustainable growth. The current valuation of ~1.7x FY27E P/BV is attractive for ~19% PAT CAGR over FY25-27E and RoA/RoE of ~3.3%/16.0% in FY27E. **Reiterate BUY with a TP of INR790 (based on 2x FY27E BVPS).**

Quarterly Performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25	4Q FY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	76,880	82,166	86,179	90,773	93,628	98,145	1,03,408	1,07,895	3,35,997	4,03,076	1,07,774	0
Interest Expenses	34,875	36,219	37,069	39,898	41,289	43,504	47,513	52,240	1,48,061	1,84,546	49,928	5
Net Interest Income	42,004	45,947	49,110	50,874	52,339	54,641	55,896	55,655	1,87,935	2,18,531	57,847	-4
YoY Growth (%)	20.0	21.6	17.1	21.7	24.6	18.9	13.8	9.4	17.0	16.3	13.7	
Other Income	3,167	3,479	3,094	4,206	2,343	2,805	3,646	6,707	13,980	15,518	4,264	57
Total Income	45,171	49,426	52,204	55,080	54,682	57,446	59,542	62,363	2,01,915	2,34,049	62,111	0
YoY Growth (%)	22.0	17.9	16.2	21.7	21.1	16.2	14.1	13.2	17.0	15.9	12.8	
Operating Expenses	13,908	14,618	15,311	16,024	16,140	17,597	18,692	19,010	59,895	71,440	19,309	-2
Operating Profit	31,262	34,808	36,893	39,056	38,541	39,848	40,850	43,353	1,42,020	1,62,609	42,802	1
YoY Growth (%)	17.3	16.3	11.7	26.8	23.3	14.5	10.7	11.0	15.1	14.5	9.6	
Provisions & Loan Losses	8,786	11,286	12,497	12,615	11,876	12,350	13,258	15,633	45,183	53,117	13,991	12
Profit before Tax	22,476	23,523	24,396	26,441	26,666	27,498	27,592	27,720	96,836	1,09,493	28,811	-4
Tax Provisions	5,722	6,014	6,213	6,983	6,860	6,803	6,788	6,326	24,932	26,776	7,191	-12
Net Profit	16,754	17,508	18,183	19,459	19,806	20,696	20,804	21,394	71,905	82,716	21,619	-1
YoY Growth (%)	30.8	12.6	2.3	48.7	18.2	18.2	14.4	9.9	20.3	15.0	11.1	
Exceptional gain (Post tax)							14,894			14,894		
PAT (including exceptional gains/loss)							35,698			97,610		
Key Parameters (Calc., %)												
Yield on loans	16.2	16.6	16.5	16.5	16.3	16.5	16.6	16.7				
Cost of funds	8.7	8.9	8.7	8.8	8.7	8.7	8.8	9.1				
Spread	7.5	7.8	7.9	7.8	7.6	7.8	7.8	7.5				
NIM	8.9	9.3	9.4	9.3	9.1	9.2	9.0	8.6				
C/I ratio	30.8	29.6	29.3	29.1	29.5	30.6	31.4	30.5				
Credit cost	1.9	2.3	2.4	2.3	2.1	2.1	2.1	2.4				
Tax rate	25.5	25.6	25.5	26.4	25.7	24.7	24.6	22.8				
Balance Sheet Parameters												
Disbursements (INR b)	305	346	378	393	377	400	438	448				
Growth (%)	23.8	34.2	29.2	26.6	23.8	15.5	15.8	14.0				
AUM (INR b)	1,932	2,026	2,142	2,249	2,334	2,430	2,545	2,632				
Growth (%)	18.6	19.7	20.7	21.1	20.8	19.9	18.8	17.0				
Borrowings (INR b)	1,619	1,653	1,775	1,858	1,917	2,078	2,235	2,342				
Growth (%)	6.4	4.5	15.7	17.7	18.4	25.7	25.9	26.0				
Asset Quality Parameters												
GS 3 (INR B)	115.1	115.6	119.5	120.8	124.1	127.6	135.2	118.4				
GS 3 (%)	6.0	5.8	5.7	5.5	5.4	5.3	5.4	4.6				
NS 3 (INR B)	54.6	54.2	55.7	58.2	60.6	61.7	65.4	67.1				
PCR (%)	52.5	53.1	53.4	51.8	51.1	51.7	51.6	43.3				

E: MOFSL estimates



Highlights from the management commentary

Guidance

- Management expects ~12-15% growth in CV, ~20% in PV, and ~20% in MSME. It guided ~15%+ total AUM growth in FY26.
- It expects the overall credit situation to improve further aided by improvement in urban demand (from higher government spending) and improvement in Rural activity.
- Guided for NIM of 8.5%-8.6% from the benefit in its CoB in a declining interest rate environment and normalization in excess liquidity.
- The cost-to-income ratio will trend down to ~27-28% over one year.
- SHFL is expecting the credit costs to come down and is guided credit costs of ~2% in FY26.
- Management expects the Stage 3 PCR to remain in the range of 43-45%

Asset quality

- Stage 3 PCR - It has been carrying a coverage of >50% for the past 3-4 years.
- There was no impact on the P&L from the technical write-offs of INR23.45b.
- Urban areas have slowed down a little because of slower Government spending. It does not see any further increase in stress or credit costs in the coming fiscal.
- Certain rural segments in Central parts of India (Chhattisgarh, MP, and some parts of Bihar) alongside their border areas had some impact because of the slowdown in the economy. Now things are much better and it does not see any scope for further deterioration in asset quality.
- SHFL is confident that there will not be any significant forward flows in 1QFY26. Some of the accounts in Stage 2 will flow back to Stage 1 and some of them might remain in Stage 2 itself.
- PCR before Covid-19 used to be between 37% and 40%. As of Mar'25, Stage 3 PCR declined to ~43% (PQ: ~51%). During the pandemic, the company increased the PCR to ~50% and it was nudged by the RBI to maintain it at ~50%.
- Tax benefit (from write-off) is one-time in nature and it has come through in 4Q itself.
- SHFL is not seeing any higher repossession across the industry.
- Bad-debt recovery has been in the range of INR1b-1.5b per quarter and it stood at ~INR2.1b in 4QFY25

Opex

- In 3QFY25, the employee expenses were higher since it was running some schemes during the festive season in 2W and MSME.

Liabilities and CoB

- The incremental cost of borrowings stood at 8.86% and Portfolio CoB stood at 8.95% (same as what it was as on Dec'24).
- ~30% of the book will mature/reprice in FY26. The Capital market will adjust much faster and the repricing of the bank loans will take some time. It has reduced the rates on its public deposits.
- Overall in FY26, it will target a 15-20bp decline in its Cost of Borrowings.

Resource raising activities

- Total debt outstanding stood at INR2.24t
- Off-balance sheet DA outstanding at ~INR32b as of Mar'25 (similar levels as of Mar'24)
- Sufficient excess liquidity that the company is carrying now. Surplus liquidity stood at ~INR31b (PQ: INR27b) and it expects the liquidity to normalize to 3 months (INR18-19b) within the next 2 quarters.
- Raised ECB of USD1.28b at the end of Dec'24 and USD800m (INR77.16b) in 4QFY25

Vehicle Finance

- CV AUM growth has declined to 10-11% since the new CV Sales were flat YoY in FY25 because infra spending by the government was much lower this year.
- Over 2019-21, the CV Sales were low so there is not enough supply of used vehicles in the market.
- Since the CV sales have improved from FY22 onwards, the supply of used vehicles and the number of used vehicle transactions will go up from FY27 onwards. Currently, the AUM growth is coming primarily from higher used vehicle prices.

Gold loans

- Redemptions have outpaced disbursements in Gold loans and the AUM declined because of higher redemptions.

Personal loans

- SHFL slowed in PL earlier because the regulator was expressing concerns about the PL across the industry and it had tightened the credit requirements.
- The company has not seen any reason to be concerned about PL over the last two quarters. The industry delinquencies in PL have also peaked. This has prompted SHFL to start growing again in PL.
- SHFL does not look at growth in PL from the open-source market. It is offering PL to its existing 2W customers.

MSME

- 70-80% of the MSME loan book is secured with a Residential property or a commercial property
- The average ticket size is INR500K-600K and IRR of 16-24%

Auto volumes

- M&HCVs grew 3.9% YoY in 4QFY25 and were flat YoY in FY25.
- Total CV sales in FY25 declined 1.2% YoY.
- PV grew 2.4% YoY in 4QFY25 and grew 2% YoY in FY25.
- 2W grew 1.4% YoY in 4QFY25 and grew 9.1% in FY25.
- Tractors recorded a decline in 4Q and declined by 1% YoY in FY25.

Financial performance

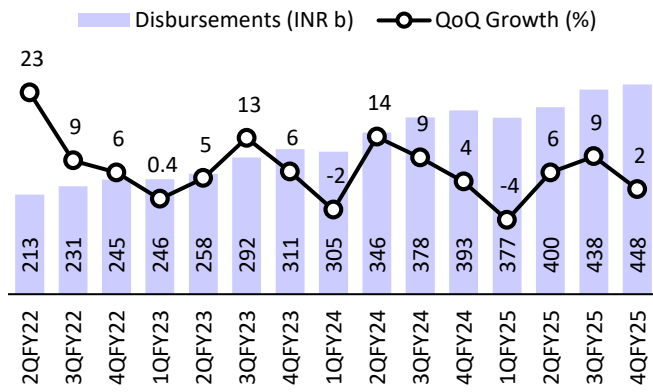
- AUM grew 17% YoY and 3.4% QoQ and stood at INR2.63t
- NII in 4QFY25 grew 13.4% YoY
- NIM stood at 8.25% (PY: 8.48%) and the decline in the NIM was attributable to the excess liquidity on the B/S which will be rectified in the coming quarters
- GS3 stood at 4.55% and NS3 at 2.64%. The reduction in GNPA is primarily on account of technical write-offs of INR23.45b which were fully provided earlier.
- The Board of Directors has declared a dividend of INR3/share. Total dividend for the full year stood at INR9.9/share (after adjusting for the split).

Others

- IRR in the 2W segment ranges from 16-22%
- Shriram AutoMall has tie-ups with all the Banks and NBFCs. The increase in Automall revenues is not just because of repossessed vehicles but also because of customers who put up their vehicles for sale/exchange on the Automall platform.
- Attrition levels are steady and there has been no change. Employee count could have declined because of better productivity.
- SHFL has not done any large direct assignment transactions during the year.

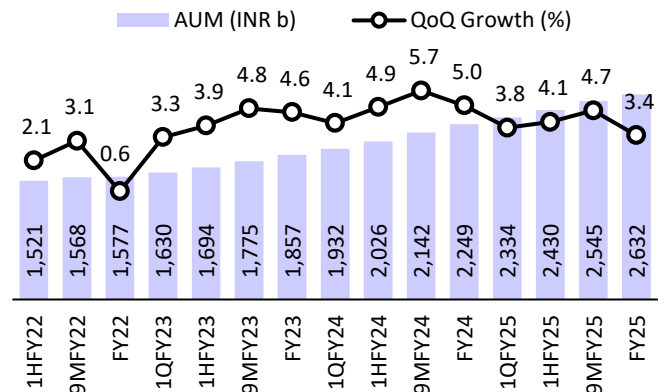
Key exhibits

Exhibit 1: Disbursements grew 14% YoY...



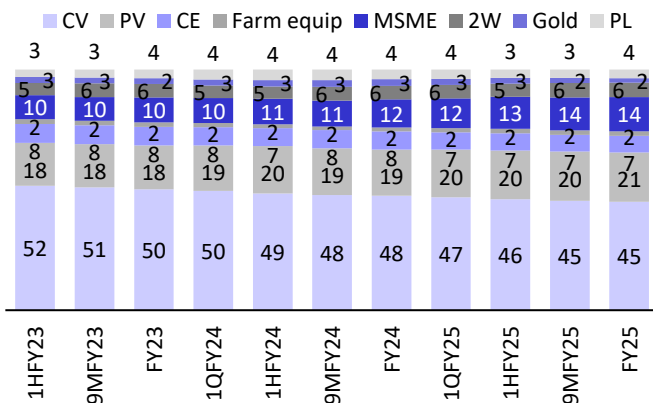
Source: MOFSL, Company

Exhibit 2: ...leading to an AUM growth of 17% YoY



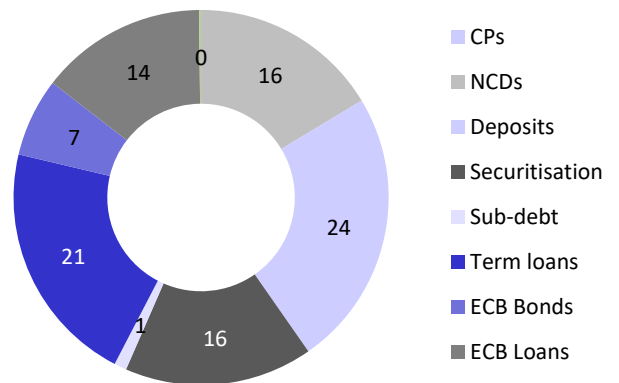
Source: MOFSL, Company

Exhibit 3: Non-auto contributed ~20% to the AUM mix (%)



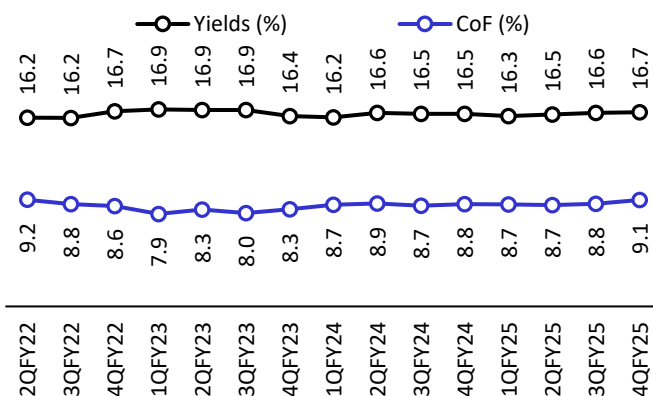
Source: MOFSL, Company

Exhibit 4: Borrowing mix (%)



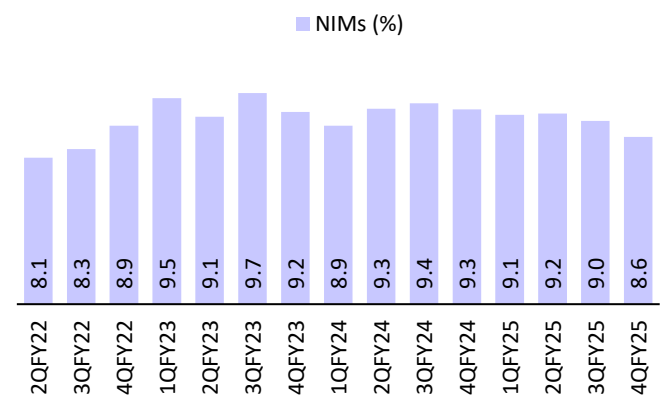
Source: MOFSL, Company

Exhibit 5: CoF (calc.) rose ~30bp QoQ (%)



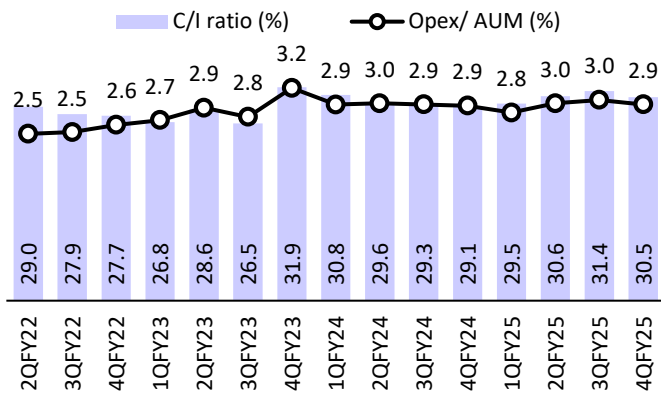
Source: MOFSL, Company

Exhibit 6: NIM (calc.) contracted ~40bp QoQ (%)



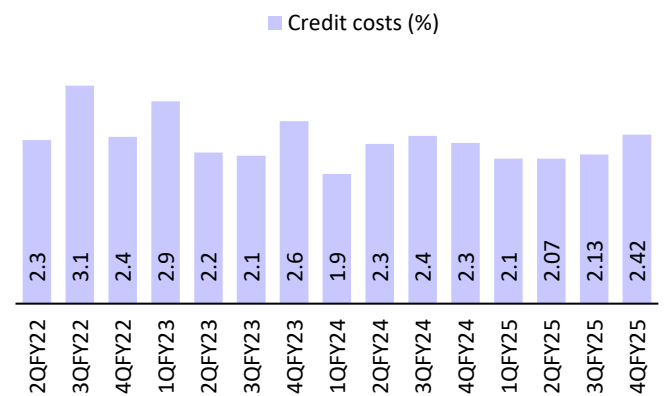
Source: MOFSL, Company

Exhibit 7: Cost-to-income ratio declined ~90bp QoQ



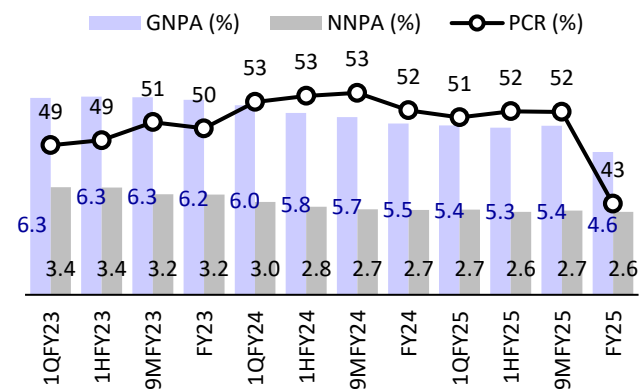
Source: MOFSL, Company

Exhibit 8: Credit costs (calc.) rose ~20bp QoQ



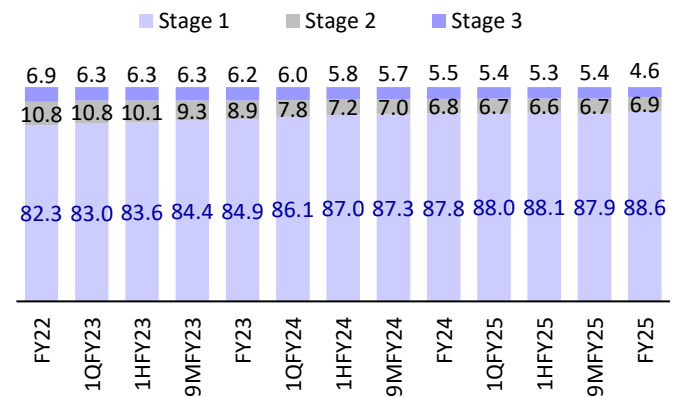
Source: MOFSL, Company

Exhibit 9: GS3 declined ~85bp QoQ



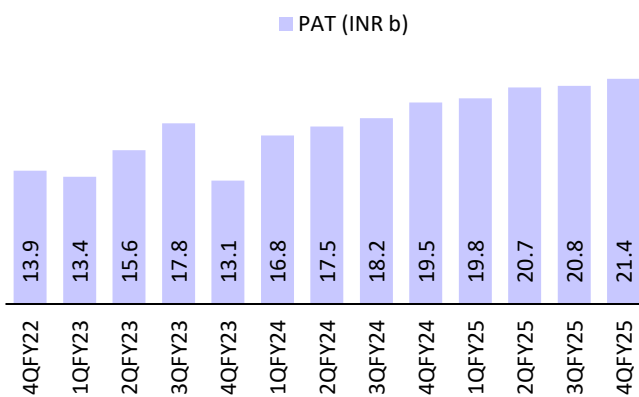
Source: MOFSL, Company

Exhibit 10: Stage 2 rose 20bp QoQ (%)



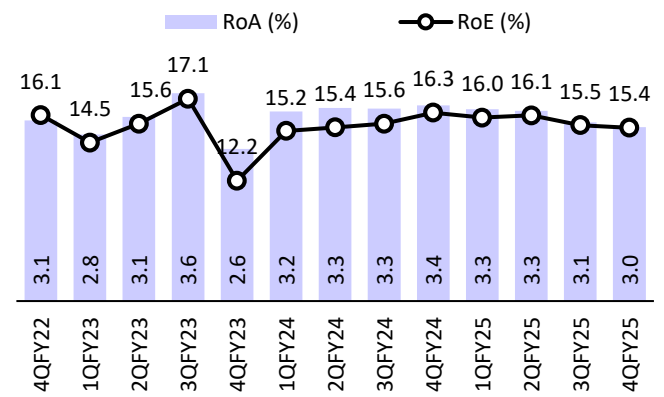
Source: MOFSL, Company

Exhibit 11: PAT grew ~10% YoY



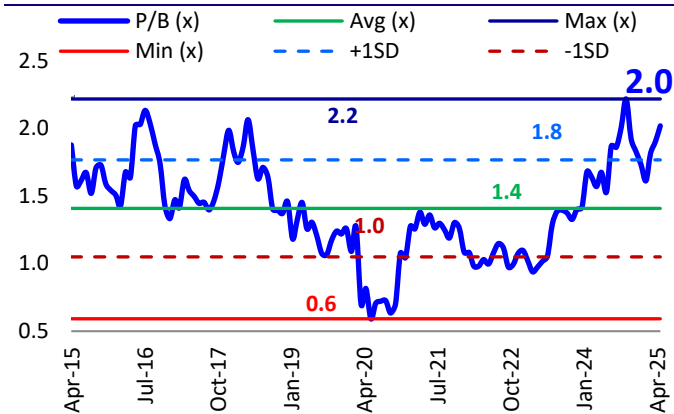
Source: MOFSL, Company

Exhibit 12: RoA declined to ~3% in 4QFY25



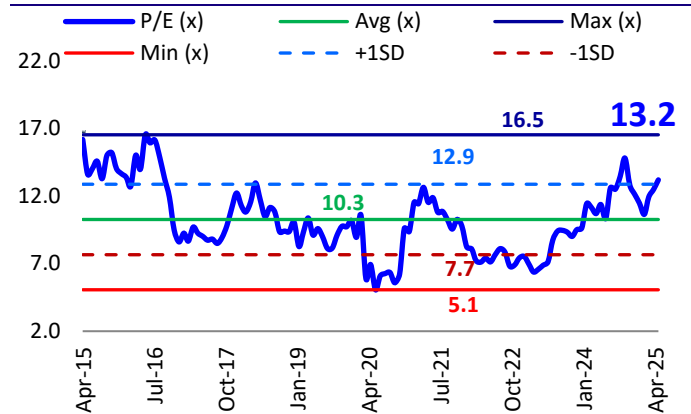
Source: MOFSL, Company

Exhibit 13: One-year forward P/B



Source: MOFSL, Company

Exhibit 14: One-year forward P/E



Source: MOFSL, Company

Exhibit 15: Our EPS estimates are broadly unchanged

INR B	Old Est.		New Est.		Change (%)	
	FY26	FY27	FY26	FY27	FY26	FY27
NII (incl. assignments)	264.0	313.3	260.8	307.0	-1.2	-2.0
Other Income	13.8	14.8	17.5	19.5	26.6	31.9
Total Income	277.8	328.1	278.4	326.5	0.2	-0.5
Operating Expenses	83.7	96.0	82.4	93.6	-1.5	-2.6
Operating Profits	194.1	232.1	195.9	232.9	0.9	0.4
Provisions	62.0	74.3	62.8	75.0	1.3	1.0
PBT	132.1	157.8	133.1	157.9	0.8	0.0
Tax	33.4	39.9	33.7	39.9	0.8	0.0
PAT	98.7	117.9	99.4	117.9	0.8	0.0
AUM	3,127	3,646	3,079	3,574	-1.6	-2.0
Loans	2,913	3,408	2,891	3,363	-0.8	-1.3
Borrowings	2,617	3,037	2,632	3,027	0.6	-0.3
NIM	9.1	9.3	9.1	9.2		
Credit Cost (%)	2.3	2.4	2.4	2.4		
RoA	3.2	3.3	3.2	3.3		
RoE	16.3	17.0	16.4	17.0		

Sources: MOFSL, Company

Du-Pont (% of average assets)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	16.2	15.7	14.7	14.4	14.8	15.2	15.2	15.1	15.3
Interest Expended	7.3	7.4	7.2	7.1	6.5	6.7	7.0	6.8	6.7
Net Interest Income	8.9	8.3	7.5	7.3	8.3	8.5	8.2	8.3	8.6
Non-interest income	0.2	0.4	0.3	0.5	0.6	0.6	0.6	0.6	0.5
Net Total Income	9.1	8.6	7.8	7.8	8.9	9.2	8.8	8.9	9.2
Operating Expenses	2.6	2.6	2.2	2.2	2.5	2.7	2.7	2.6	2.6
- Employee expenses	1.3	1.3	1.1	1.1	1.3	1.5	1.4	1.4	1.4
- Other expenses	1.3	1.2	1.1	1.0	1.2	1.3	1.3	1.3	1.2
PPoP	6.5	6.1	5.6	5.6	6.4	6.4	6.1	6.3	6.5
Provisions/write offs	2.4	2.6	2.6	2.7	2.2	2.0	2.0	2.0	2.1
PBT	4.1	3.4	3.0	2.9	4.2	4.4	4.1	4.3	4.4
Tax	1.3	0.9	0.8	0.7	1.1	1.1	1.0	1.1	1.1
RoA	2.7	2.5	2.3	2.2	3.1	3.3	3.1	3.2	3.3
Avg. Leverage	6.3	5.9	5.7	5.4	4.9	4.8	5.1	5.2	5.1
RoE	17.3	14.9	12.8	11.8	15.3	15.7	15.8	16.4	17.0

Financials and valuation

Income Statement									(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	2,10,407	2,19,646	2,26,997	2,48,605	2,86,074	3,35,997	4,03,076	4,72,985	5,44,665
Interest Expenses	94,975	1,04,105	1,11,881	1,22,668	1,25,458	1,48,061	1,84,546	2,12,152	2,37,682
Net Interest Income	1,15,432	1,15,541	1,15,116	1,25,936	1,60,616	1,87,935	2,18,531	2,60,833	3,06,983
Change (%)	12.7	0.1	-0.4	9.4	27.5	17.0	16.3	19.4	17.7
Other Operating Income	2,605	4,748	4,514	9,214	11,648	13,648	15,268	17,259	19,221
Other Income	258	235	237	227	307	332	251	263	276
Total Income	1,18,295	1,20,524	1,19,867	1,35,378	1,72,571	2,01,915	2,34,049	2,78,355	3,26,480
Change (%)	11.3	1.9	-0.5	12.9	27.5	17.0	15.9	18.9	17.3
Total Operating Expenses	33,666	35,803	33,500	37,805	49,131	59,895	71,440	82,441	93,555
Change (%)	12.6	6.3	-6.4	12.8	30.0	21.9	19.3	15.4	13.5
Employee Expenses	17,210	18,585	16,699	19,695	25,061	32,156	36,512	43,084	49,546
Depreciation	742	2,232	2,172	2,137	5,242	5,688	6,453	6,895	7,327
Other Operating Expenses	15,715	14,986	14,629	15,973	18,828	22,051	28,475	32,462	36,681
Operating Profit	84,629	84,721	86,367	97,573	1,23,441	1,42,020	1,62,609	1,95,915	2,32,925
Change (%)	10.8	0.1	1.9	13.0	26.5	15.1	14.5	20.5	18.9
Total Provisions	31,643	36,786	39,693	47,485	41,592	45,183	53,117	62,797	75,040
% Loan loss provisions to Avg loans ratio	2.5	2.7	2.8	3.1	2.4	2.2	2.3	2.4	2.4
PBT	52,986	47,935	46,674	50,088	81,849	96,836	1,09,493	1,33,118	1,57,885
Tax Provisions	17,457	12,913	11,692	12,164	22,056	24,932	26,776	33,679	39,945
Tax Rate (%)	32.9	26.9	25.1	24.3	26.9	25.7	24.5	25.3	25.3
PAT	35,529	35,022	34,982	37,925	59,793	71,905	82,716	99,439	1,17,940
Change (%)	12.0	-1.4	-0.1	8.4	57.7	20.3	15.0	20.2	18.6
PAT (including exceptional gains)	35,529	35,022	34,982	37,925	59,793	71,905	97,610	99,439	1,17,940

Balance Sheet									(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	2,929	2,929	3,191	3,371	3,744	3,758	3,761	3,761	3,761
Reserves & Surplus	2,17,432	2,47,288	2,91,764	3,43,760	4,29,322	4,81,926	5,59,045	6,43,440	7,36,928
Net Worth	2,20,361	2,50,217	2,94,954	3,47,132	4,33,066	4,85,684	5,62,806	6,47,201	7,40,688
Borrowings	11,04,851	11,75,376	13,17,617	14,51,285	15,79,063	18,58,411	23,41,973	26,32,282	30,26,822
Change (%)	6.7	6.4	12.1	10.1	8.8	17.7	26.0	12.4	15.0
Other liabilities	21,865	25,436	26,317	23,320	24,509	28,665	30,551	33,606	36,967
Total Liabilities	13,47,077	14,51,029	16,38,888	18,21,754	20,36,639	23,72,760	29,35,329	33,13,089	38,04,477
Cash and bank balances	52,657	1,03,773	2,16,562	2,29,679	1,58,174	1,08,126	2,13,657	1,84,887	1,94,702
Investments	48,653	35,326	42,152	86,455	85,651	1,06,566	1,55,987	1,16,990	1,11,141
Loans	12,37,406	12,88,442	13,57,232	14,76,890	17,19,846	20,79,294	24,53,928	28,90,535	33,62,795
Change (%)	6.2	4.1	5.3	8.8	16.5	20.9	18.0	17.8	16.3
Fixed Assets	2,283	7,181	6,599	6,467	6,997	8,458	10,257	10,770	11,308
Deferred tax Assets	1,241	694	6,964	9,109	17,439	28,840	36,949	29,559	23,647
Goodwill					14,067	14,067	11,895	11,895	11,895
Other Assets	4,838	15,613	9,379	13,137	34,465	27,408	52,657	68,454	88,990
Total Assets	13,47,077	14,51,029	16,38,888	18,21,737	20,36,639	23,72,760	29,35,329	33,13,089	38,04,477

E: MOFSL Estimates

Financials and valuation

AUM Mix (%)								(INR M)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
AUM	13,40,643	13,88,342	14,68,128	15,77,122	18,56,829	22,48,620	26,31,903	30,78,692	35,73,580
Change (%)	8	4	6	7	18	21	17	17	16
Disbursements	7,28,076	7,05,733	5,21,985	8,62,135	11,06,899	14,21,675	16,62,981	19,19,087	22,02,818
Change (%)	-5	-3	-26	65	28	28	17	15	15

E: MOFSL Estimates

Ratios								(INR M)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)									
Avg. Yield on Loans	17.5	17.4	17.2	17.5	17.9	17.7	17.8	17.7	17.4
Avg Cost of Funds	8.9	9.1	9.0	8.9	8.3	8.6	8.8	8.5	8.4
Spread of loans	8.6	8.3	8.2	8.7	9.6	9.1	9.0	9.2	9.0
NIM (on loans)	9.6	9.1	8.7	8.9	10.0	9.9	9.6	9.8	9.8
NIM (on AUM)	9.0	8.5	8.1	8.3	9.4	9.2	9.0	9.1	9.2
C/I ratio	28.5	29.7	27.9	27.9	28.5	29.7	30.5	29.6	28.7
Profitability Ratios (%)									
RoE	17.3	14.9	12.8	11.8	15.3	15.7	15.8	16.4	17.0
RoA	2.7	2.5	2.3	2.2	3.1	3.3	3.1	3.2	3.3
Int. Expended / Int. Earned	45.1	47.4	49.3	49.3	43.9	44.1	45.8	44.9	43.6
Other Inc. / Net Income	2.4	4.1	4.0	7.0	6.9	6.9	6.6	6.3	6.0
Efficiency Ratios (%)									
Op. Exps. / Net Income	28.5	29.7	27.9	27.9	28.5	29.7	30.5	29.6	28.7
Empl. Cost/Op. Exps.	51.1	51.9	49.8	52.1	51.0	53.7	51.1	52.3	53.0
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	1.1	1.1	1.0	1.0	1.1	1.1	1.0	1.1	1.1
Assets/Equity	6.1	5.8	5.6	5.2	4.7	4.9	5.2	5.1	5.1
Asset quality (%)									
GNPA	1,11,930	1,14,400	1,01,688	1,09,762	1,13,822	1,20,812	1,18,388	1,43,080	1,72,035
NNPA	65,678	66,256	51,523	49,731	56,749	58,244	67,145	78,694	94,619
GNPA ratio	8.5	8.3	6.9	6.9	6.2	5.5	4.6	4.7	4.9
NNPA ratio	5.2	5.0	3.7	3.3	3.3	2.8	2.7	2.6	2.7
PCR	41.3	42.1	49.3	54.7	50.1	51.8	43.3	45.0	45.0
Credit Costs (% of loans)	2.5	2.7	2.8	3.1	2.4	2.2	2.3	2.4	2.4

Valuations	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Book Value (INR)	150	171	185	206	231	258	299	344	394
BV Growth (%)	16	14	8	11	12	12	16	15	14
P/BV	4.4	3.8	3.5	3.2	2.8	2.5	2.2	1.9	1.7
EPS (INR)	24	24	22	22	32	38	44	53	63
EPS Growth (%)	12.0	-1.4	-8.3	2.6	42.0	19.8	14.9	20.2	18.6
P/E	27.0	27.4	29.9	29.1	20.5	17.1	14.9	12.4	10.4
DPS	2.9	1.0	4.2	4.7	7.0	9.0	9.9	12	14
Dividend Yield (%)	0.4	0.2	0.6	0.7	1.1	1.4	1.5	1.8	2.2

E: MOFSL Estimates

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Nainesh

Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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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

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