

Shriram Finance

BSE SENSEX 74,650 S&P CNX 23,484

CMP: INR913

TP: INR1,175 (+29%)

Buy



Stock Info

Bloomberg	SHFL IN
Equity Shares (m)	1881
M.Cap.(INRb)/(USD\$b)	2145.1 / 22.5
52-Week Range (INR)	1108 / 566
1, 6, 12 Rel. Per (%)	-1/18/47
12M Avg Val (INR M)	5962
Free float (%)	79.7

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	267	328	392
PPOP	186	237	288
PAT	100.0	127.3	159.9
EPS (INR)	53.1	54.1	68.0
EPS Gr. (%)	21	2	26
Standalone BV (INR)	349	491	547

Valuations

NIM on assets %	8.2	8.8	9.0
C/I ratio (%)	30.1	27.7	26.4
RoAA (%)	3.3	3.6	3.8
RoE (%)	16.4	14.0	13.1
Div. Payout (%)	22.5	22.7	22.5

Valuations

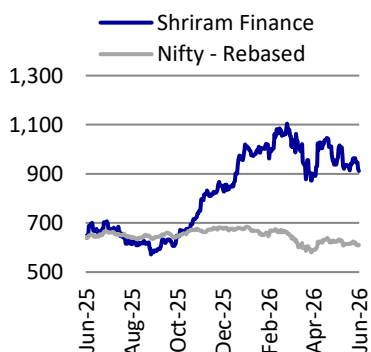
P/E (x)	17.2	16.9	13.4
P/BV (x)	2.6	1.9	1.7
Div. Yield (%)	1.3	1.3	1.7

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	25.4	25.4	25.4
DII	23.3	21.3	15.3
FII	45.2	47.2	53.6
Others	6.2	6.1	5.7

FII Includes depository receipts

Stock performance (one-year)



Capital strength and NIM expansion to accelerate earnings growth

Lower funding costs and operating leverage support profitability outlook

Shriram Finance (SHFL) continues to reinforce its position as a leading retail-focused NBFC, backed by its strong presence in rural and semi-urban markets, diversified product portfolio, and disciplined execution capabilities. Over the years, the company has built a robust customer franchise across vehicle finance, MSME lending, and other retail lending segments, enabling it to consistently deliver resilient performance across economic cycles. The company's well-established franchise, further strengthened by its strategic partnership with MUFG, is well positioned to capitalize on emerging growth opportunities, supported by strong execution and deep customer relationships.

- SHFL's strategic partnership with MUFG, involving the acquisition of a ~20% stake through a capital infusion of ~USD4.4b, marks a transformational milestone for the company. The enhanced capital base is expected to strengthen SHFL's growth outlook and support medium-term AUM growth of ~18-20%, compared to its historical growth trajectory of ~15-16%. Growth is likely to be driven by rising financing penetration, resilient rural demand, and a structurally lower cost of funds, with borrowing costs expected to decline by ~1pp over the next 2-3 years.
- Despite its strong capital position, SHFL does not intend to materially alter its core business model or pursue aggressive expansions. Instead, the company focuses on deepening its presence in rural and semi-urban markets, particularly across northern, central, and eastern India, where it continues to see significant headroom for penetration and sustainable growth.
- Vehicle finance remains a core strength for the company, driven by its market leadership in used vehicle financing and increasing opportunities in new vehicle finance through customer upgrades and retention. SHFL also maintains a strong position in 2W finance. In MSME lending, the company focuses on prudent cash flow-based underwriting while gradually increasing the share of secured lending. Gold loans are also emerging as a meaningful growth driver, supported by cross-selling opportunities, branch expansion, and deeper engagement with the existing customer base.
- Asset quality trends remain stable, with recent stress (in Mar'26 quarter) largely driven by temporary cash flow disruptions rather than structural weaknesses. SHFL maintains a conservative provisioning stance and expects credit costs to gradually moderate, supported by a rising secured lending mix.
- SHFL's continued emphasis on disciplined underwriting and rural-focused expansion provides a strong foundation for sustainable earnings growth. With balance sheet strength improving and credit costs expected to remain below 2%, the company's earnings trajectory is likely to be driven by a combination of healthy AUM growth, margin stability, and improving operating leverage.
- We expect SHFL to deliver a CAGR of ~17%/~26% in AUM/PAT over FY26-28E, along with RoA/RoE of ~3.8%/13% by FY28E. Reiterate BUY with a TP of INR1,175 (premised on 2.2x FY28E BVPS).

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MUFG partnership strengthens capital base and growth trajectory

- SHFL's strategic partnership with MUFG, involving the acquisition of a 20% stake through a capital infusion of ~USD4.4b, marks a transformational milestone for the company. It will materially strengthen SHFL's balance sheet, funding profile, and long-term growth capacity while enhancing its capabilities across digital solutions, treasury management and liability diversification through access to MUFG's global expertise and network.
- Supported by a stronger capital base and improved funding flexibility, SHFL expects its medium-term AUM growth trajectory to improve to ~18-20%, driven by structural credit demand, rising financing penetration, resilient rural demand, and a gradual reduction in the cost of funds. Despite having an enhanced growth opportunity, the company remains committed to disciplined execution and its core business philosophy, balancing scalable growth with prudent risk management and portfolio stability.

Diversified product expansion and customer retention reinforce growth outlook

- SHFL focuses on rural and semi-urban India, where it continues to see significant untapped financing opportunities, particularly across northern, central, and eastern regions. Rather than aggressively expanding into metro markets, the company aims to deepen penetration within existing geographies and customer ecosystems.
- Vehicle finance remains a key strength, supported by leadership in used vehicles and rising opportunities in new vehicle financing through existing customer upgrades. SHFL also continues to strengthen its position in 2W finance while selectively expanding into premium motorcycles.
- In MSME lending, SHFL maintains a prudent underwriting approach with a focus on cash flow-based lending while gradually increasing the share of secured lending within the portfolio. Gold loans are emerging as an important growth driver, aided by strong cross-selling opportunities, branch expansion, and dedicated gold loan branches. Despite increasing competitive intensity, it remains confident of sustaining healthy growth and yields in the segment (18-20%), supported by its strong distribution and diversified customer franchise.
- We expect SHFL to deliver ~17% AUM CAGR over FY26-28E, supported by healthy demand across loan products and improving customer retention.

Margin expansion and operating leverage to strengthen profitability

- A key benefit of the MUFG transaction is the expected structural improvement in SHFL's liability profile. The company expects ~1pp reduction in borrowing costs over the next 2-3 years, supported by rating upgrades, liability repricing, lower deposit rates, and improved access to debt capital markets.
- Incremental borrowing costs have already started declining, with benefits expected to flow gradually as the liability book reprices. Despite selectively passing on part of the funding benefit to customers, management expects NIMs to remain stable at ~8.5-9.0%, aided by lower CoF and a favorable portfolio mix.
- SHFL also expects its multi-product distribution model to improve branch productivity, cross-selling, customer retention, and operating leverage over time. While the company continues to invest in manpower and branch

expansion, particularly in gold loans, operating expenses are expected to remain well controlled relative to business growth.

- We expect SHFL's NIM (calc.) to expand to ~8.8%/~9.0% in FY27E/FY28E, supported by declining CoF. We also expect the cost-to-income ratio to gradually improve to ~26-27% by FY28E (FY26: ~30%).

Credit costs set to ease; MSME stress remains contained

- SHFL's asset quality trends remain broadly stable across business segments, with the recent stress largely attributable to temporary cash flow mismatches rather than any structural weakness in the borrower base. Incremental stress has primarily been confined to select MSME-linked sectors affected by tariff-related issues, geopolitical disruptions, and export slowdown. However, we believe these pressures remain manageable, supported by resilient rural demand, stable transportation activity, and healthy collections across key portfolios.
- The company maintains a prudent provisioning approach amid prevailing macro uncertainties while remaining confident on recoverability given the rising share of collateral-backed MSME lending. Over the medium term, management expects credit costs to gradually moderate as the secured lending mix improves, customer retention strengthens, and lower funding costs enhance overall portfolio resilience. We estimate credit costs (as a % of avg. assets) at ~1.9%/~1.8% for FY27E/FY28E.

Valuation and view

- The entry of MUFG as a strategic partner marks a significant milestone for SHFL, materially strengthening its capital base, funding profile, and credit credibility. The partnership is expected to enhance SHFL's ability to scale across vehicle finance, MSME, and retail lending while maintaining financial discipline and operational stability.
- Despite near-term macroeconomic uncertainties, management remains constructive on the broader credit environment, supported by resilient rural demand and healthy financing penetration trends. Vehicle finance demand remains robust, aided by replacement demand, improving rural recovery, and SHFL's strong positioning in the used vehicle segment. While MSME growth remains relatively moderate due to global headwinds and export-related pressure, diversification into alternative export markets will help contain stress and maintain portfolio stability. Overall, SHFL appears well positioned to deliver healthy AUM growth, supported by improving operating leverage and strong capitalization.
- We expect SHFL to deliver a CAGR of ~17%/~26% in AUM/PAT over FY26-28E, along with RoA/RoE of ~3.8%/13% by FY28E. Reiterate BUY with a TP of INR1,175 (premised on 2.2x FY28E BVPS).

Exhibit 1: Valuation matrix for vehicle financiers (now diversified) under our coverage

Val summary	Rating	CMP (INR)	TP (INR)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Shriram Finance	Buy	913	1,175	54.1	68.0	491	547	3.6	3.8	14.0	13.1	16.8	13.4	1.9	1.7
Cholamandalam	Buy	1,483	1,900	74.3	94.6	434	526	2.4	2.6	18.8	19.7	20.0	15.7	3.4	2.8
MMFS	Buy	294	350	24.0	28.3	195	215	2.1	2.2	12.9	13.8	12.3	10.4	1.5	1.4

Story in charts

Exhibit 2: Expect AUM CAGR of 17% over FY26-28E

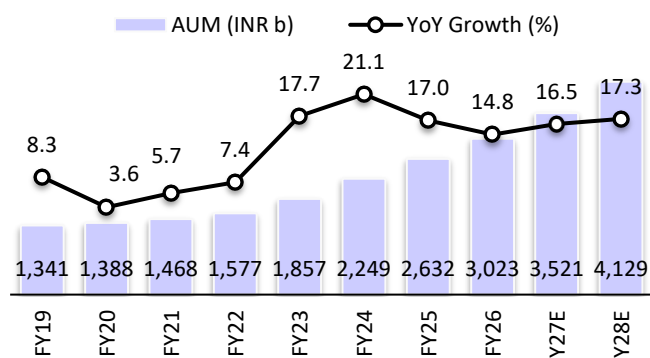


Exhibit 3: Expect disbursement CAGR of ~17% over FY26-28E

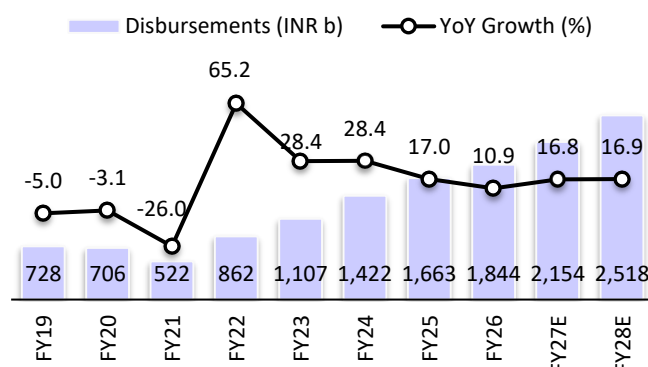


Exhibit 4: Spreads to remain stable over FY26-28E at ~8.8%

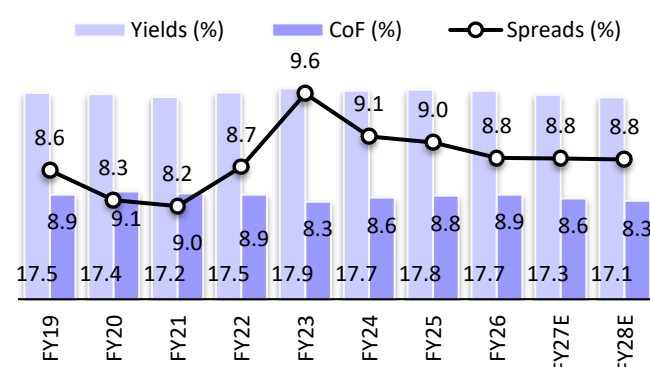


Exhibit 5: Margins to improve to ~9% by FY28E

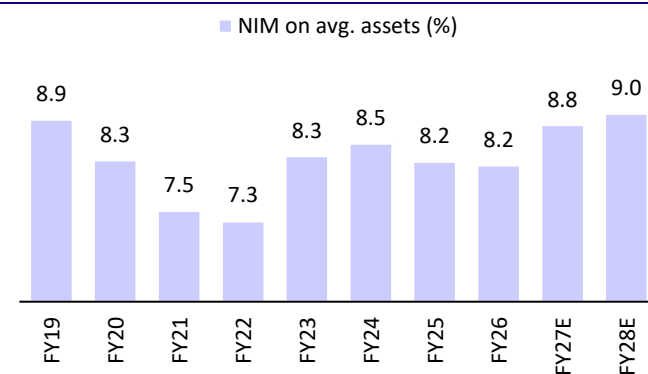


Exhibit 6: CI ratio expected to decline to ~26.4% by FY28E

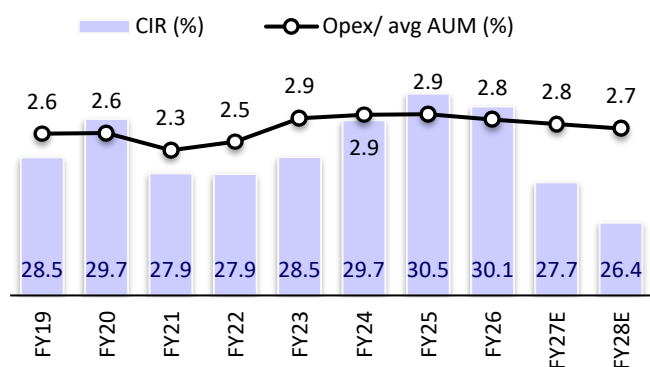


Exhibit 7: Asset quality to improve going forward

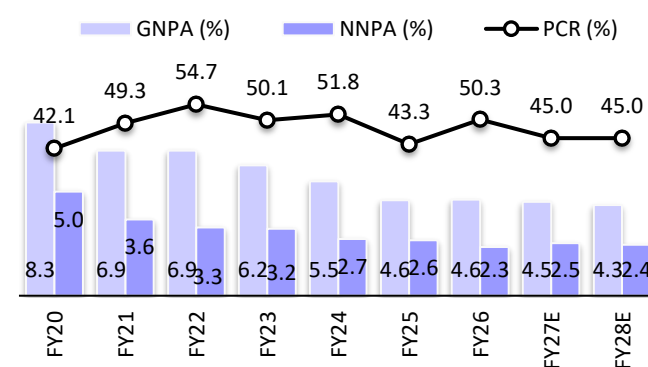


Exhibit 8: PAT CAGR of ~26% over FY26-FY28E

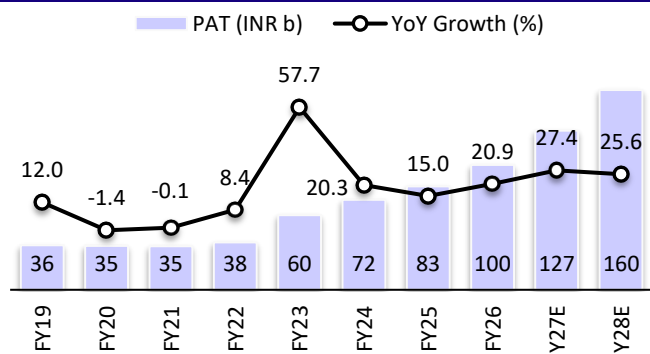
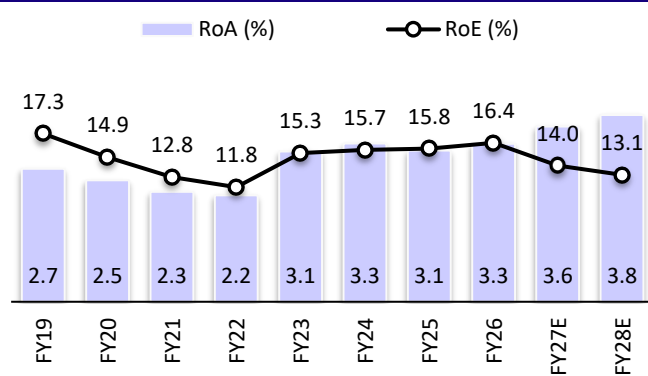


Exhibit 9: RoA/RoE of 3.8%/13% in FY28E



Source: MOFSL, Company

Source: MOFSL, Company

MUFG capital infusion drives stronger and a disciplined growth outlook

- SHFL’s partnership with MUFG represents a transformational milestone, with MUFG acquiring a ~20% stake through a ~USD4.4b capital infusion (issue price of ~INR840.93/share). This significantly strengthens SHFL’s balance sheet and funding profile while enhancing its long-term growth capacity. Beyond capital support, the partnership is expected to deepen capabilities through access to MUFG’s expertise in digital solutions, treasury management, funding diversification, and capital markets, along with its established experience across Asian markets, supporting future scalability.
- The strengthened capital base positions SHFL to pursue accelerated yet disciplined growth. Management expects AUM growth to improve from the historical ~16-17% range to ~18-20% over the medium term, supported by India’s structural credit opportunity, rising financing penetration, lower CoF, and resilient rural demand. Importantly, despite its enhanced capital position, the company does not intend to pursue aggressive expansion or materially alter its core business model, reflecting continued focus on prudent growth.

Exhibit 10: Current shareholding (as of Mar’26) (%)

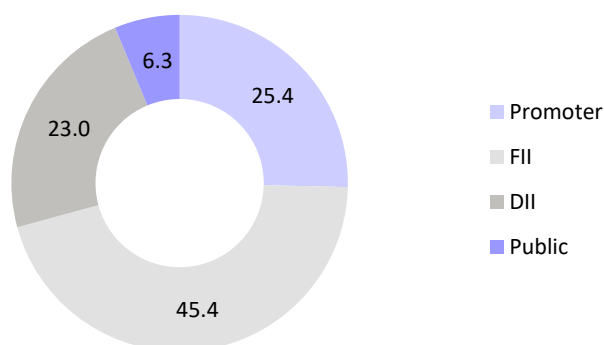
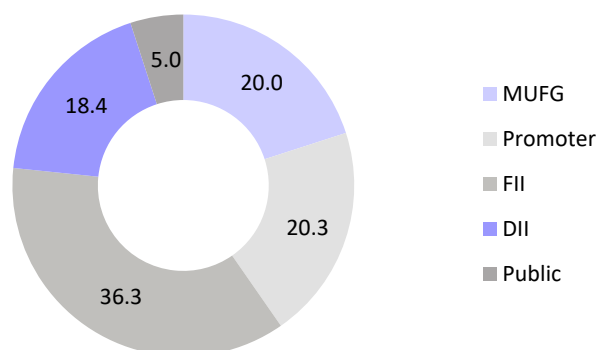


Exhibit 11: Shareholding pattern post capital infusion (%)



Rural-centric strategy and customer retention to drive multi-engine growth

- SHFL continues to focus on rural and semi-urban India, where it sees significant penetration opportunities, particularly across northern, central, and eastern regions. The company does not intend to pursue aggressive expansion into metro markets and instead aims to deepen its presence within existing geographies and customer ecosystems.
- This geographic strategy is complemented by a continued disciplined approach to underwriting and product positioning. Within vehicle finance (VF), SHFL continues to leverage its established franchise across both used and new vehicle segments. Used VF remains a core strength, while new VF is increasingly driven by existing customers upgrading vehicles. The company currently holds ~3% market share in new VF and aims to double this over the next three years, with a focus on higher-ticket and lower-risk customer profiles. Despite this growth ambition, new vehicle loans are expected to remain ~5% of the overall portfolio, limiting any material impact on yields or risk profile.
- SHFL plans to remain focused on cash flow-based lending in MSME financing. Over time, the company intends to gradually increase the share of secured MSME loans, enabling a shift toward moderately larger ticket sizes while maintaining underwriting comfort and strong recoverability. MSME growth is

expected to remain in the ~13-15% range in the near term, with potential acceleration as macro conditions stabilize and infrastructure spending improves.

- SHFL maintains a strong position in 2W financing and aims to sustain leadership in the segment while selectively expanding into premium motorcycles. Rising financing penetration, driven by a structural shift away from cash purchases, continues to support long-term demand.
- Gold loans are expected to become an increasingly important growth driver, with the company viewing the segment as significantly underpenetrated within its existing customer base. Growth is expected to be driven primarily through cross-selling, supported by branch expansion and experimentation with dedicated gold loan branches to enhance accessibility. While competitive intensity has increased due to higher participation from banks, SHFL continues to earn yields of ~18-20% and expects the segment to grow at over ~30% over the medium term.
- Overall, growth is increasingly expected to be driven by deeper engagement with existing customers rather than aggressive acquisition, as ~30% of customers currently migrate to banks or captive financiers as their credit requirements evolve. SHFL aims to improve retention and upgrade customers within its ecosystem, supported by selective rate reductions of ~1-2% for high-quality borrowers, providing a sufficient runway to sustain ~20% long-term growth.
- We expect SHFL to deliver ~17% AUM CAGR over FY26-28E, supported by healthy demand across loan products and improving customer retention.

Exhibit 12: Expect AUM CAGR of 17% over FY26-28E

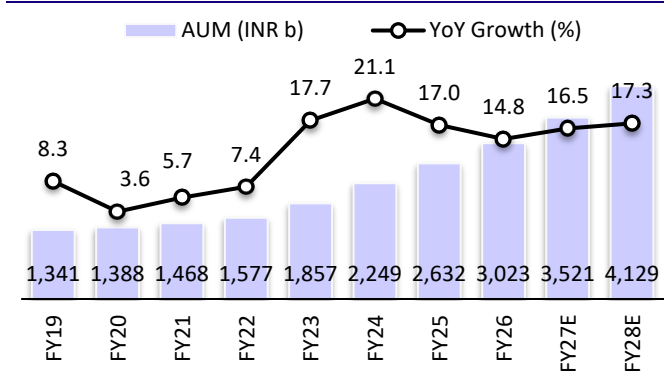


Exhibit 13: Expect disbursement CAGR of 17% over FY26-28E

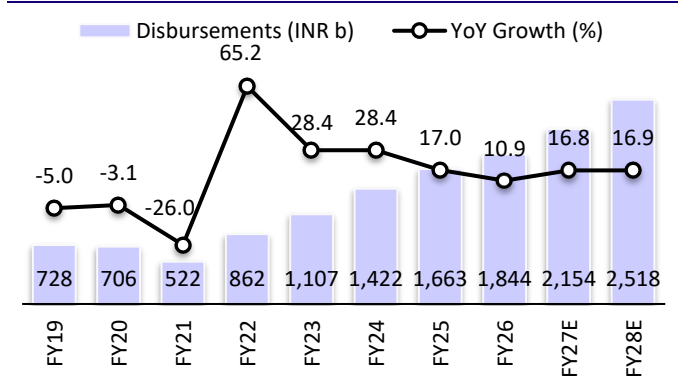
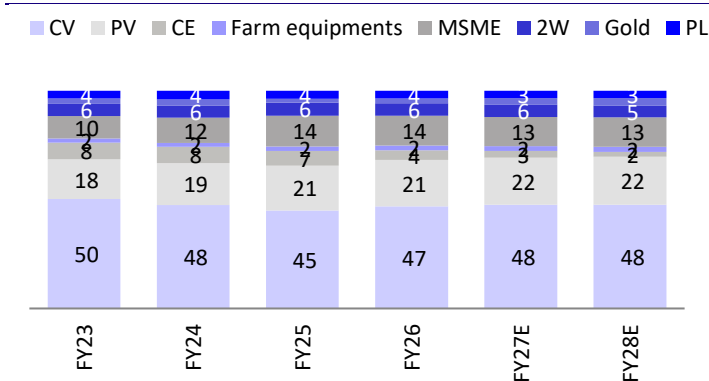
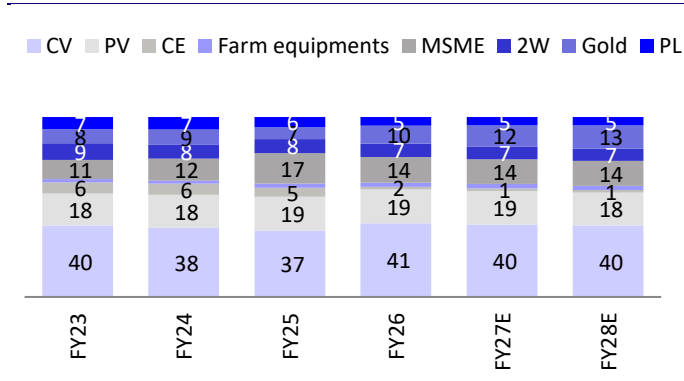


Exhibit 14: AUM mix (%)



Source: MOFSL, Company

Exhibit 15: Gold disbursements to improve to 13% by FY28E

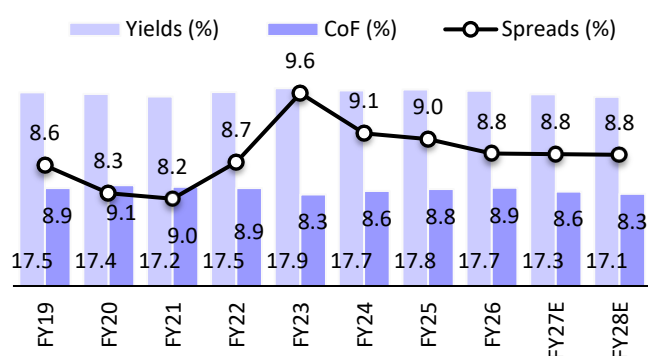


Source: MOFSL, Company

Structural liability gains to drive spread expansion and margin stability

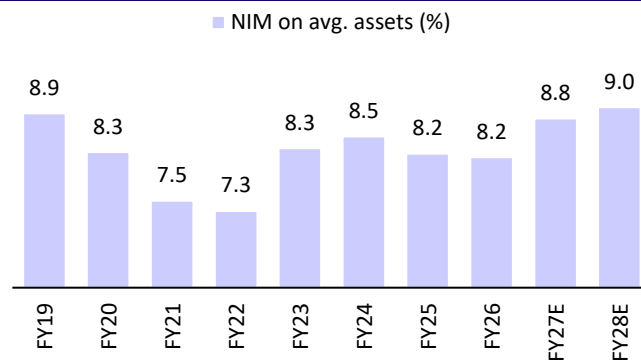
- One of the key outcomes of the MUFG transaction is the expected structural improvement in SHFL's liability profile. SHFL expects a ~100bp reduction in CoF over the next 2-3 years, driven by rating upgrades (ICRA: AAA; Stable, India Ratings and CRISIL: AAA/Stable), liability repricing, lower retail deposit rates, and reduced borrowing costs in debt capital markets.
- Reflecting this trend, incremental borrowing costs have already declined from ~8.1% in 2QFY26 to ~7.2% in 4QFY26, with further benefits expected to flow through gradually as the liability book reprices. While a portion of these funding gains may be selectively passed on to customers to support retention, particularly in vehicle finance, SHFL does not expect any material margin pressure.
- Given the strong post-infusion liquidity position, SHFL is not under pressure to raise incremental borrowings in the near term and instead plans to optimize its liability structure by repaying higher-cost debt while deploying capital into growth opportunities. Overall spreads are expected to improve from ~8.2% currently to ~8.4-8.5% over the next year, while NIMs are expected to remain broadly stable in the ~8.5-9% range.
- We expect SHFL to deliver NIM (calc.) of ~8.8%/9.0% in FY27E/FY28E (FY26: ~8.2%) supported by decline in cost of borrowings.

Exhibit 16: Spreads to remain stable over FY26-28E at ~8.8%



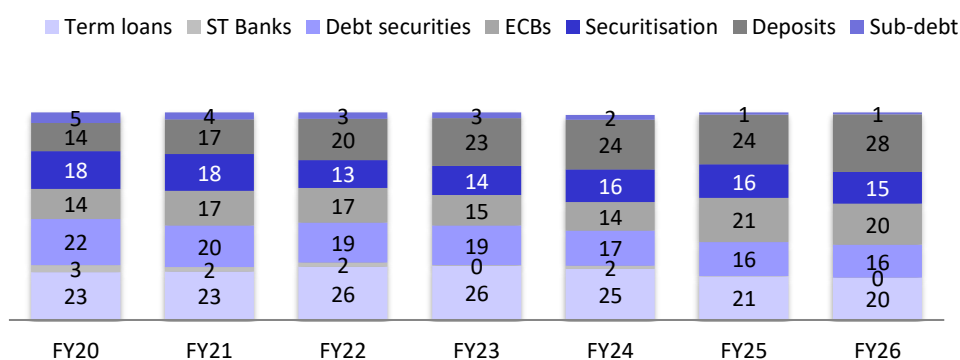
Source: MOFSL, Company

Exhibit 17: Margins to improve to ~9% by FY28E



Source: MOFSL, Company

Exhibit 18: Funding profile as of Mar'26



Source: MOFSL, Company

Stable asset quality with gradual credit cost moderation

- Asset quality trends remain broadly stable across segments, with observed stress largely reflecting temporary cash flow mismatches rather than any structural deterioration. Incremental stress has been primarily concentrated in select MSME-linked sectors impacted by tariff-related issues, geopolitical disruptions, and export market weakness. However, management indicated that most stressed MSME and retail borrowers remain operational, thereby limiting the risk of meaningful credit losses.
- The company has maintained a conservative provisioning stance amid ongoing macro and geopolitical uncertainties while remaining confident in recoverability due to the increasing share of collateral-backed MSME lending.
- Over the medium term, SHFL expects credit costs to gradually moderate as the secured lending mix rises, customer retention improves and funding costs decline. The company guided for credit costs at ~2% in the near term, which could further moderate to ~1.8% over the long term. We build in credit costs (as % of assets) of ~1.9%/1.8% for SHFL for FY27E/FY28E.

Exhibit 19: Asset quality to improve going forward

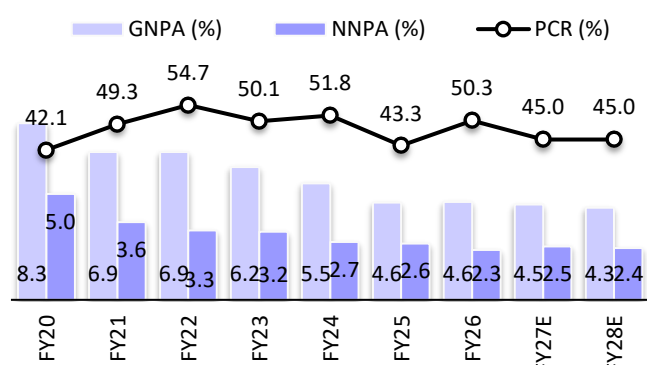
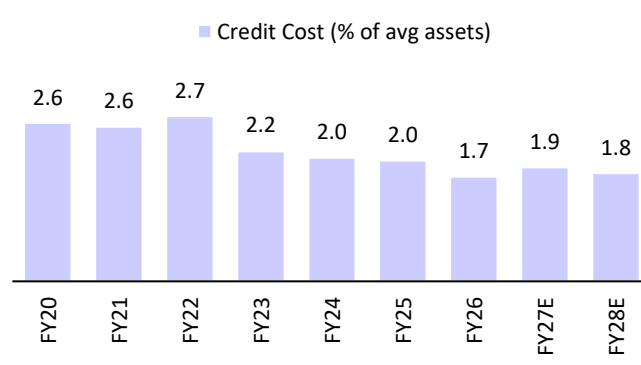
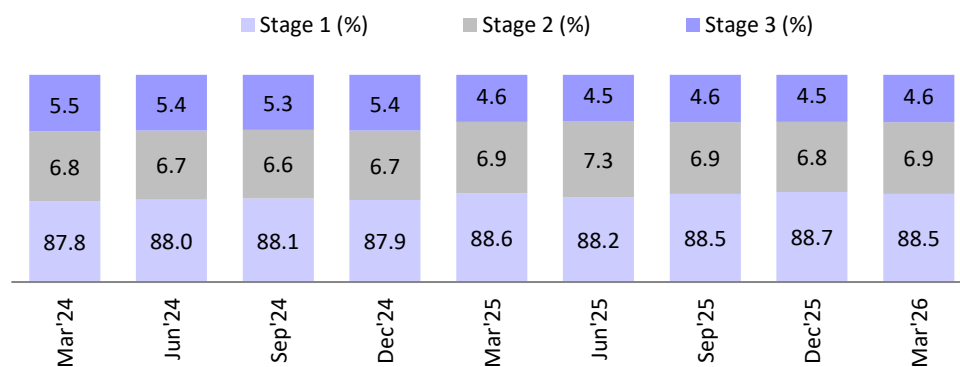


Exhibit 20: Credit costs expected to be ~1.8% by FY28E



Source: MOFSL, Company

Exhibit 21: Stage 2 assets increase marginally by ~15bp

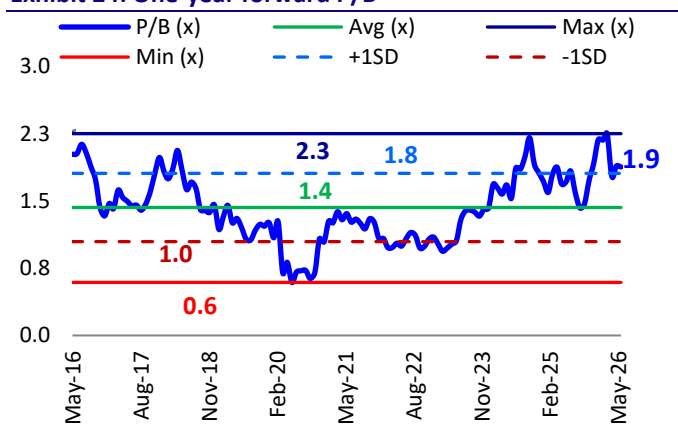


Source: MOFSL, Company

Valuation and view

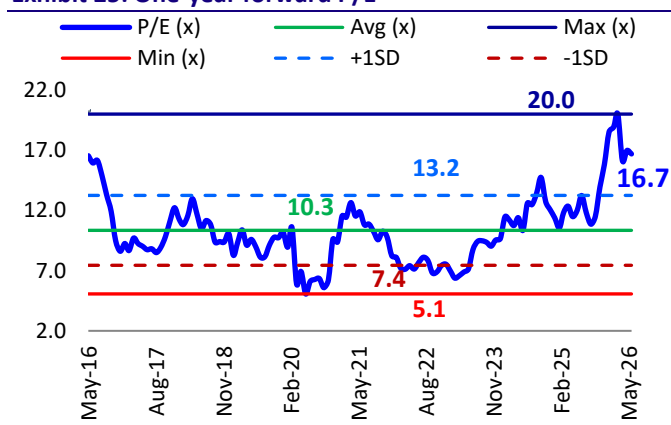
- The entry of MUFG as a strategic partner marks a significant milestone for SHFL, materially strengthening its capital base, funding profile, and credit credibility. The partnership is expected to enhance SHFL's ability to scale across vehicle finance, MSME, and retail lending while maintaining financial discipline and operational stability.
- Despite near-term macroeconomic uncertainties, management remains constructive on the broader credit environment, supported by resilient rural demand and healthy financing penetration trends. Vehicle finance demand remains robust, aided by replacement demand, improving rural recovery, and SHFL's strong positioning in the used vehicle segment. While MSME growth remains relatively moderate due to global headwinds and export-related pressure, diversification into alternative export markets will help contain stress and maintain portfolio stability. Overall, SHFL appears well positioned to deliver healthy AUM growth, supported by improving operating leverage and strong capitalization.
- We expect SHFL to deliver a CAGR of ~17%/~26% in AUM/PAT over FY26-28E, along with RoA/RoE of ~3.8%/13% by FY28E. Reiterate BUY with a TP of INR1,175 (premised on 2.2x FY28E BVPS).

Exhibit 24: One-year forward P/B



Source: MOFSL, Company

Exhibit 25: One-year forward P/E



Source: MOFSL, Company

Exhibit 26: DuPont analysis

Y/E MARCH	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	14.7	14.4	14.8	15.2	15.2	15.2	15.1	14.8
Interest Expended	7.2	7.1	6.5	6.7	7.0	7.0	6.2	5.8
Net Interest Income	7.5	7.3	8.3	8.5	8.2	8.2	8.8	9.0
Non-interest income	0.3	0.5	0.6	0.6	0.6	0.5	0.5	0.4
Net Total Income	7.8	7.8	8.9	9.2	8.8	8.7	9.3	9.4
Operating Expenses	2.2	2.2	2.5	2.7	2.7	2.6	2.6	2.5
- Employee expenses	1.1	1.1	1.3	1.5	1.4	1.3	1.3	1.3
- Other expenses	1.1	1.0	1.2	1.3	1.3	1.3	1.3	1.2
PPoP	5.6	5.6	6.4	6.4	6.1	6.1	6.7	6.9
Provisions/write offs	2.6	2.7	2.2	2.0	2.0	1.7	1.9	1.8
PBT	3.0	2.9	4.2	4.4	4.1	4.3	4.8	5.1
Tax	0.8	0.7	1.1	1.1	1.0	1.1	1.2	1.3
RoA	2.3	2.2	3.1	3.3	3.1	3.3	3.6	3.8
Avg. Leverage	5.7	5.4	4.9	4.8	5.1	5.0	3.9	3.4
RoE	12.8	11.8	15.3	15.7	15.8	16.4	14.0	13.1

Financials and valuations

							(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	2,26,997	2,48,605	2,86,074	3,35,997	4,03,076	4,66,440	5,30,584	6,13,897
Interest Expenses	1,11,881	1,22,668	1,25,458	1,48,061	1,84,546	2,15,204	2,19,621	2,40,031
Net Interest Income	1,15,116	1,25,936	1,60,616	1,87,935	2,18,531	2,51,236	3,10,963	3,73,867
Change (%)	-0.4	9.4	27.5	17.0	16.3	15.0	23.8	20.2
Other Operating Income	4,514	9,214	11,648	13,648	15,268	14,739	15,918	17,032
Other Income	237	227	307	332	251	601	631	662
Total Income	1,19,867	1,35,378	1,72,571	2,01,915	2,34,049	2,66,576	3,27,512	3,91,561
Change (%)	-0.5	12.9	27.5	17.0	15.9	13.9	22.9	19.6
Total Operating Expenses	33,500	37,805	49,131	59,895	71,440	80,262	90,575	1,03,187
Change (%)	-6.4	12.8	30.0	21.9	19.3	12.3	12.8	13.9
Employee Expenses	16,699	19,695	25,061	32,156	36,512	41,260	46,327	53,739
Depreciation	2,172	2,137	5,242	5,688	6,453	6,988	7,431	7,844
Other Operating Expenses	14,629	15,973	18,828	22,051	28,475	32,015	36,817	41,603
Operating Profit	86,367	97,573	1,23,441	1,42,020	1,62,609	1,86,313	2,36,937	2,88,374
Change (%)	1.9	13.0	26.5	15.1	14.5	14.6	27.2	21.7
Total Provisions	39,693	47,485	41,592	45,183	53,117	53,391	66,706	74,586
% Loan loss provisions to Avg loans ratio	2.8	3.1	2.4	2.2	2.3	2.0	2.2	2.1
PBT	46,674	50,088	81,849	96,836	1,09,493	1,32,923	1,70,232	2,13,789
Tax Provisions	11,692	12,164	22,056	24,932	26,776	32,941	42,898	53,875
Tax Rate (%)	25.1	24.3	26.9	25.7	24.5	24.8	25.2	25.2
PAT	34,982	37,925	59,793	71,905	82,716	99,982	1,27,333	1,59,914
Change (%)	-0.1	8.4	57.7	20.3	15.0	20.9	27.4	25.6
PAT (including exceptional gains)	34,982	37,925	59,793	71,905	97,610	99,982	1,27,333	1,59,914

							(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	3,191	3,371	3,744	3,758	3,761	3,763	4,705	4,705
Reserves & Surplus	2,91,764	3,43,760	4,29,322	4,81,926	5,59,045	6,53,286	11,51,533	12,81,366
Net Worth	2,94,954	3,47,132	4,33,066	4,85,684	5,62,806	6,57,049	11,56,239	12,86,072
Borrowings	13,17,617	14,51,285	15,79,063	18,58,411	23,41,973	25,06,899	26,30,441	31,25,690
Change (%)	12.1	10.1	8.8	17.7	26.0	7.0	4.9	18.8
Other liabilities	26,317	23,320	24,509	28,665	30,551	47,604	52,364	57,600
Total Liabilities	16,38,888	18,21,754	20,36,639	23,72,760	29,35,329	32,11,552	38,39,043	44,69,362
Cash and bank balances	2,16,562	2,29,679	1,58,174	1,08,126	2,13,657	79,384	2,23,254	2,47,098
Investments	42,152	86,455	85,651	1,06,566	1,55,987	1,47,828	1,40,436	1,47,458
Loans	13,57,232	14,76,890	17,19,846	20,79,294	24,53,928	28,24,524	32,95,249	38,76,449
Change (%)	5.3	8.8	16.5	20.9	18.0	15.1	16.7	17.6
Fixed Assets	6,599	6,467	6,997	8,458	10,257	11,088	11,642	12,224
Deferred tax Assets	6,964	9,109	17,439	28,840	36,949	42,633	34,107	27,285
Goodwill			14,067	14,067	11,895	11,895	11,895	11,895
Other Assets	9,379	13,137	34,465	27,408	52,657	94,201	1,22,461	1,46,953
Total Assets	16,38,888	18,21,737	20,36,639	23,72,760	29,35,329	32,11,552	38,39,043	44,69,362

E: MOFSL Estimates

Financials and valuations

AUM Mix (%)							(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
AUM	14,68,128	15,77,122	18,56,829	22,48,620	26,31,903	30,22,738	35,21,340	41,29,049
Change (%)	6	7	18	21	17	15	16	17
Disbursements	5,21,985	8,62,135	11,06,899	14,21,675	16,62,981	18,44,290	21,53,772	25,17,616
Change (%)	-26	65	28	28	17	11	17	17

E: MOFSL Estimates

Ratios							(INR M)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)								
Avg. Yield on Loans	17.2	17.5	17.9	17.7	17.8	17.67	17.34	17.1
Avg Cost of Funds	9.0	8.9	8.3	8.6	8.8	8.88	8.55	8.3
Spread of loans	8.2	8.7	9.6	9.1	9.0	8.80	8.79	8.8
NIM (on assets)	7.5	7.3	8.3	8.5	8.2	8.2	8.8	9.0
C/I ratio	27.9	27.9	28.5	29.7	30.5	30.1	27.7	26.4

Profitability Ratios (%)								
RoE	12.8	11.8	15.3	15.7	15.8	16.4	14.0	13.1
RoA	2.3	2.2	3.1	3.3	3.1	3.3	3.6	3.8
Int. Expended / Int. Earned	49.3	49.3	43.9	44.1	45.8	46.1	41.4	39.1
Other Inc. / Net Income	4.0	7.0	6.9	6.9	6.6	5.8	5.1	4.5

Efficiency Ratios (%)								
Op. Exps. / Net Income	27.9	27.9	28.5	29.7	30.5	30.1	27.7	26.4
Empl. Cost/Op. Exps.	49.8	52.1	51.0	53.7	51.1	51.4	51.1	52.1

Asset-Liability Profile (%)								
Loans/Borrowings Ratio	1.0	1.0	1.1	1.1	1.0	1.1	1.3	1.2
Assets/Equity	5.6	5.2	4.7	4.9	5.2	4.9	3.3	3.5

Asset quality (%)								
GNPA	1,01,688	1,09,762	1,13,822	1,20,812	1,18,388	1,37,433	1,55,446	1,76,320
NNPA	51,523	49,731	56,749	58,245	67,145	68,255	85,495	96,976
GNPA ratio	6.9	6.9	6.2	5.5	4.6	4.6	4.5	4.3
NNPA ratio	3.6	3.3	3.2	2.7	2.6	2.3	2.5	2.4
PCR	49.3	54.7	50.1	51.8	43.3	50.3	45.0	45.0
Credit Costs (% of loans)	2.8	3.1	2.4	2.2	2.3	2.0	2.2	2.1

Valuations	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Book Value (INR)	185	206	231	258	299	349	491	547
BV Growth (%)	8	11	12	12	16	17	41	11
P/BV	4.9	4.4	3.9	3.5	3.1	2.6	1.9	1.7
EPS (INR)	22	22	32	38	44	53	54	68
EPS Growth (%)	-8.3	2.6	42.0	19.8	14.9	20.8	1.9	25.6
P/E	41.6	40.6	28.6	23.9	20.8	17.2	16.9	13.4
DPS	4.2	4.7	7.0	9.0	9.9	12	12	15
Dividend Yield (%)	0.5	0.5	0.8	1.0	1.1	1.3	1.3	1.7

E: MOFSL Estimates

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NEUTRAL	< - 10 % to 15%
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