CENTRUM

Shriram Finance

Growth Holds Firm Despite Monsoon Uncertainty

Shriram Finance delivered a robust start to FY27, with AUM crossing Rs3.14tn (+15.3% YoY) and disbursement growth accelerating to 19.5% YoY, aided by a pickup in auto volumes and continued share gains in the used-vehicle financing market. A notable structural shift this quarter was the rising contribution of new vehicle financing within the disbursement mix, as the company leans on its long-standing customer relationships and improved cost competitiveness to capture upgrade demand — a segment management expects to scale further over the next two-to-three years. Profitability was boosted by the MUFG capital infusion, which lowered leverage to 2.14x and pushed reported NIM up to 9.04%, though this was flattered by surplus liquidity yet to be deployed; management's medium-term NIM guidance of ~8.5% implies the current print is not the new run-rate. Credit metrics held steady, with credit cost of 1.66% tracking within the ~2% guided band, even as early signs of portfolio-mix-led forward flows emerged in gold and management signaled intent to meaningfully step up MSME growth after a period of caution. On growth, the FY27 AUM guidance of ~18% was retained, with management preferring to wait for post-monsoon clarity before committing to an upgrade. We would look to revisit our rating once management's outlook stance is more definitively firmed up post the Q2 reassessment, particularly on growth guidance and the pace of the NIM normalization. With the stock still trading above +1SD of its five-year average valuation band, we see the quarter's positives as largely reflected in current pricing and maintain our Neutral rating. Rolling forward our valuation to 1HFY29E at 2.1x ABV, we arrive at a revised target price of Rs1,127.

Growth Robust; FY27 Guidance Awaiting Clarity

Shriram Finance's AUM grew 15.3% YoY and 3.8% QoQ to Rs3.14tn, while Q1FY27 disbursements rose 19.5% YoY to Rs499.7bn, supported by strong auto OEM volumes. New vehicle financing remained stable at ~16% of disbursements. Management reiterated its FY27 AUM growth guidance of 18%, though termed it provisional given uncertainty around the monsoon and rural demand, with a formal review expected after Q2 and near-term growth guided at 15%+. Gold loans continue to be the fastest-growing segment, supported by the expansion of gold-loan-ready branches to ~2,200, while the company is scaling MSME lending toward ~20% of the portfolio (from ~15%) by leveraging its branch network beyond the South, broadening portfolio diversification.

NIM Expands Sharply on Capital Infusion, but Management Guides Down to 8.5% Medium-Term

Reported NIM rose sharply to 9.04% in Q1FY27 (vs 8.61% in Q4FY26, 8.11% in Q1FY26), aided by the April 2026 capital infusion, which pulled overall liabilities down to Rs2,326bn (from Rs2,507bn in Q4FY26) and leverage down to 2.14x (from 3.82x). Cost of liabilities eased modestly to 8.56% (vs 8.59% QoQ), with incremental cost of funds at 7.77%. Capital adequacy stood at a comfortable 34.17%, and LCR at 262.5%. Despite the sharp NIM beat this quarter, management held its medium-term NIM guidance at 8.5%, attributing the current strength largely to surplus-liquidity carry that should normalize as the capital gets deployed into growth and as rate benefits are passed through to customers.

Asset Quality broadly Stable

GS-3 stood at 4.64% (vs. 4.58% QoQ, 4.53% YoY), while NS-3 remained stable at 2.33% (flat QoQ, vs. 2.57% YoY). Credit cost stayed contained at 1.66% (vs. 1.68% QoQ, 1.64% YoY), comfortably within management's ~2% FY27 guidance, while the cost-to-income ratio improved sharply to 25.5% from 29.3% a year ago. Management highlighted a modest rise in Stage-2 and Stage-3 gold loans, driven by a planned shift from bullet repayments to interest-servicing structures rather than any deterioration in borrower behaviour. MSME asset quality has also stabilized following a cautious FY26, supporting renewed growth in the segment. Overall, asset quality remains well within guidance, with the gold and MSME portfolio changes reflecting a business mix transition rather than a credit concern.

Financial and valuation summary

YE Mar (Rs mn)	1QFY27A	1QFY26A	YoY (%)	4QFY26A	QoQ (%)	FY27E	FY28E	FY29E
NII	77,057	57,724	33.5	67,514	14.1	3,23,493	3,87,298	4,53,333
PPoP	60,854	41,924	45.2	53,250	14.3	2,54,413	3,06,148	3,59,139
Provisions	14,633	12,857	13.8	14,097	3.8	67,288	88,017	1,00,248
PAT	34,446	21,557	59.8	30,136	14.3	1,39,137	1,62,071	1,92,356
AUM growth (%)	15.3	16.6	(8.2)	14.8	2.8	18.1	18.3	17.9
NIM (%)	10.0	8.6	16.0	9.1	10.0	10.5	10.6	10.5
C / I (%)	25.9	31.7	(18.5)	26.0	(0.4)	26.5	25.9	25.8
GNPA (%)	4.6	4.5	2.4	4.6	1.4	4.9	5.0	5.1
RoA (%)	4.1	2.9	43.1	3.8	9.3	3.9	3.8	3.9
RoE (%)	15.8	15.0	5.2	18.9	(16.2)	15.3	13.2	14.1
P/BV (x)	0.0	0.0	0.0	0.0	0.0	2.0	1.8	1.6

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

Institutional Research

Result Update

India I NBFC

26 July, 2026

NEUTRAL

Price: Rs1,005
Target Price: Rs1,127
Forecast return: 12%

Market Data

Bloomberg:	SHFL IN
52 week H/L:	1,108/566
Market cap:	Rs2364.9bn
Shares Outstanding:	2352.9mn
Free float:	77.0%
Avg. daily vol. 3mth:	62,30,996

Source: Bloomberg

Changes in the report

Rating:	Unchanged
Target price:	Rs1,127 from Rs1,052
ABV:	FY27E: Rs460 FY28E: Rs507

Source: Centrum Broking

Shareholding pattern

	Jun-26	Mar-26	Dec-25	Sep-25
Promoter	20.3	20.3	25.4	25.4
FIIs	54.8	56.1	45.2	47.2
DIIs	19.9	18.6	23.3	21.3
Public/other	5.0	5.0	6.1	6.1

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1FY27	Actual Q1FY27	Variance (%)
NII	72,070	77,057	6.9%
PPOP	55,021	60,854	10.6%
PAT	30,340	34,446	13.5%

Source: Bloomberg, Centrum Broking

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NBFC

Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY27E New	FY27E Old	% chg	FY28E New	FY28E Old	% chg
NII	3,23,493	3,13,998	3.02%	3,87,298	3,85,167	0.55%
PPoP	2,54,413	2,42,416	4.95%	3,06,148	3,02,790	1.11%
PAT	1,39,137	1,27,375	9.23%	1,62,071	1,60,810	0.78%

Source: Centrum Broking

Shriram Finance versus NIFTY 50

	1m	6m	1 year
SHFL IN	3.3	2.2	56.8
NIFTY 50	2.0	3.5	5.2

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY27E	FY28E
Disbursement growth	19.1	18.3
AUM growth	18.1	18.3
NIMs	10.5	10.6
C/I ratio	26.5	25.9
Credit costs	2.2	2.4

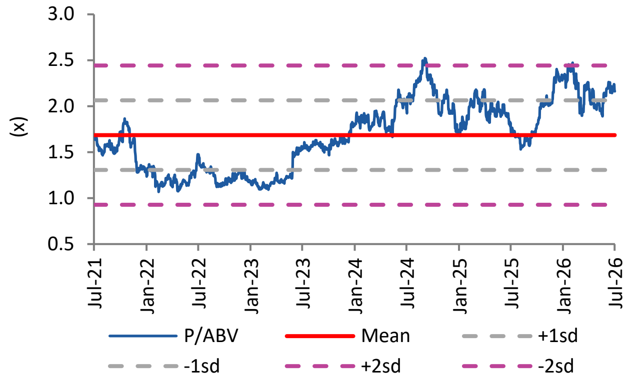
Source: Centrum Broking

Valuations

With the stock still trading above +1SD of its five-year average valuation band, we see the quarter's positives as largely reflected in current pricing and maintain our Neutral rating. Rolling forward our valuation to 1HFY29E at 2.1x ABV, we arrive at a revised target price of Rs1,127.

Valuations	Rs/share
ABV/share (1HFY29E)	537
Ascribed P/BV (x)	2.10
Target Price (Rs)	**1,127**
Upside to CMP	12.0%

P/ABV mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

Company	Market cap		P/B (x)				P/ABV (x)				RoE (%)			
	Rs bn	US $bn	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Mahindra Fin	495	5.2	2.2	2.0	1.8	1.7	2.4	2.1	1.9	1.8	12.4	13.0	13.7	14.0
Sundaram Fin	494	5.2	4.4	3.9	3.5	3.1	4.7	4.2	3.8	3.3	15.0	15.4	15.0	14.9
Cholamandalam	1,470	15.4	6.1	4.8	4.2	3.4	7.0	5.5	4.9	4.0	19.0	19.3	20.2	20.6
Average			**4.2**	**3.6**	**3.2**	**2.7**	**4.7**	**3.9**	**3.5**	**3.0**	**15.5**	**15.9**	**16.3**	**16.5**
Shriram Fin	**2,364**	**24.8**	**3.4**	**2.9**	**2.0**	**1.8**	**3.8**	**3.2**	**2.2**	**2.0**	**15.8**	**16.4**	**15.3**	**13.2**

Source: Company, Centrum Broking

Concall Key Takeaways

Guidance

Growth & Business Outlook

- Management remains confident of sustaining healthy growth as surplus liquidity from the recent capital infusion is deployed over the next 1–1.5 months, following which the company will resume fresh borrowings.
- The company expects incremental bank borrowings at around **8%**, aided by its improved credit rating, which should continue to lower funding costs over time.
- Vehicle finance growth is expected to remain healthy, driven by a gradual increase in financing of new vehicles. The share of new vehicle financing, currently around **16% of disbursements**, is expected to steadily increase over the next **2–3 years**.
- Gold loans are a key growth focus, with around **2,200 branches** already enabled. Management aims to double the gold loan portfolio over the next **three years**, increasing its contribution from around **2.5% to 5%** of the overall loan book.
- MSME lending remains another strategic growth area, with management targeting an increase in portfolio mix from around **15% to nearly 20%** over time through expansion into western, northern and eastern India. MSME disbursements are expected to accelerate from **Q3/Q4 onwards**, with quarterly disbursements potentially exceeding **Rs7,000cr**.
- Construction Equipment (CE) financing is also expected to recover from the next quarter, supported by improving industry demand.

Margin & Funding Guidance

- Management indicated that the current elevated NIM should remain broadly stable over the **next two quarters** as surplus capital continues to be deployed.
- Over the **medium term (2–3 years)**, management reiterated its ability to sustain **NIM of around 8.5%**, supported by lower borrowing costs and a changing portfolio mix toward new vehicles.
- The benefit of approximately **Rs500cr** of incremental NII generated from deploying surplus capital during Q1FY27 will gradually diminish as the excess liquidity gets fully utilized.

Credit Cost Guidance

- Management reiterated its earlier guidance of maintaining **credit costs around 2%**, despite reporting a lower credit cost of **1.66%** during the quarter.

2) Loan Portfolio, Asset Quality & Margin

Loan Portfolio

Vehicle Finance

- The company is strategically increasing its focus on financing new vehicles, particularly for existing customers upgrading vehicles and former customers who had shifted to competitors due to pricing disadvantages.
- Management clarified that recent vehicle finance growth has primarily been driven by healthy market demand and larger ticket sizes rather than aggressive underwriting or market share gains.

Gold Loans

- Gold loans continue to be scaled aggressively through branch expansion.
- Growth is being driven by lending against existing household gold rather than financing fresh gold purchases.

- Management is also encouraging customers to shift from traditional bullet repayment structures toward regular interest servicing, which should improve portfolio quality and customer engagement.

MSME

- MSME lending is being geographically diversified beyond its historically southern concentration.
- Dedicated underwriting teams and hub-and-spoke processing infrastructure are being established to support expansion.
- Management expressed significantly higher confidence in MSME growth as domestic demand has offset earlier concerns regarding exports and tariff-related uncertainties.

Personal Loans

- Personal loans continue to be sourced conservatively.
- Expansion is restricted largely to existing relationships, including two-wheeler, gold loan and MSME customers.
- Management reiterated that it has no intention of pursuing large-scale outsourced sourcing channels.

Construction Equipment

- Management highlighted improving industry demand after a prolonged slowdown.
- Asset quality concerns within the CE portfolio have largely subsided, providing confidence to accelerate growth from the coming quarters.

Asset Quality

- Gross Stage 3 assets stood at **4.64%**, while Net Stage 3 remained stable at **2.33%**.
- Management attributed the marginal increase in Gross Stage 3 from **4.58% to 4.64%** to normal seasonal movements and did not view it as indicative of any deterioration in portfolio quality.
- Credit costs remained well controlled at **1.66%**, broadly in line with historical trends.

Exhibit 1: Quarterly result review

Shriram Finance (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Interest Income	90,773	93,628	98,145	1,03,408	1,07,895	1,15,506	1,18,331	1,20,871	1,29,100	15.5%	6.8%
Interest Expense	39,898	41,289	43,504	47,513	52,240	55,248	52,591	53,358	52,043	-3.6%	-2.5%
Net Interest Income	**50,874**	**52,339**	**54,641**	**55,896**	**55,655**	**60,258**	**65,740**	**67,514**	**77,057**	**33.5%**	**14.1%**
NIMs (calculated)	**10.0%**	**9.9%**	**9.9%**	**9.7%**	**9.3%**	**9.3%**	**9.8%**	**9.7%**	**10.7%**	**146 bps**	**97 bps**
Non-Interest Income	4,206	2,469	2,822	3,646	6,707	3,662	3,584	4,408	5,021	36.3%	13.9%
Total Income	**55,080**	**54,808**	**57,463**	**59,542**	**62,363**	**63,919**	**69,325**	**71,922**	**82,078**	**33.7%**	**14.1%**
Staff Cost	8,249	8,684	9,067	9,704	9,057	9,439	12,373	9,684	11,423	17.0%	18.0%
Other Op Exp	7,775	7,583	8,531	8,988	9,953	10,047	10,247	8,988	9,802	0.8%	9.1%
Total Op Exp	**16,024**	**16,267**	**17,597**	**18,692**	**19,010**	**19,486**	**22,620**	**18,671**	**21,225**	**8.9%**	**13.7%**
Cost to Income (%)	29.1%	29.7%	30.6%	31.4%	30.5%	30.5%	32.6%	26.0%	25.9%	-587 bps	-10 bps
Opex to AUM	2.9%	2.8%	3.0%	3.1%	3.0%	2.9%	3.2%	2.6%	2.8%	-16 bps	24 bps
Pre-provision op profit	**39,056**	**38,541**	**39,865**	**40,850**	**43,353**	**44,434**	**46,705**	**53,250**	**60,854**	**45.2%**	**14.3%**
Provisions	12,615	11,876	12,350	13,258	15,633	13,333	13,103	14,097	14,633	13.8%	3.8%
PBT	**26,441**	**26,666**	**27,515**	**27,592**	**27,720**	**31,100**	**33,602**	**39,153**	**46,221**	**59.0%**	**18.1%**
Tax	6,983	6,860	6,803	6,788	**6,326**	8,028	8,385	9,017	11,776	56.8%	30.6%
-effective tax rate	26.4%	25.7%	24.7%	24.6%	22.8%	25.8%	25.0%	23.0%	25.5%	-36 bps	245 bps
PAT	**19,459**	**19,806**	**20,713**	**20,804**	**21,394**	**23,072**	**25,217**	**30,136**	**34,446**	**59.8%**	**14.3%**
RoA	3.4%	3.3%	3.3%	3.1%	3.0%	3.1%	3.3%	3.8%	4.1%	124 bps	35 bps
RoE	16.3%	16.0%	16.1%	15.5%	15.4%	15.5%	16.5%	18.9%	15.8%	78 bps	-306 bps
Gross Stage 3	5.45%	5.39%	5.32%	5.38%	4.55%	4.57%	4.54%	4.58%	4.64%	11 bps	6 bps
Net Stage 3	2.70%	2.71%	2.57%	2.60%	2.58%	2.44%	2.32%	2.27%	2.27%	-25 bps	0 bps
Stage 3 PCR	51.8%	51.1%	51.7%	51.6%	43.3%	46.7%	48.8%	50.3%	51.0%	667 bps	65 bps
30+ DPD	12.2%	12.0%	11.9%	12.1%	11.4%	11.5%	682.5%	11.5%	11.6%	-22 bps	11 bps
Borrowings	18,58,411	19,17,455	20,81,193	22,34,597	23,41,973	23,43,094	25,17,318	25,06,899	23,26,392	-4.2%	-7.2%
Disbursements	3,93,260	3,77,050	3,99,620	4,37,620	4,48,479	4,30,190	4,86,000	5,20,238	4,99,740	19.5%	-1.9%
AUM	22,48,620	23,34,436	24,30,426	25,44,697	26,31,903	28,13,095	29,17,090	30,22,738	31,37,984	15.3%	3.8%

Source: NBFC, Centrum Broking

Exhibit 2: AUM break-up

AUM Mix	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Commercial Vehicles	10,69,351	10,96,791	11,21,941	11,57,669	11,85,605	12,31,319	12,81,402	13,31,695	14,16,666	14,70,343
YoY growth	14.6%	14.4%	14.0%	13.0%	10.9%	12.3%	10.0%	9.5%	19.5%	19.4%
QoQ growth	4.4%	2.6%	2.3%	3.2%	2.4%	3.9%	4.1%	3.9%	6.4%	3.8%
Passenger Vehicles	4,31,962	4,59,822	4,90,003	5,18,839	5,41,045	5,66,348	5,95,506	6,32,169	6,44,131	6,86,502
YoY growth	27.5%	26.7%	23.4%	24.9%	25.3%	23.2%	21.5%	21.8%	19.1%	21.2%
QoQ growth	4.0%	6.4%	6.6%	5.9%	4.3%	4.7%	5.1%	6.2%	1.9%	6.6%
Construction Equipments	1,69,540	1,70,410	1,76,377	1,78,611	1,78,782	1,65,354	1,53,667	1,42,195	1,33,095	1,23,727
YoY growth	18.0%	16.5%	17.1%	10.1%	5.5%	-3.0%	-12.9%	-20.4%	-25.6%	-25.2%
QoQ growth	4.5%	0.5%	3.5%	1.3%	0.1%	-7.5%	-7.1%	-7.5%	-6.4%	-7.0%
Farm Equipments	37,153	39,822	44,677	47,756	52,066	58,275	61,818	65,660	68,865	70,306
YoY growth	6.8%	16.5%	28.4%	42.3%	40.1%	46.3%	38.4%	37.5%	32.3%	20.6%
QoQ growth	10.7%	7.2%	12.2%	6.9%	9.0%	11.9%	6.1%	6.2%	4.9%	2.1%
MSME	2,62,270	2,88,023	3,22,997	3,46,320	3,74,136	3,88,243	4,06,350	4,10,770	4,12,446	4,19,624
YoY growth	36.9%	43.7%	51.6%	50.0%	42.7%	34.8%	25.8%	18.6%	10.2%	8.1%
QoQ growth	13.6%	9.8%	12.1%	7.2%	8.0%	3.8%	4.7%	1.1%	0.4%	1.7%
Two Wheelers	1,25,524	1,29,090	1,30,891	1,54,109	1,55,806	1,58,563	1,55,514	1,73,721	1,74,140	1,78,138
YoY growth	21.1%	28.8%	25.6%	26.9%	24.1%	22.8%	18.8%	12.7%	11.8%	12.3%
QoQ growth	3.4%	2.8%	1.4%	17.7%	1.1%	1.8%	-1.9%	11.7%	0.2%	2.3%
Gold	62,998	61,225	60,805	54,881	48,367	51,541	53,363	56,422	66,225	75,137
YoY growth	40.7%	22.8%	12.5%	-6.8%	-23.2%	-15.8%	-12.2%	2.8%	36.9%	45.8%
QoQ growth	6.9%	-2.8%	-0.7%	-9.7%	-11.9%	6.6%	3.5%	5.7%	17.4%	13.5%
Personal loans	89,823	89,250	82,735	86,512	96,097	1,02,849	1,05,475	1,04,439	1,07,170	1,14,207
YoY growth	34.6%	12.7%	-6.4%	-9.3%	7.0%	15.2%	27.5%	20.7%	11.5%	11.0%
QoQ growth	-5.8%	-0.6%	-7.3%	4.6%	11.1%	7.0%	2.6%	-1.0%	2.6%	6.6%
Others	-	-	-	-	-	-	-	-	-	-
YoY growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
QoQ growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	**22,48,620**	**23,34,436**	**24,30,426**	**25,44,697**	**26,31,903**	**27,22,490**	**28,13,095**	**29,17,090**	**30,22,738**	**31,37,984**
YoY growth	21.1%	20.8%	19.9%	18.8%	17.0%	16.6%	15.7%	14.6%	14.8%	15.3%
QoQ growth	5.0%	3.8%	4.1%	4.7%	3.4%	3.4%	3.3%	3.7%	3.6%	3.8%

Source: NBFC, Centrum Broking

Exhibit 3: AUM mix

AUM Mix	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Commercial Vehicles	47.6%	47.0%	46.2%	45.5%	45.0%	45.2%	45.6%	45.7%	46.9%	46.9%
Passenger Vehicles	19.2%	19.7%	20.2%	20.4%	20.6%	20.8%	21.2%	21.7%	21.3%	21.9%
Construction Equipments	7.5%	7.3%	7.3%	7.0%	6.8%	6.1%	5.5%	4.9%	4.4%	3.9%
Farm Equipments	1.7%	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	2.3%	2.3%	2.2%
MSME	11.7%	12.3%	13.3%	13.6%	14.2%	14.3%	14.4%	14.1%	13.6%	13.4%
Two Wheelers	5.6%	5.5%	5.4%	6.1%	5.9%	5.8%	5.5%	6.0%	5.8%	5.7%
Gold	2.8%	2.6%	2.5%	2.2%	1.8%	1.9%	1.9%	1.9%	2.2%	2.4%
Personal loans	4.0%	3.8%	3.4%	3.4%	3.7%	3.8%	3.7%	3.6%	3.5%	3.6%
Others	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: NBFC, Centrum Broking

P&L

YE Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Interest income	4,03,076	4,66,440	5,41,833	6,41,625	7,52,730
Interest expense	1,84,546	2,15,204	2,18,340	2,54,327	2,99,397
NII	2,18,531	2,51,236	3,23,493	3,87,298	4,53,333
Other income	15,645	15,339	22,471	25,796	30,801
Total income	2,34,175	2,66,576	3,45,964	4,13,094	4,84,134
Operating expenses	71,566	80,262	91,552	1,06,946	1,24,995
Employee	36,512	41,260	46,718	52,179	58,194
Others	35,055	39,002	44,834	54,768	66,801
PPOP	1,62,609	1,86,313	2,54,413	3,06,148	3,59,139
Provisions	53,117	53,391	67,288	88,017	1,00,248
PBT	1,09,493	1,32,922	1,87,125	2,18,131	2,58,891
Tax	26,776	32,941	47,988	56,060	66,535
PAT	1,00,487	99,981	1,39,137	1,62,071	1,92,356

Ratios

YE Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Growth (%)					
AUM	17.0	14.8	18.1	18.3	17.9
Borrowings	26.0	7.0	10.5	18.4	16.7
NII	16.3	15.0	28.8	19.7	17.1
Other income	11.9	(2.0)	46.5	14.8	19.4
Opex	19.5	12.2	14.1	16.8	16.9
PPoP	14.5	14.6	36.6	20.3	17.3
Provisions	17.6	0.5	26.0	30.8	13.9
PAT	15.0	20.9	39.2	16.5	18.7
Profitability (%)					
Yield on advances	17.8	17.7	17.6	17.6	17.5
Cost of funds	8.8	8.9	8.3	8.4	8.4
NIM (on AuM)	9.6	9.5	10.5	10.6	10.5
Other Income/ Total Income	6.7	5.8	6.5	6.2	6.4
Other Income / Total Assets	0.6	0.5	0.6	0.6	0.6
Cost/Income	30.6	30.1	26.5	25.9	25.8
Employee	15.6	15.5	13.5	12.6	12.0
Others	15.0	14.6	13.0	13.3	13.8
Opex/ Avg AuM	1.4	1.4	1.4	1.4	1.5
Provisions	2.2	1.9	2.0	2.3	2.2
Tax Rate	24.5	24.8	25.6	25.7	25.7
RoA	3.1	3.3	3.9	3.8	3.9
RoE	15.8	16.4	15.3	13.2	14.1

DuPont (% avg assets)

YE Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Interest income	15.2	15.2	15.1	14.9	15.2
Interest expense	6.9	7.0	6.1	5.9	6.0
NII	8.2	8.2	9.0	9.0	9.1
Other income	0.6	0.5	0.6	0.6	0.6
Total income	8.8	8.7	9.6	9.6	9.7
Operating expenses	2.7	2.6	2.5	2.5	2.5
Employee	1.4	1.3	1.3	1.2	1.2
Others	1.3	1.3	1.2	1.3	1.3
PPOP	6.1	6.1	7.1	7.1	7.2
Provisions	2.0	1.7	1.9	2.0	2.0
PBT	4.1	4.3	5.2	5.1	5.2
Tax	1.0	1.1	1.3	1.3	1.3
PAT	3.1	3.3	3.9	3.8	3.9

Source: Company, Centrum Broking

Balance sheet

YE Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Financial assets	**28,64,444**	**31,32,450**	**39,67,028**	**46,00,349**	**53,10,663**
Cash	1,06,814	57,410	2,92,139	2,07,643	1,45,707
Loans	24,53,928	28,24,525	33,38,018	39,52,603	46,67,762
Investment	1,55,987	1,47,828	1,80,658	2,56,561	2,53,995
Non-financial assets	**73,639**	**79,102**	**82,205**	**86,734**	**92,240**
Deferred tax assets	36,949	42,633	44,765	47,003	49,353
Fixed Assets	10,257	11,088	12,751	14,663	16,863
Other Non-fin. assets	26,434	25,381	24,689	25,068	26,023
Total Assets	**29,38,083**	**32,11,552**	**39,78,922**	**46,12,243**	**53,22,557**
Financial liabilities	**23,41,973**	**25,06,899**	**27,70,555**	**32,80,661**	**38,27,565**
Borrowings	23,41,973	25,06,899	27,70,555	32,80,661	38,27,565
Non-financial liabilities	**33,305**	**47,604**	**49,672**	**43,333**	**46,906**
Other Non-fin liabilities	33,305	47,604	49,672	43,333	46,906
Total equity	**5,62,806**	**6,57,049**	**11,58,695**	**12,88,249**	**14,48,087**
Share capital	3,761	3,763	4,706	4,706	4,706
Other equity	5,59,045	6,53,286	11,53,989	12,83,543	14,43,381
Total Liabilities	**29,38,083**	**32,11,552**	**39,78,922**	**46,12,243**	**53,22,557**
Balance Sheet ratios (%)					
Debt / Equity	4.2	3.8	2.4	2.5	2.6
Assets / Equity	5.2	4.9	3.4	3.6	3.7
Cash / Borrowings	9.1	3.2	11.4	7.4	5.4
Details on loans					
AUM	26,31,903	30,22,738	35,70,373	42,22,936	49,79,381
Disbursements	16,62,781	18,44,290	21,97,397	25,98,845	30,54,750
Capital Adequacy (%)					
CRAR	20.7	20.7	28.8	27.6	26.8
Tier-1	20.0	19.6	27.9	26.7	26.0
Tier-2	0.6	1.1	0.9	0.8	0.8
Asset quality (%)					
GNPA (Rs mn)	1,18,388	1,37,433	1,72,323	2,11,823	2,52,226
Growth (%)	(2.0)	16.1	25.4	22.9	19.1
NNPA (Rs mn)	67,144	68,254	83,572	1,11,050	1,33,401
Growth (%)	15.3	1.7	22.4	32.9	20.1
GNPA	4.6	4.6	4.9	5.0	5.1
NNPA	2.6	2.3	2.4	2.6	2.7
PCR	43.3	50.3	51.5	47.6	47.1
NNPA / Equity	11.9	10.4	7.2	8.6	9.2
Per share (Rs)					
EPS	44.0	53.2	59.9	69.8	82.8
BVPS	299.3	349.4	498.9	554.6	623.5
ABVPS	262.5	313.9	460.0	506.5	567.3
DPS	45.0	14.0	14.0	14.0	14.0
Valuation (x)					
P/E	22.8	18.9	16.8	14.4	12.1
P/BV	3.4	2.9	2.0	1.8	1.6
P/ABV	3.8	3.2	2.2	2.0	1.8
Dividend yield	1.6	1.4	1.4	1.4	1.4

Source: Company, Centrum Broking

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Shriram Finance

Source: Bloomberg

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