



SHALIBHADRA

FINANCE LIMITED

CIN: L65923MH1992PLC064886

Corporate Office:

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396, Veer Savarkar Marg,

Opp. Siddhi Vinayak Temple,

Prabhadevi, Mumbai – 400 025

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Date: 19th February 2025

To,
The Manager
BSE Limited
Phiroze Jeejeeboy Towers,
Dalal Street, Fort, Mumbai 400 001

Scrip Code: 511754

Sub: Investor Presentation for the Quarter & nine months ended December 31, 2024

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation for the Quarter & nine months ended December 31, 2024.

We request you to kindly take the same on record.

Thanking You
Yours Sincerely,

For Shalibhadra Finance Limited

Minesh Doshi
Managing Director
DIN: 01032705



SHALI BHADRA
FINANCE LIMITED

INVESTOR PRESENTATION

9M FY25

19th February 2025





Q3 & 9M FY25 Financial Highlights

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Business Overview

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Management and Shareholding

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“Young and resilient NBFC offering customized retail products and **catering to the diversified financial needs** of rural, semi-urban and other under banked geographies of Gujarat, Maharashtra, MP and Rajasthan”

30+

Yrs. Of Endeavors

₹ 1,549 Mn

AUM

104,562

Customers

170

Employees

52

Branches

4

States Presence

99.1 %

CRAR

10.5 %

ROA

12.3 %

ROE

Product Portfolio



Used and New
Two-Wheeler Loans



Used Three and
Four-Wheeler Loans



Minesh M Doshi

Managing Director

"We continue to witness strong growth momentum, driven by sustained rural demand for two-wheelers. Our deep understanding of the rural economy and strong dealer relationships positions us to capitalize on this trend. Looking ahead, we are expanding our product portfolio with the introduction of Affordable Housing Finance, Salaried Personal Loans, and Used Tractor Loans. Additionally, our strategic expansion into new regions in the adjoining districts is unlocking further growth opportunities.

Our investments in technology and focus on enhancing branch and employee productivity are already delivering results, leading to lower operating costs and improved profitability. Moreover, our recent capital raise has boosted our capital adequacy to 99% as of 9M FY25, providing ample headroom for loan book expansion. Our asset quality remains strong, with NNPA consistently below 1%. With a spread remaining above 10% despite rising funding costs, and with the deployment of raised equity expected to further strengthen returns, we anticipate enhanced profitability in the coming quarters.

As we move forward, we remain committed to our long-term vision of surpassing 100 branches and scaling our loan book to INR 2,750 million by FY27 while maintaining a healthy RoE of 20%."



Financial Updates

- Robust **13% YoY growth in NII** in 9M FY25, reaching **INR 209 Mn**.
- In 9M FY25, the company achieved a **Pre-Provision Operating Profit of INR 172 Mn**, which was a **growth of 30% YoY** highlighting the company's strong operational efficiency.
- Achieved **33% YoY increase in PAT to INR 116 Mn** in 9M FY25. Maintaining this trajectory of profitability, the company holds a positive outlook and anticipates sustaining this momentum in the future.



Operational Updates

- Assets Under Management grew **13% YoY**, reaching **INR 1,549 Mn**, and disbursements for 9 months of FY25 totalled **INR 809 Mn** displaying a **growth of 14%**.
- **Substantial improvement in Cost-Income ratio** as it declines from 28.9% in 9M FY24 to **24.2% in 9M FY25**.
- **Asset quality remained stable** in this difficult period, as **GNPA and NNPA stood at 4.27% and 0.69%** respectively.

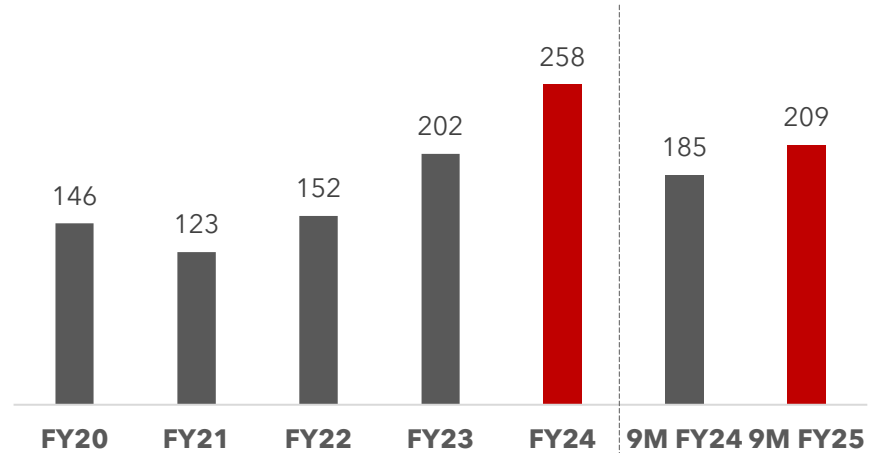


Strategic Updates

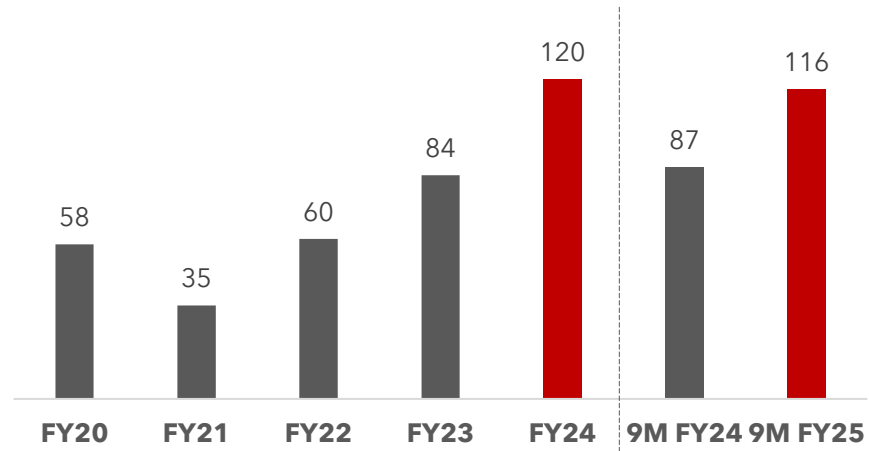
- Launched state-of-the-art LOS to streamline the customer onboarding process, delivering a seamless and expedited experience. This strategic upgrade ensures **faster processing times and enhanced service quality for our customers**.
- **Launched salaried personal loans** specifically designed for rural areas; company has received positive feedback and aligns with our commitment of providing inclusive financial solutions for all segments of society. We have also announced the launch of **affordable housing loans and used tractor loans**.
- Company's presence expanded to **52 branches** across **40 districts**.

Superior Financial Performance Continues...

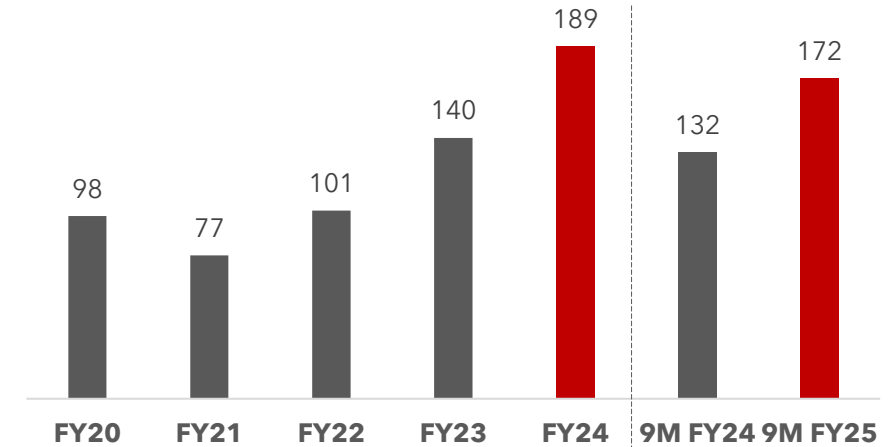
Net Interest Income



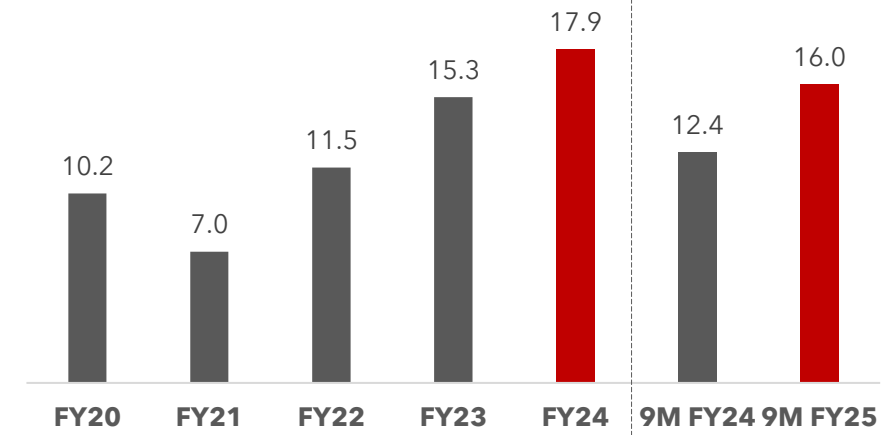
Profit After Tax



Pre-Provision Operating Profit

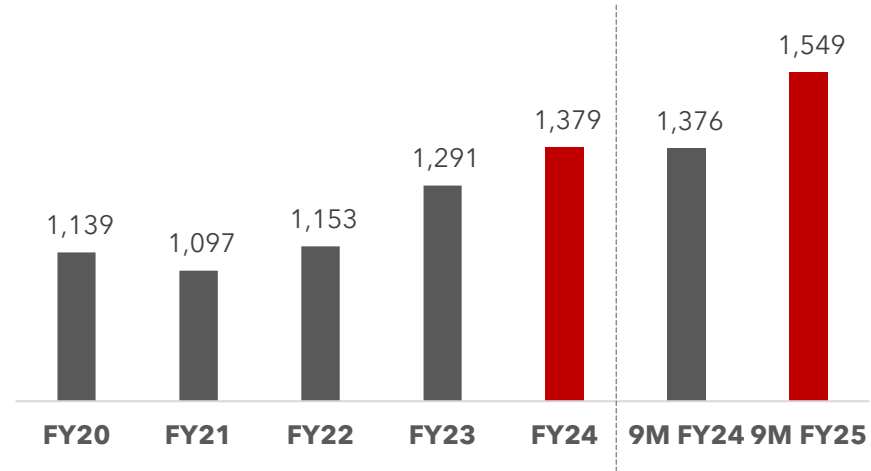


Earnings Per Share

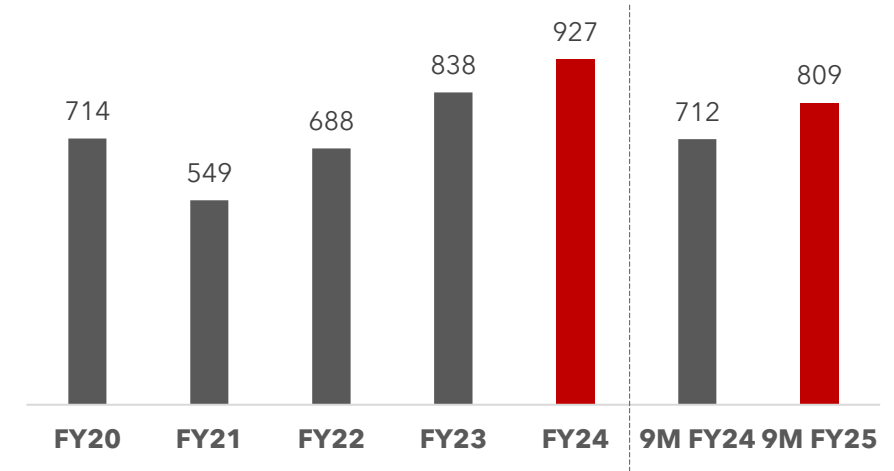


Followed by Healthy Performance on Operational Front...

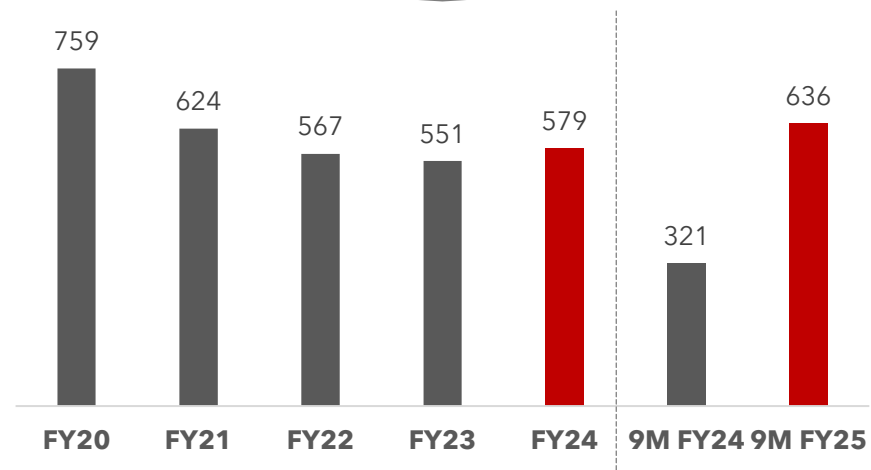
AUM



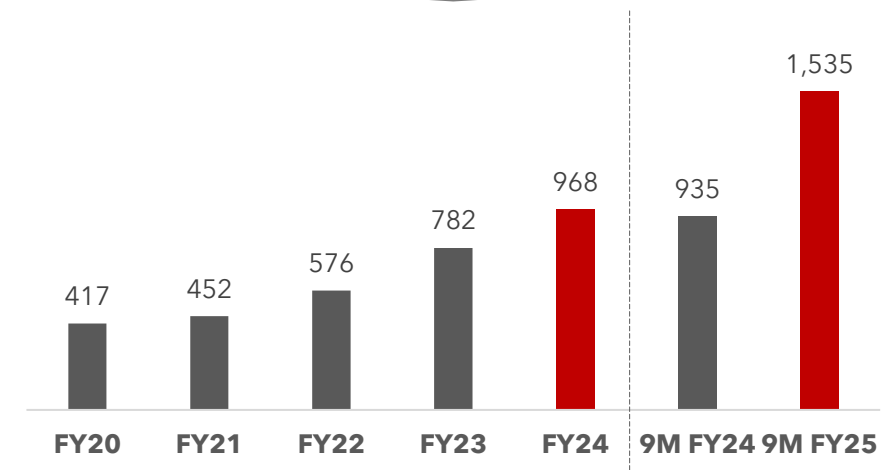
Disbursements



Borrowings

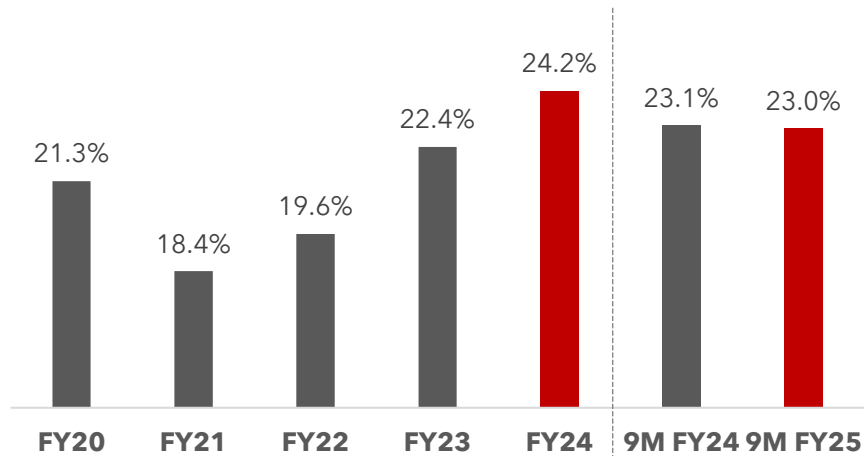


Net Worth

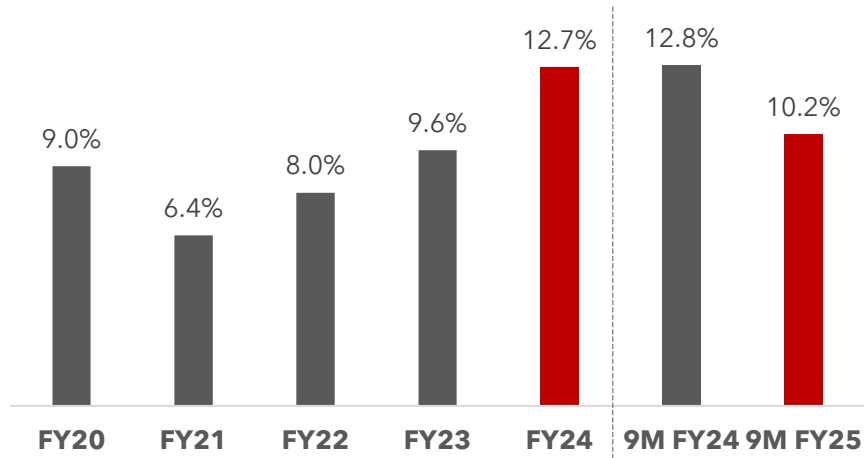


With Significantly Higher Margins...

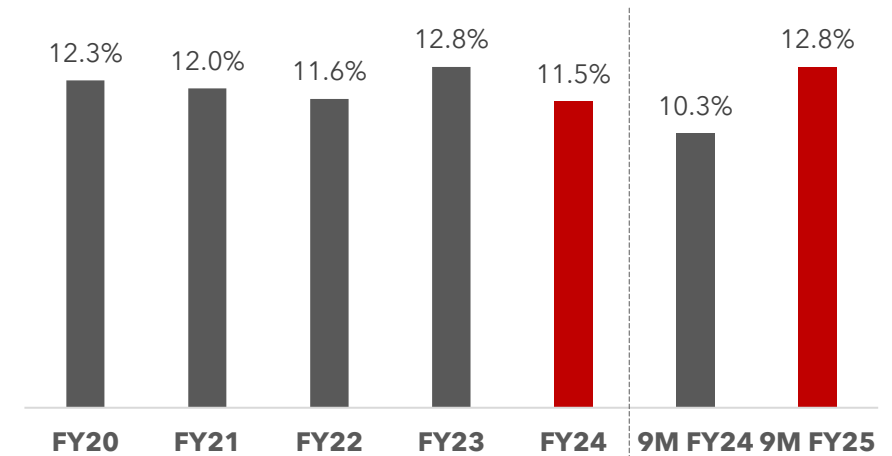
Yields on Advances (%)



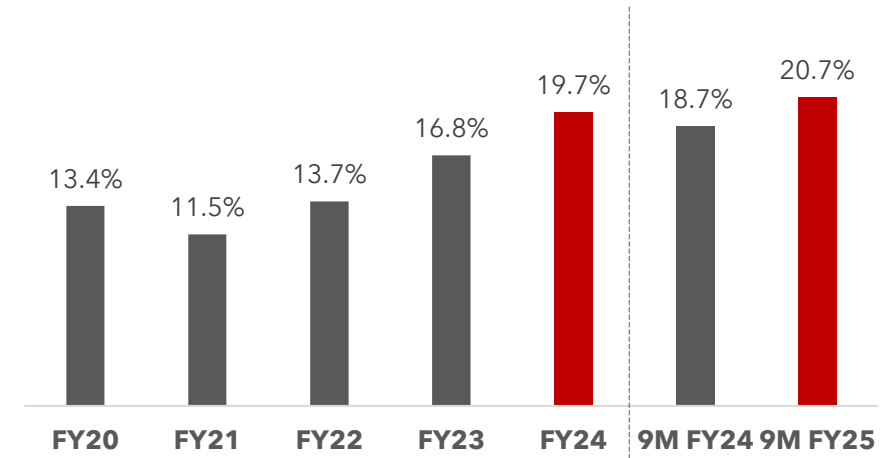
Spreads (%)



Cost of Funds (%)



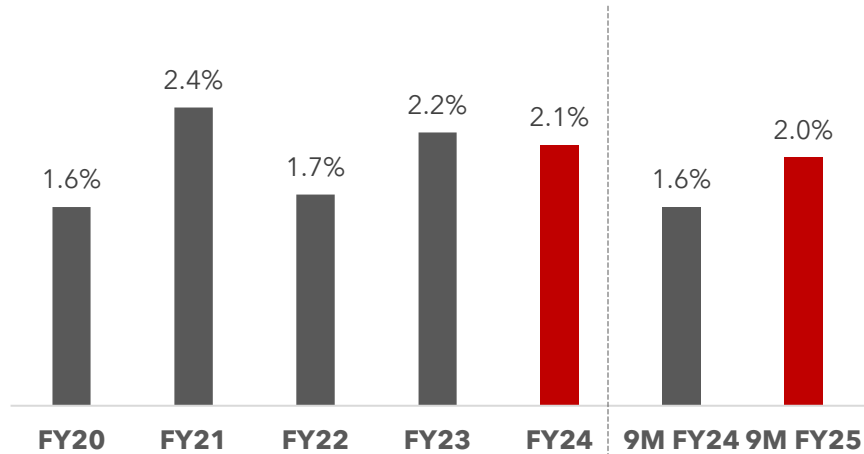
NIMs + Fees (%)



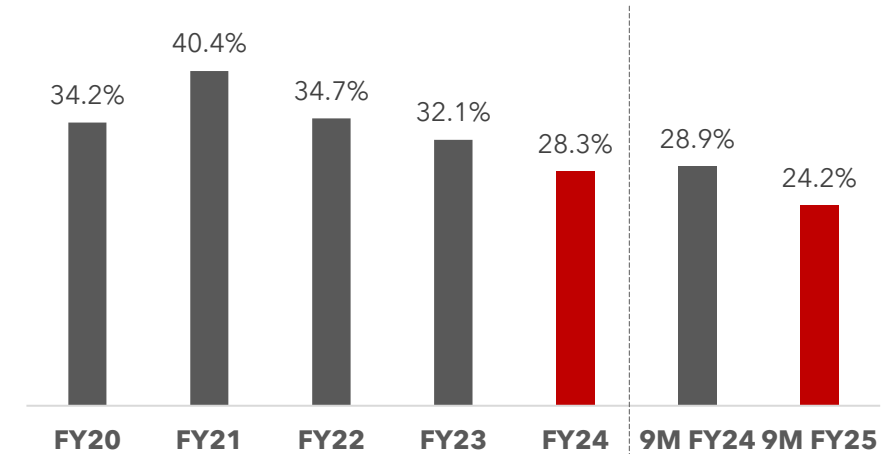
Note : All the ratios mentioned above for 9M FY24 & 9M FY25 are annualized figures

And Improving Efficiency and Return Ratios...

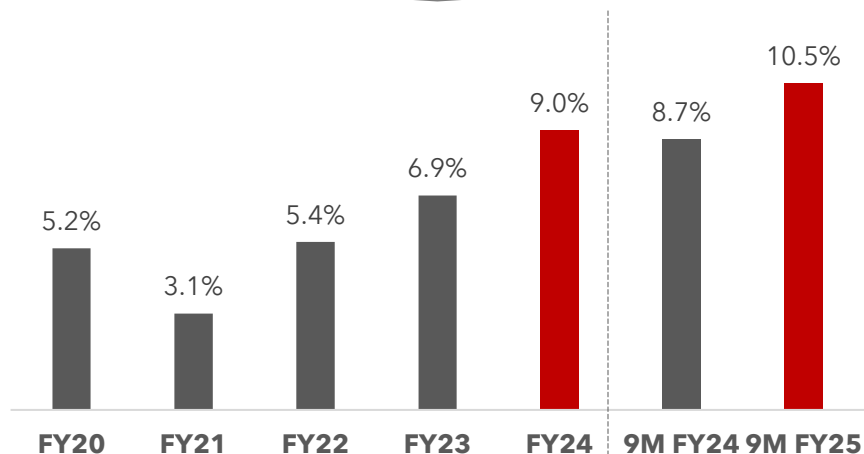
Credit Costs (%)



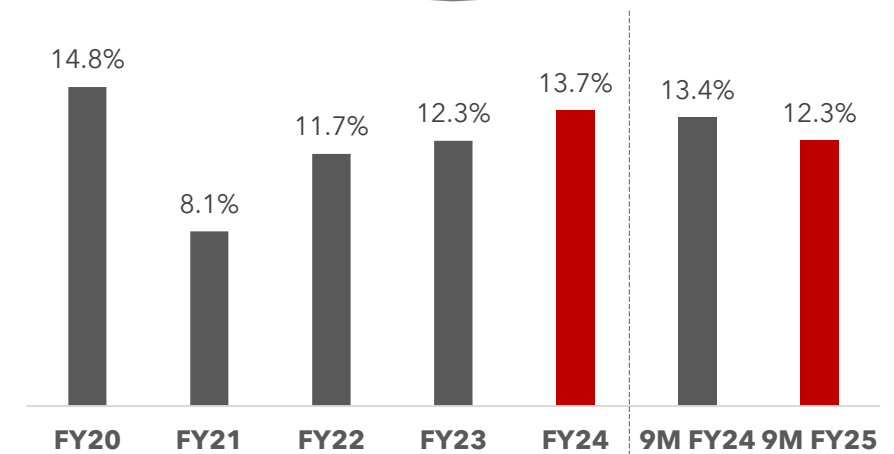
Cost - Income (%)



RoA (%)

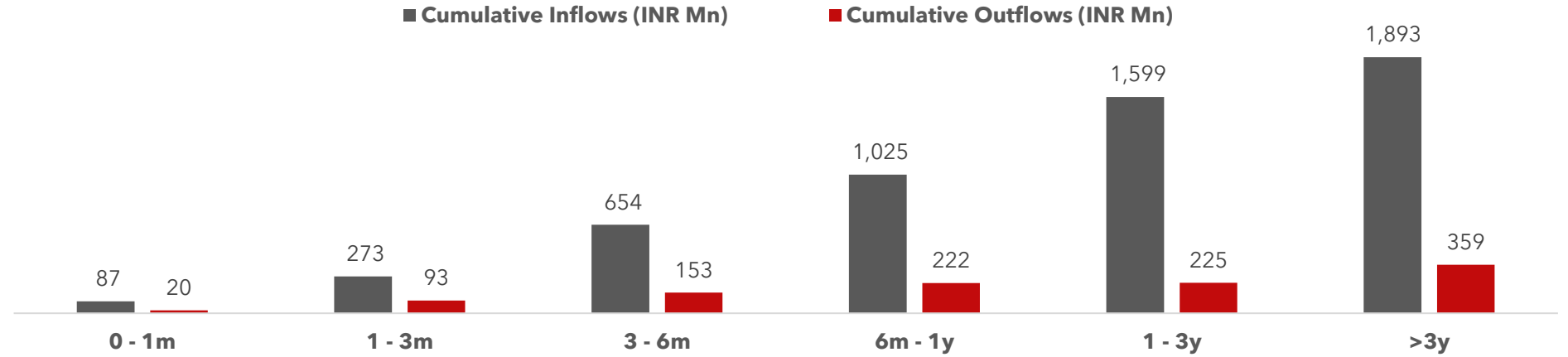


RoE (%)



Note : All the ratios mentioned above for 9M FY24 & 9M FY 25 are annualized figures except Cost-Income ratio; ROA- Return on AUM

Liquidity Statement as on 31st December 2024



Cumulative Positive Gap	67	179	501	803	1,375	1,534
Cumulative (%)	336%	192%	328%	362%	612%	428%

- Liquidity as on 31st Dec' 2024 is INR 45 Mn in the form of cash, cash equivalents and undrawn bank lines.
- Average cost of borrowing for 9M FY25 stood at 12.8%, .
- Widened and strengthened existing relationships with nationalised banks.

Profit & Loss Statement

Particulars (INR Mn)	FY20	FY21	FY22	FY23	FY24	9M FY24	9M FY25
Interest Earned	237	206	221	274	323	231	252
Interest Expended	91	83	69	72	65	46	43
Net Interest Income	146	123	152	202	258	185	209
Other Income	3	6	3	3	5	2	18
Operating expense	51	52	54	66	74	54	55
- Employee cost	24	26	29	32	38	30	31
- Depreciation	1	1	1	1	1	1	1
- Others	27	26	24	34	35	24	24
Operating Profit	98	77	101	140	188	132	172
Total provisions	18	27	19	27	28	16	22
PBT	80	50	82	113	161	117	150
Tax	22	15	21	29	41	30	35
PAT	58	35	60	84	120	87	116

Profit & Loss (Du-Pont Analysis)

Particulars (DuPont on AUM)	FY20	FY21	FY22	FY23	FY24	9M FY24*	9M FY25*
NIM + Fees	13.2%	11.2%	14.0%	17.2%	20.0%	18.5%	19.0%
Other Income	0.3%	0.5%	0.2%	0.3%	0.4%	0.2%	1.7%
NIM + Non-Interest Income	13.4%	11.7%	14.2%	17.5%	20.4%	18.7%	20.7%
Cost/Income	34%	40%	35%	32%	28%	29%	24%
OpEx	4.6%	4.7%	4.9%	5.4%	5.8%	5.4%	5.0%
Operating Profit	8.8%	7.0%	9.3%	11.9%	14.6%	13.3%	15.7%
Credit Cost	1.6%	2.4%	1.8%	2.3%	2.1%	1.6%	2.0%
Tax Rate %	28%	30%	26%	26%	26%	26%	23%
RoA	5.2%	3.2%	5.5%	7.1%	9.3%	8.7%	10.5%
Leverage	2.8	2.5	2.1	1.7	1.5	1.6	1.2
RoE	14.8%	8.1%	11.7%	12.3%	13.7%	13.4%	12.3%

* Annualized Value

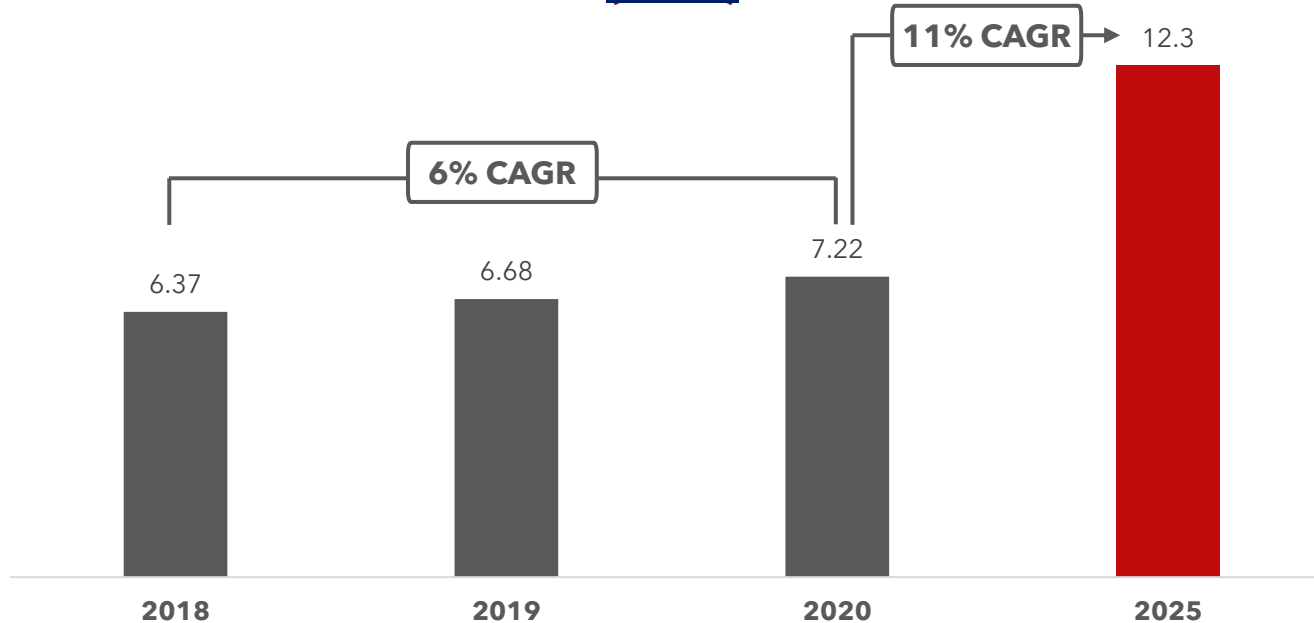
Outlook



Future Driving Forces

Growing 2-Wheeler Loan Market in India

Value of Two-Wheeler Loan Market in India (USD)



In the Indian two-wheeler segment, 75% of the purchases are funded by loans. The share of banks and NBFCs in the two-wheeler loan market is 60% and 40%, respectively.

According to CRIF High Mark's CreditScope, originations share (value) of Two-Wheeler Loans by NBFCs continue to rise in comparison to banks.

Acceleration to be Driven By...



Large Millennial and GenZ Base



Increased Ownership of 2W Vehicles



Significant Shift in Borrowing Trends



Rising Disposable Income



Stable Fuel Prices

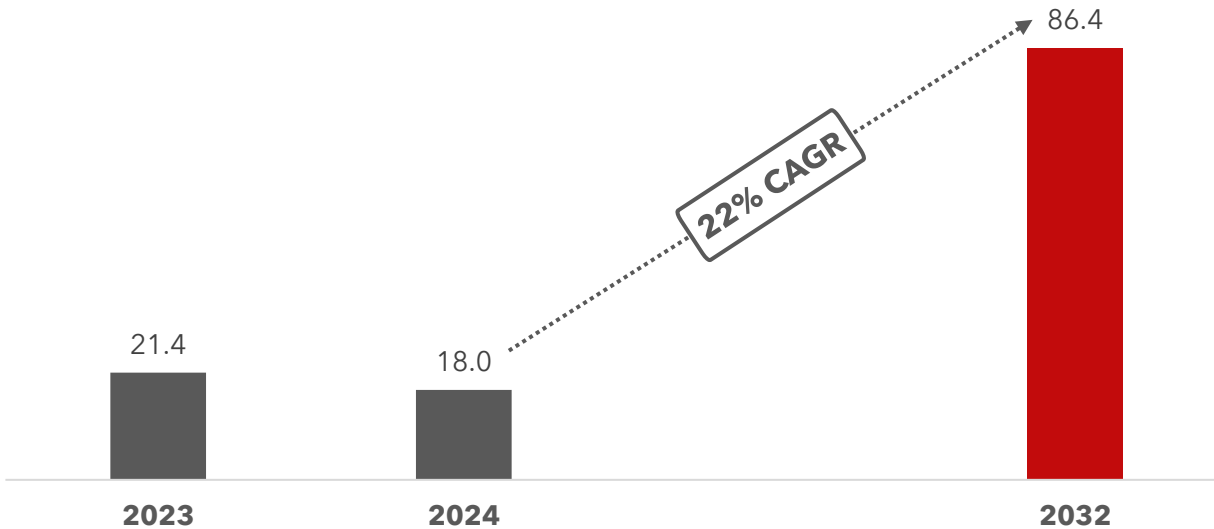


Changing Consumer Preferences

Huge Market Opportunity in Near Term

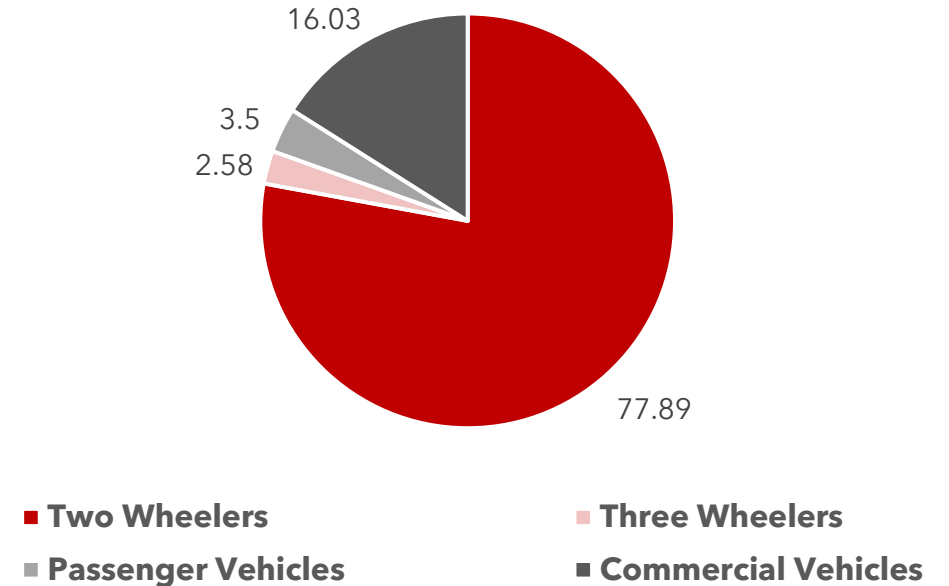
Accelerating 2-Wheeler Demand in India

Indian Two-Wheeler Market (mn units)



- The India Brand Equity Foundation (IBEF) projects that by 2030-2031, there would be 715 million middle-class individuals or 47% of the total population, up from 432 million in 2020-2021.

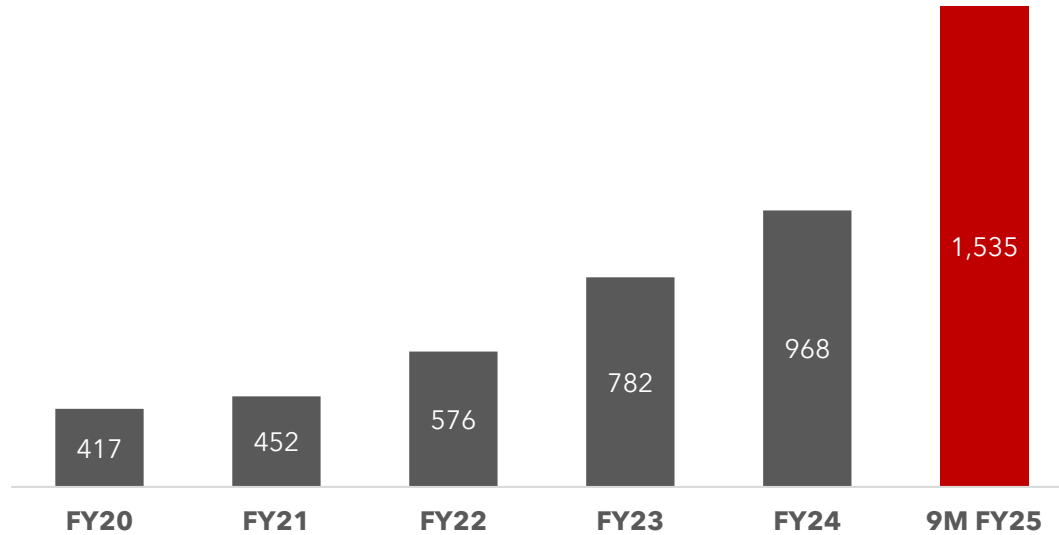
Segment-wise Domestic Market Share (%)



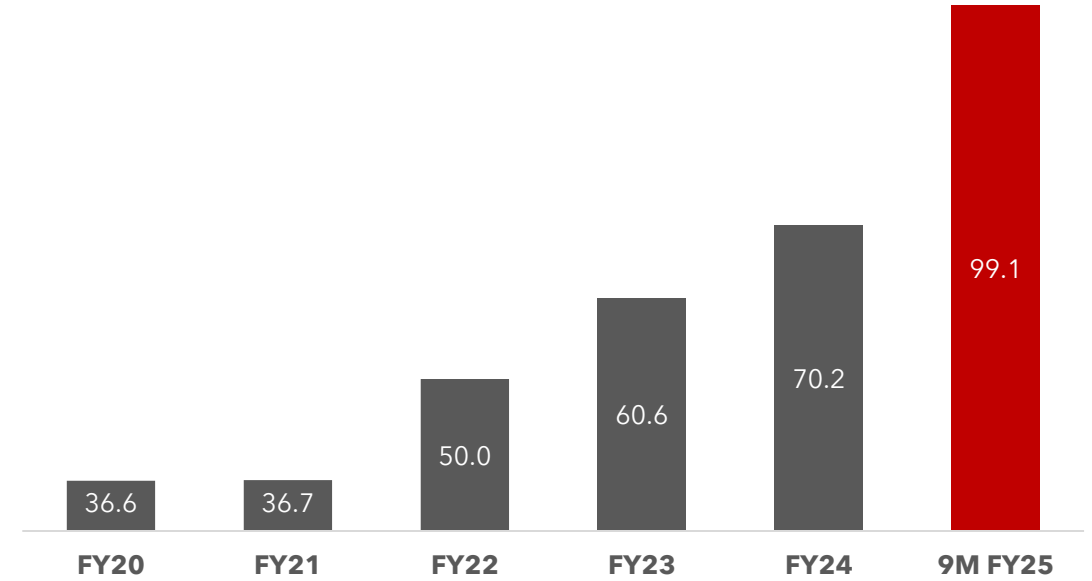
- In FY25 as of Aug'24, two-wheelers is estimated to have 77.9% market share.
- In FY24, total commercial vehicle sales stood at 9,67,878 units, three-wheeler sales stood at 6,91,749 units and two-wheeler sales stood at 1,79,74,365 units.

... We Are Well Capitalized to Capture the Surge in Demand

Consolidated Network (INR Mn)



Capital Adequacy (%)



01

AUM

Target to take AUM to **INR 2,750 Mn by FY27** v/s INR 1,549 Mn as of 9M FY25.

AUM growth to be further bolstered by growth in branches /AUM of existing branches.

02

Branches

Surpass **100 branches by FY27** compared to the current count of 52 branches ending December 2024.

03

Product Mix

Adding new products like Used Tractor Loan, Salaried Personal Loan & Affordable Housing Loan.

Increasing share of higher-yielding products in the overall AUM; **will further enhance our RoA.**

04

Borrowing

To **lower the cost of funds**; increasing the portion of borrowing from nationalized banks within the overall borrowing portfolio.

05

Geography

Plans to further expand presence in **Karnataka and Goa.**

Business Overview





OUR VISION

To cater to the diverse financial needs of rural India

OUR MISSION

To become leading NBFC serving rural & semi urban areas of India by creating a sustainable & innovative business model meeting the needs of all our stakeholders

Bridging Geographic Disparities

Empowering the Underbanked

Addressing the Financial Needs of Underserved

Reducing Dependence on Informal Credit

Enabling Entrepreneurship

Accessibility in the Remote Corners

Creating Financial Resilience

Enhancing Economic Opportunities



A dividend-paying company since inception, maintaining profitability throughout the operational history.



Core team of 25 dedicated employees has remained unchanged for many years, contributing to our enduring success.

Diversified Product Offerings

Simple, Speedy, Small Ticket Asset Financing Products with High Yields



New Two-Wheeler Loans

Target
Customer

Offering loan for purchase of new two wheelers across manufacturers and brands

Average
Ticket
Size

INR 30,000 to 90,000

Loan
Tenure

6 to 30 months



Used Two-Wheeler Loans

Used Two-wheeler loans to customers, which primarily include farmers and self-employed individuals

INR 15,000 to 75,000

6 to 24 months



Used Three/Four-Wheeler Loans

Loan against pre-owned three/four-wheeler for personal use as well as commercial use

INR 30,000 to 1,50,000

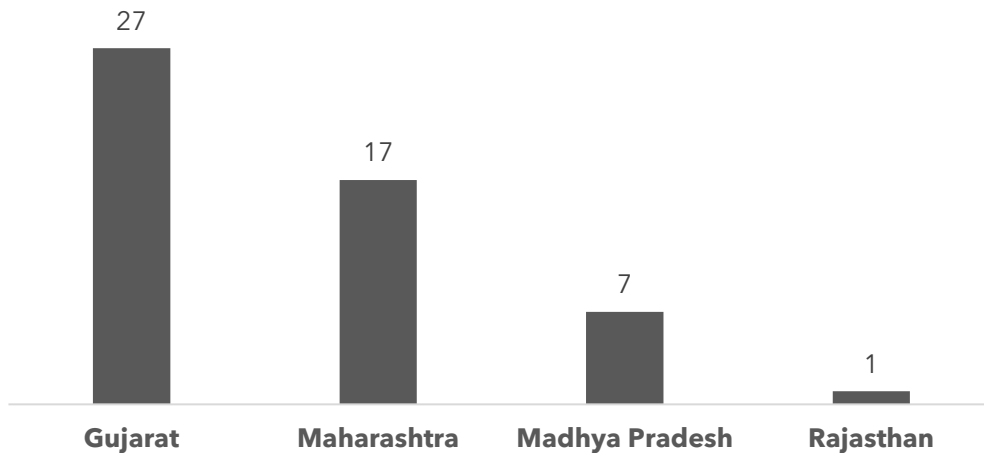
6 to 30 months



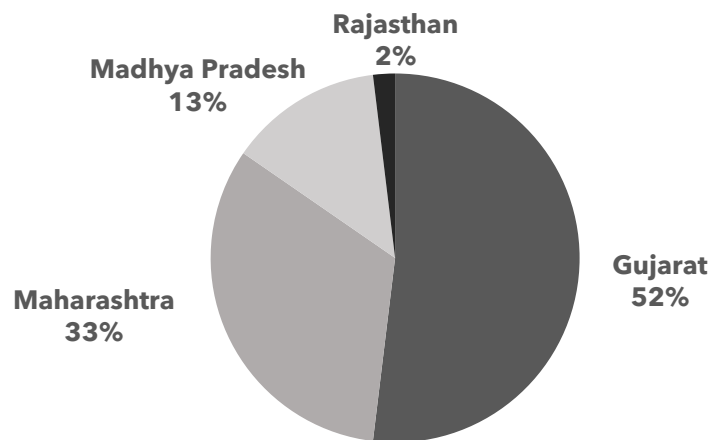
Strong Distribution Network

Branch Network Spread Across Three Different States in India...

Branch Network (in Nos.)



Branch Mix (in %)



Note : All numbers stated ending 9M FY25

- 1** With a network of 52 branches, currently the company serves a total of 40 districts across these three states.
- 2** The company has established partnerships with dealers, brokers, and service stations within a 50 km radius of each branch for generating regular business.
- 3** The company does not operate using a franchise or Direct Selling Agent (DSA) model; instead, established own branches in owned premises.
- 4** Planning to inaugurate new branches in Maharashtra and extending presence in Madhya Pradesh; aiming to surpass a count of 70 branches by March 2025.
- 5** Branches established within the past three years have yet to achieve saturation; will further aid in AUM growth across those branches.

Seasonal Income-Centric Repayment Structure

- Customized repayment plans aligned with the seasonal income patterns prevalent in rural India.
- Flexibility to adapt to varying cash flows, ensuring sustainable and manageable repayments.



Last Mile Accessibility in Extreme Rural Areas

- Strategic focus on reaching the remotest corners of rural India; difficult for banks to cater and service these borrowers.
- Dedicated efforts to establish a robust last-mile delivery system for maximum market penetration.



Informal Credit Rating System

- Recognition that CIBIL scores may not be reflective of rural realities.
- Utilization of an informal credit rating methodology, acknowledging the unique financial landscape.



Robust Network: Proximity Centric Operation

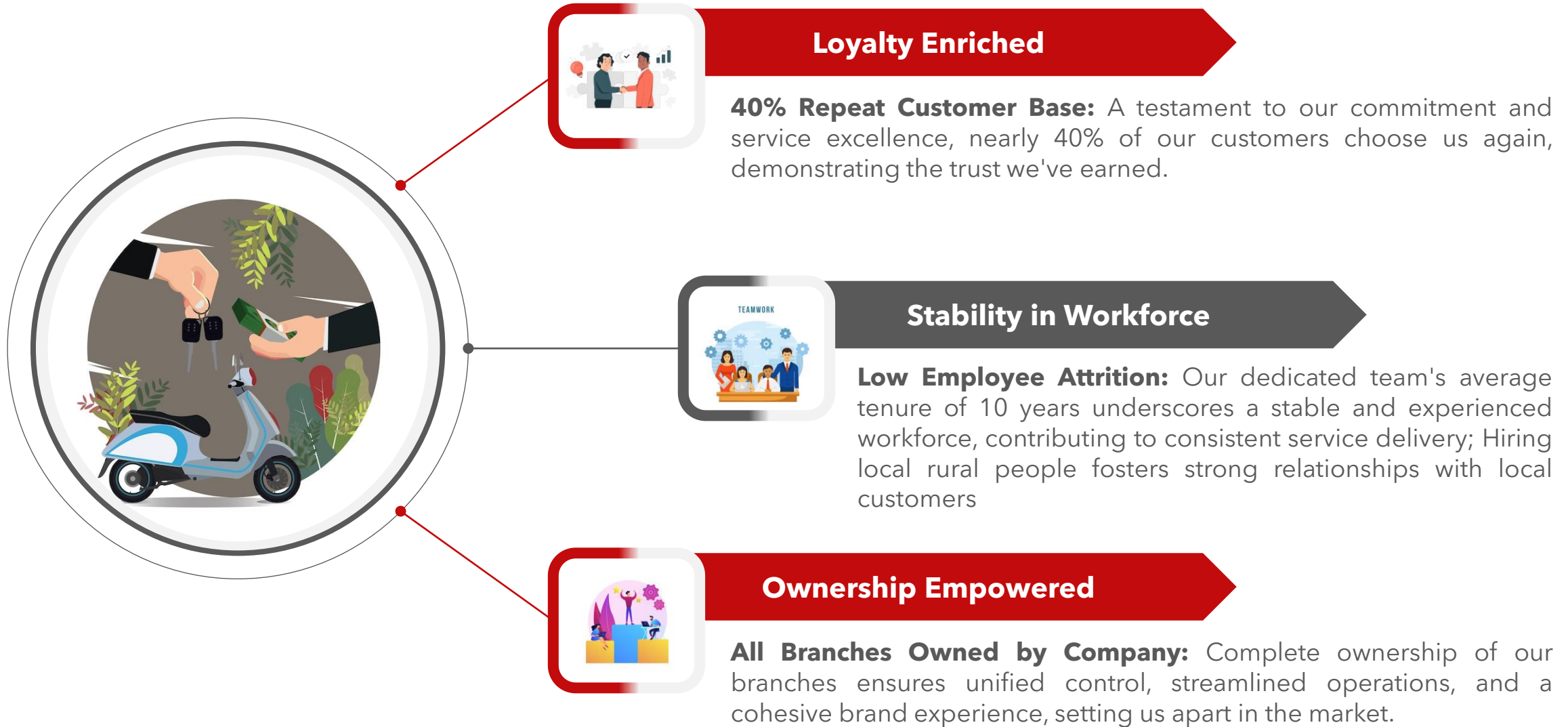
- Emphasize on physical presence within a 50 km radius from each branch, ensuring high service standards and direct interaction with rural borrowers.
- Operates through owned branches and no following any franchise or DSA model.



**COMPETITIVE
ADVANTAGE**

Distinctive Attributes Fuelling Success

Positioning Ourselves as a Distinguished Player in the Industry.



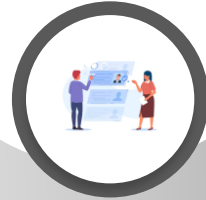
Seamless Digital Customer Onboarding

Leveraging Technology from Origination to Disbursement



Implementing LOS & LMS

- Introduction of LMS and LOS marks a significant step in business scalability.
- Streamlines training processes, adds performance tracking and personalized learning.
- Optimizes the customer onboarding process, ensuring a seamless and expedited experience.
- With the new LOS system in place, customers can anticipate faster processing times and enhanced service quality.



Digital Onboarding

- Streamlined end-to-end digital onboarding process, encompassing registration, data collection, verification, approval, and disbursement, without any paperwork involved.
- Aids in reduced time delays and operational costs associated with physical document handling.
- Digital tools and algorithms to assess and work out customer's creditworthiness based on the provided information and financial history.



API Integrations

- Integrating multiple APIs such as credit bureau checks and fraud detection to enhance operational capabilities and financial assessments.
- Increases accuracy and reduces manual work; enhances risk management and compliance.
- Improves customer trust through robust security.
- Streamlines processes by automating checks.



Collections

- Partnering with several payment gateways to expand the accessibility of digital payment options, catering to a broader customer base.
- Offering diverse payment options enhances overall customer satisfaction, as customers can select the most convenient method for them.
- Risk Mitigation by providing redundancy in payment processing options.

Intrinsic Capabilities...

Brand Strength

- Engaged in Auto Finance Business for the past 2 decades.
- Known for offering simple vehicle financing products in rural areas.

Robust Balance Sheet

- **Low leverage: D/E stands at 0.2x ending 9M FY25;** leaving ample headroom for growth.
- **Well Capitalized with CRAR at 99.1% ending 9M FY25.**

Well Established Relationships

- **Strong connections with dealers and brokers, forming a strong foundation for business activities in rural areas.**
- Rural business is majorly driven by well established relationships with Dealers & Brokers; **difficult for new entrant to penetrate market.**

Robust Risk Management Framework

- Customized credit norms established through adequate experience in this line of business.
- **Maintaining small loan sizes, funding up to 75% of vehicle costs, implementing a strong hypothecation policy, and partnering with local businesses.**

Retail Franchise

- Advances spread over large customer and geographic base.
- **Focus on retail loans and building granular book with an Average Ticket Size of ~30K; Risk based pricing.**

Efficiently Managed Liability Book

- **The company has got rating renewal of BBB-(Stable) from ICRA. This will help in raising funds at a cheaper rate.**

...Tackling Challenges and Seizing on the Market Opportunities

Rural Development and Improving Infrastructure

Rising demand for personal mobility solutions, particularly in rural and semi-urban areas.

Shift towards ecosystem play

With Strong Focus on Core Inherent Strengths...



Unique Business Model



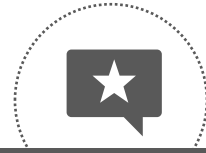
Quick Disbursements



Robust Credit Assessment



Focus on "Difficult to Reach Areas"



Sufficient Capital Adequacy



Leveraging Technology



Strong Workforce



Flexible Repayment Options



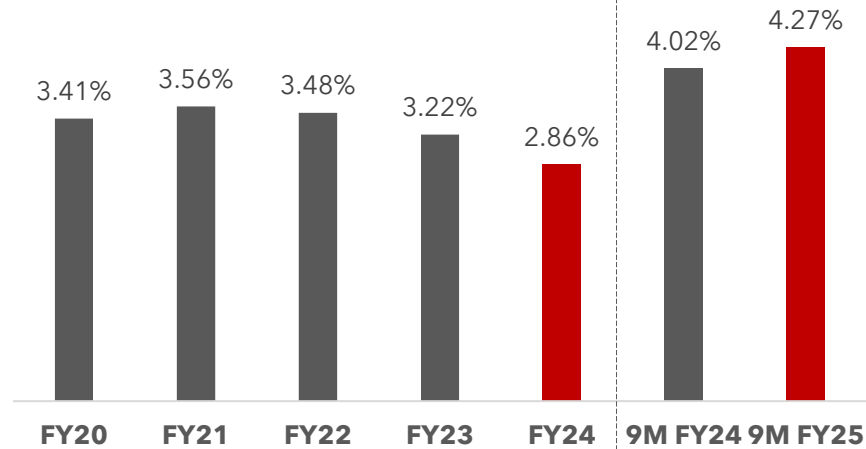
100% Cashless Disbursements

Driving Financial Empowerment: Empowering Journeys, Fueling Futures

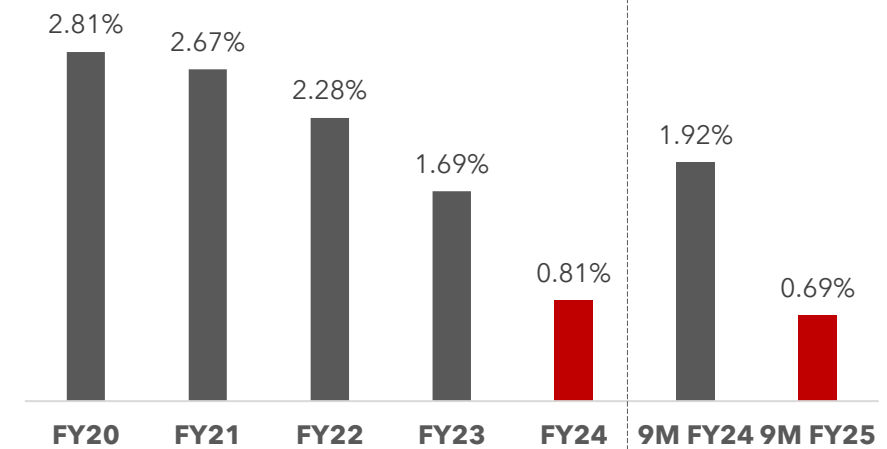
Proven Model Despite COVID Stress

Efficiently Managed Asset Quality

Gross NPA (%)



Net NPA (%)



- Demonstrated robustness in managing asset quality, maintaining stability and reliability during the challenging COVID-19 period.
- **Increased write-offs year over year, characterized by conservative accounting practices aimed at maintaining clean financial records.**
- Deployed effective collections strategies tailored to the unique circumstances of rural borrowers, ensuring consistent repayment and minimizing defaults.
- Provided **customized support and flexible repayment options** for rural borrowers, acknowledging the specific economic impact of the pandemic on their livelihoods.
- **Outlook - Focused on increased provisioning, with a strategic goal to achieve a Provision Coverage Ratio of 100% by FY26.**

Key Management Personnel and Shareholding





Minesh M Doshi

Managing Director

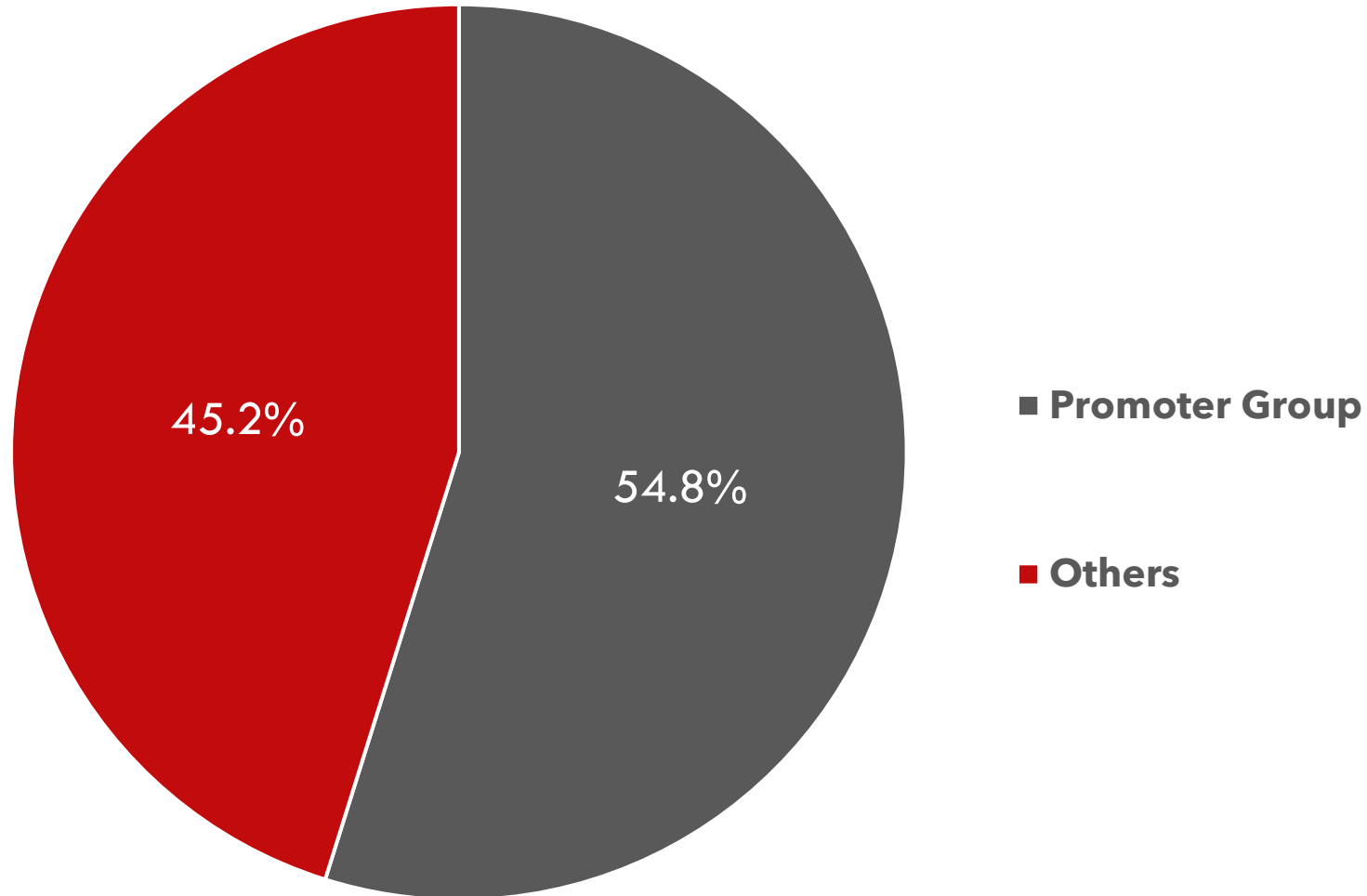
- ❑ Founder and Promoter of the Shalibhadra Finance Limited.
- ❑ More than 3 decades of experience in finance, and socio-economic development.
- ❑ His vast reservoir of experience, coupled with a futuristic vision, has helped the entire company to work with a shared vision and values, resulting in a very satisfied workforce.
- ❑ Chartered Accountant & Cost Accountant by Education.



Vatsal M Doshi

Executive Director

- ❑ More than 6 years' experience in finance, marketing and operation of Vehicle financing
- ❑ Oversees the entire company's operations under the guidance of Mr. Minesh M Doshi.
- ❑ Contributed vastly to the company's expansion, overseeing the growth from 24 branches to 52 branches ending 9M FY25.
- ❑ Chartered Accountant and Chartered Financial Analyst by Education.



Market Capitalization[^]

Rs 5,392 Mn | US\$ 63.0 Mn

Net Worth (9M FY25)

Rs 1,535 Mn

Paid-up Equity (9M FY25)

Rs 77 Mn

FV

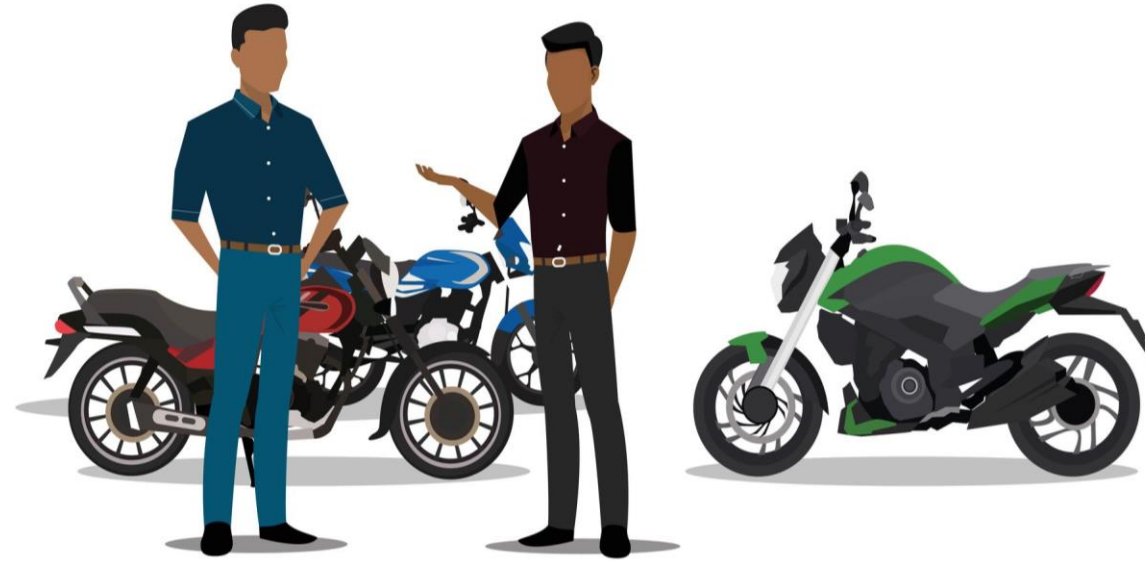
Rs 10

Dividend Per Share (FY24)

Rs 1.20

[^]Market capitalization on BSE as of 31st Dec'24

1 US\$ = ₹ 85.58



THANK YOU

INVESTOR RELATIONS

Ms. Darshana Chauhan

Company Secretary

Email: shalibhadra_mum@yahoo.co.in

Mr. Rajat Gupta

Go India Advisors

Email: rajat@goindiaadvisors.com