



**ShaliBhadra**

**FINANCE LIMITED**

CIN : L65923MH1992PLC064886

Corporate Office :

3, Kamat Industrial Estate,

396, Veer Savarkar Marg,

Opp. Siddhi Vinayak Temple,

Next to Chintamani Jewellers,

Prabhadevi, Mumbai - 400 025.

Phone : 022-2432 2993 / 022-2432 2994

022-2422 4575 / 022-2432 3005

E-mail : shalibhadra\_mum@yahoo.co.in

Date: 31<sup>st</sup> May, 2024

To,

**The Manager**

**BSE Limited**

Phiroze Jeejeeboy Towers,

Dalal Street, Fort, Mumbai 400 001

Scrip Code: 511754

**Sub: Investor Presentation for the Quarter & Year ended March 31, 2024**

Dear Sir/Madam,

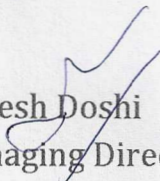
Please find enclosed herewith Investor Presentation for the Quarter & Year ended March 31, 2024.

We request you to kindly take the same on record.

Thanking You

Yours Sincerely,

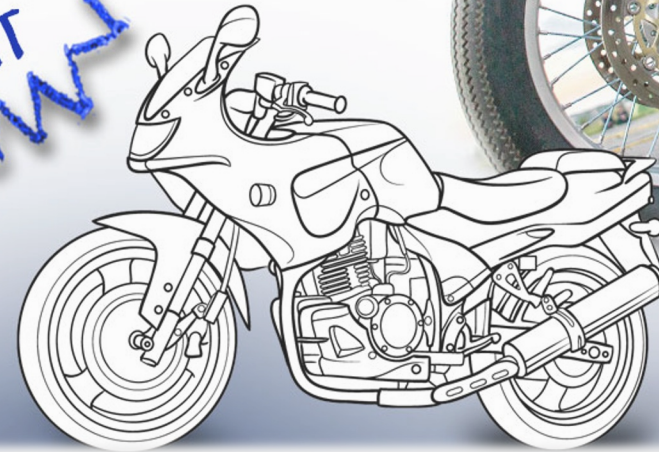
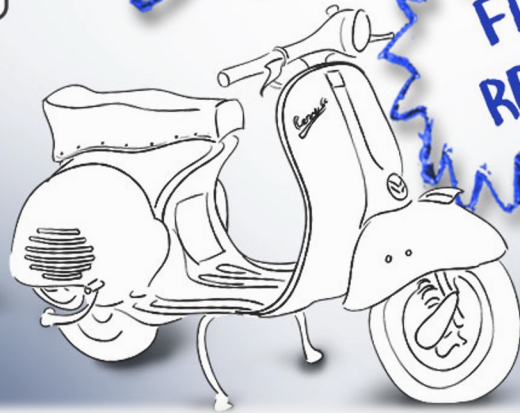
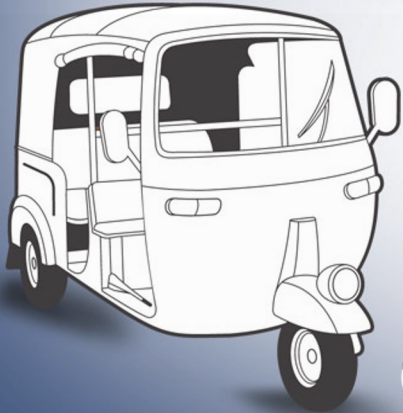
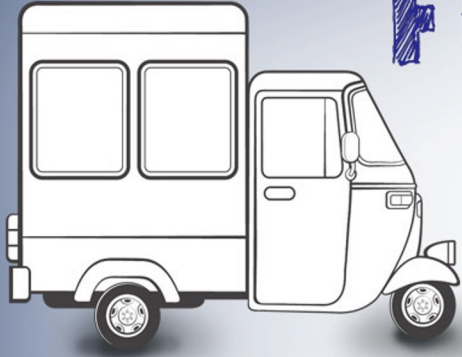
For Shalibhadra Finance Limited

  
Minesh Doshi

Managing Director

Din: 01032705

# FULFILL YOUR DREAMS



FAST  
DISBURSEMENT

CHEAP CREDIT

FLEXIBLE  
REPAYMENT



**INVESTOR PRESENTATION – Q4 & FY24**

31<sup>st</sup> May 2024



**Q4 & FY24 Financial Highlights**

.....> 03 - 11



**Outlook**

.....> 12 - 14



**Business Overview**

.....> 15 - 24



**Board Members and Shareholding**

.....> 25 - 27

*“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 and MP”*

**20+**

**Yrs. Of Endeavors**

**₹ 1,379 Mn**

**AUM**

**103,964**

**Customers**

**163**

**Employees**

**47**

**Branches**

**4**

**States Presence**

**70.2 %**

**CRAR**

**9.0 %**

**Return on Assets**

**13.7 %**

**Return on Equity**

## Product Portfolio



Used and New  
Two-Wheeler Loans



Used Three and  
Four-Wheeler Loans



## Financial Updates

- Robust **26% YoY** growth in NII in Q4 FY24, reaching INR 76 Mn; In FY24, NII saw a substantial increase of **28% YoY**, totalling INR 258 Mn.
- In FY24, the company achieved a Pre-Provision Operating Profit of INR 188 Mn, which was a **growth of 35% YoY** highlighting the company's strong operational efficiency.
- Achieved **40% YoY** increase in PAT to INR 33 Mn in Q4 FY24. In FY24, PAT grew by **43% YoY** to INR 120 Mn. Maintaining this trajectory of profitability, the company holds a positive outlook and anticipates sustaining this momentum in the future.



## Operational Updates

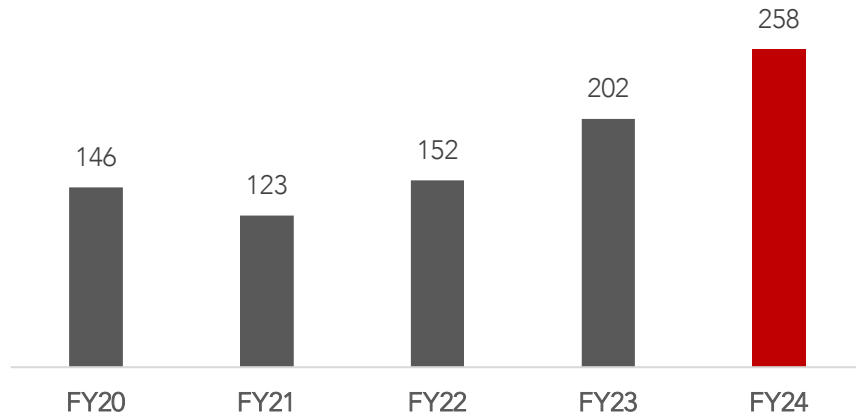
- Achieved **7% YoY** growth in Assets Under Management, reaching INR 1,379 Mn, and an **11% YoY** growth in disbursements, totalling INR 926 Mn in FY24.
- Significant improvement in asset quality, with GNPA declining from 3.22% in FY23 to 2.86% in FY24. Similarly, the Net NPA decreased from 1.69% in FY23 to 0.81% in FY24.



## 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 **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.
- Expansion into **Rajasthan with launch of first-ever branch**; company's presence expanded to **4 states** now.

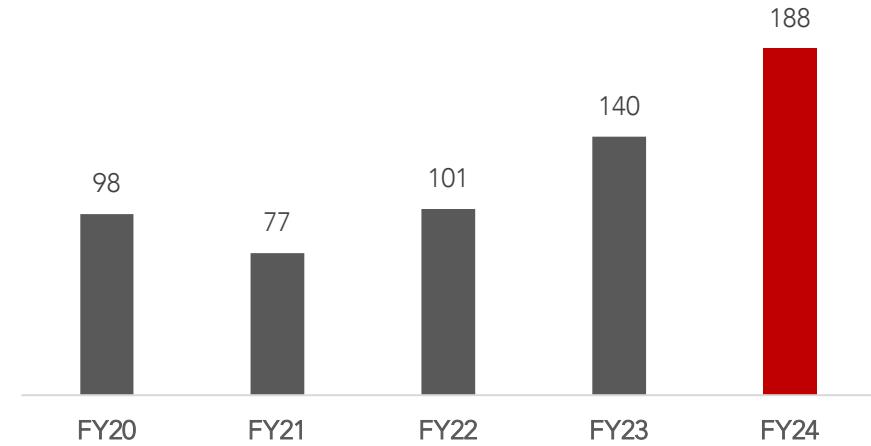
## Net Interest Income



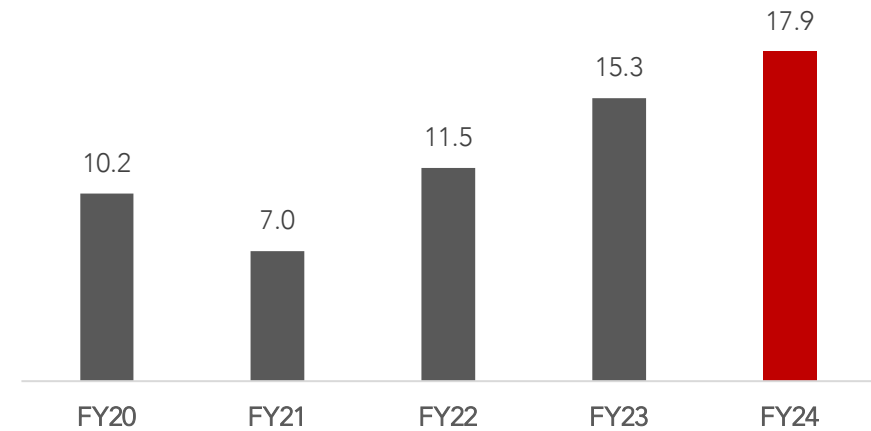
## Profit After Tax



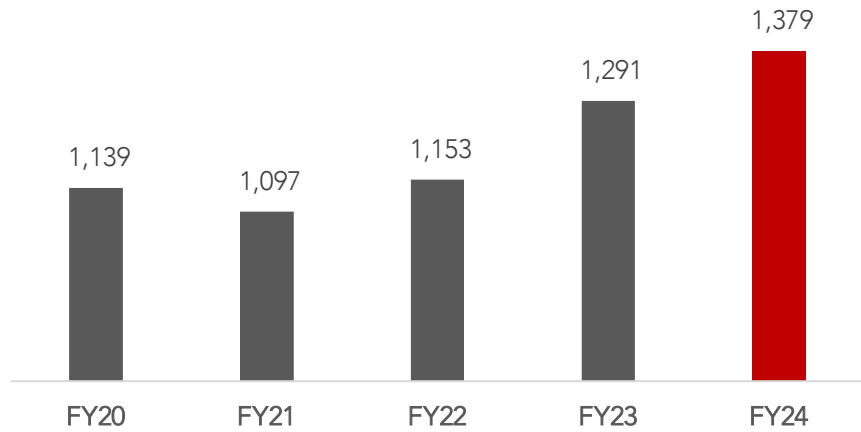
## Pre-Provision Operating Profit



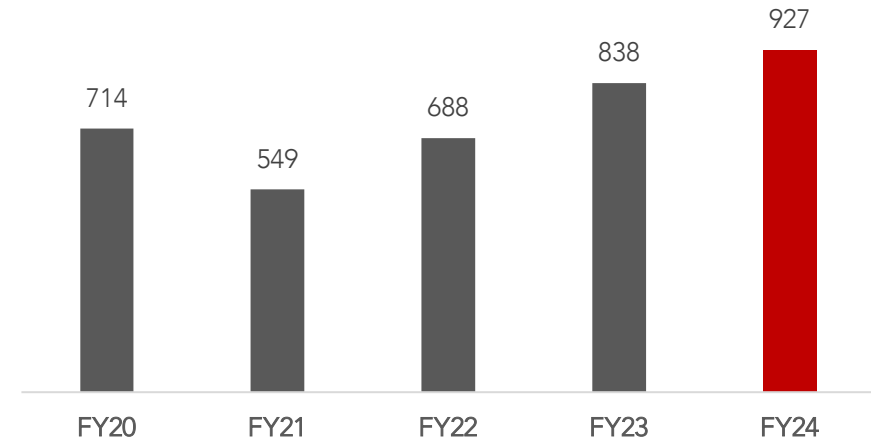
## Earnings Per Share



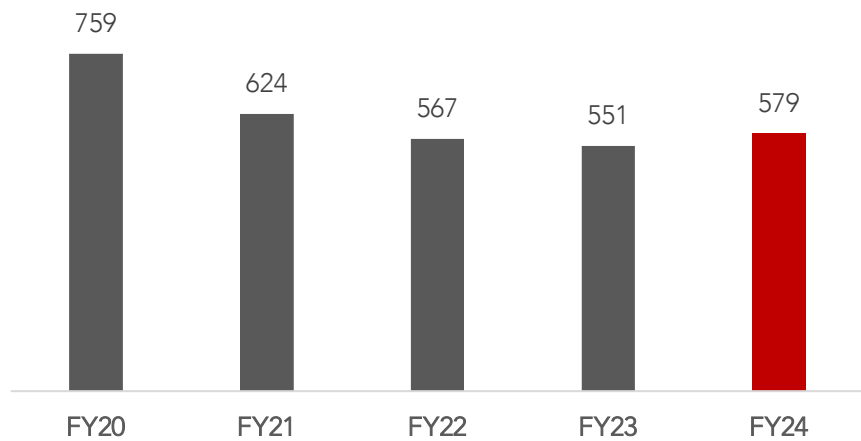
## AUM



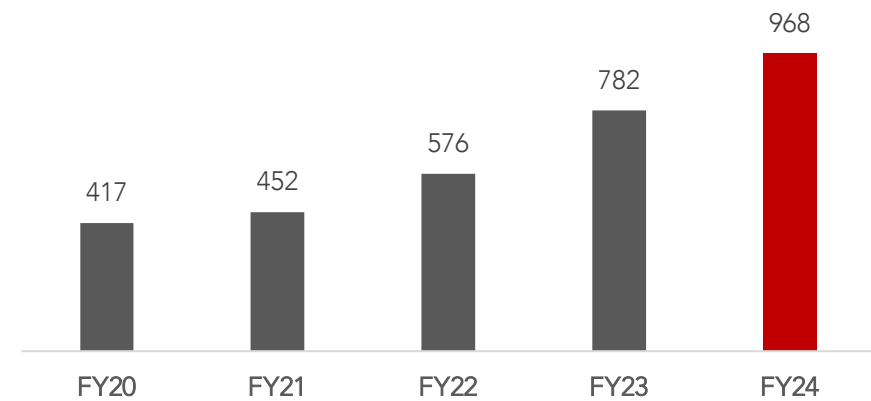
## Disbursements



## Borrowings

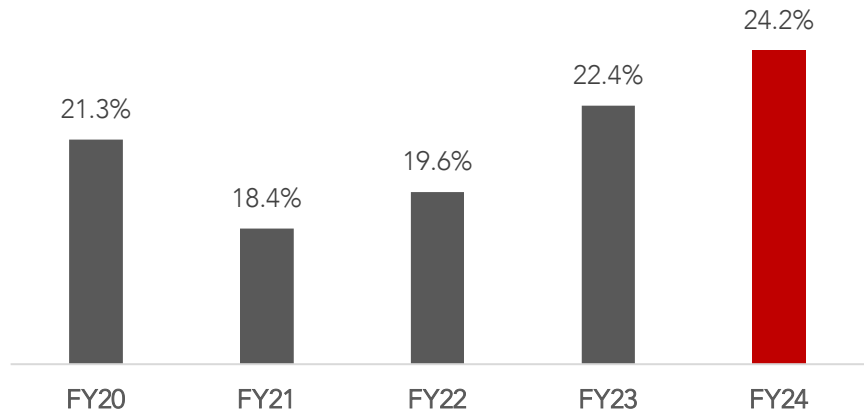


## Net Worth



# With Significantly Higher Margins...

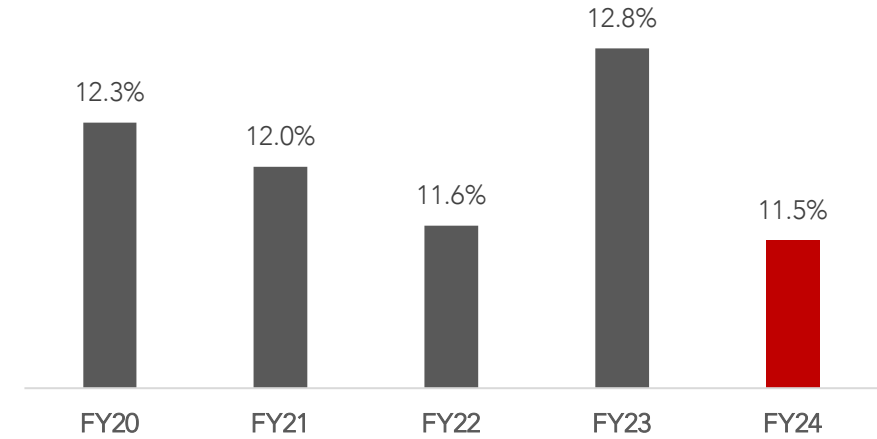
## Yields on Advances (%)



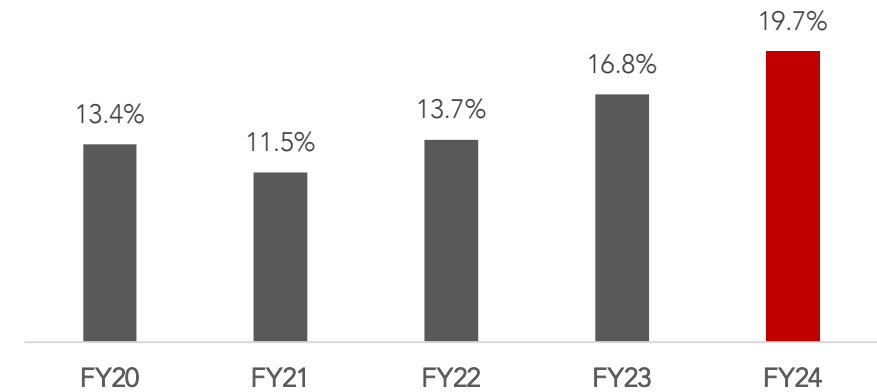
## Spreads (%)



## Cost of Funds (%)



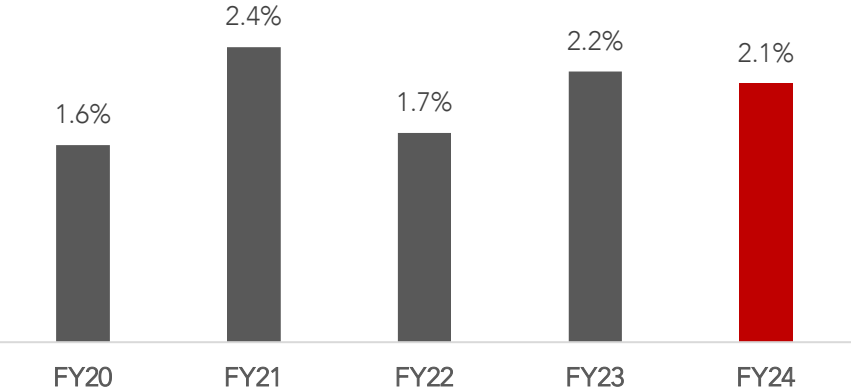
## NIMs (%)



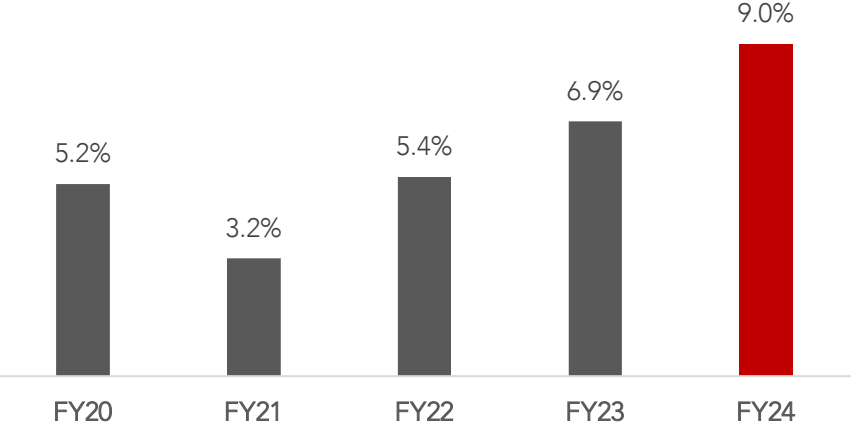


# And Improving Efficiency and Return Ratios...

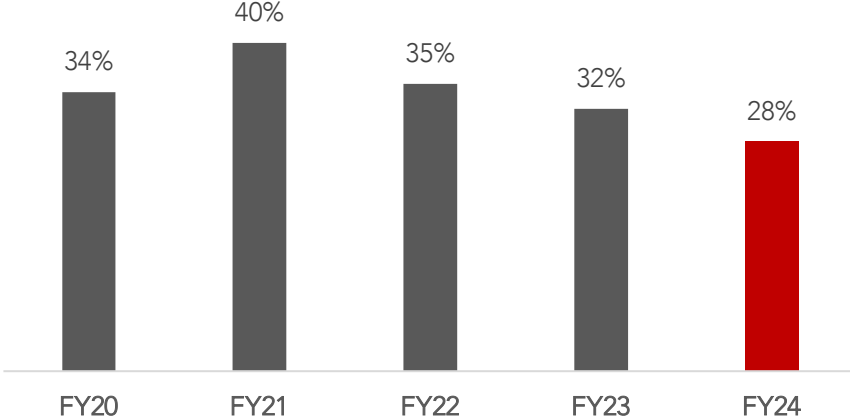
## Credit Costs (%)



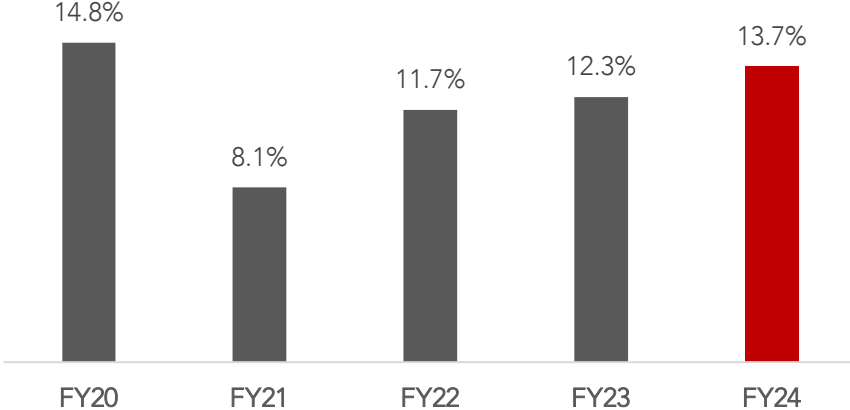
## RoA (%)



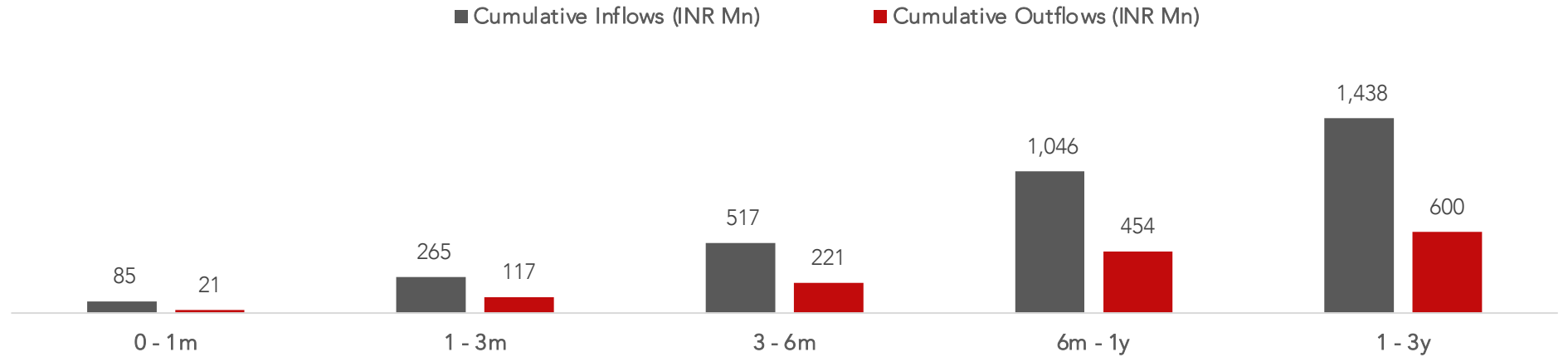
## Cost – Income (%)



## RoE (%)



## Liquidity Statement as on 31<sup>st</sup> March 2024



Cumulative Positive Gap	64	148	296	593	837
Cumulative (%)	300%	127%	134%	131%	139%

- Liquidity as on 31<sup>st</sup> Mar 2024 is INR 170 Mn in the form of cash, cash equivalents and undrawn bank lines.
- Significant reduction achieved in average cost of borrowing from 12.8% in FY23 to 11.5% in FY24.
- Widened and strengthened existing relationships with nationalised banks.

# Profit & Loss Statement

Particulars (INR Mn)	FY19	FY20	FY21	FY22	FY23	FY24
Interest Earned	222	237	206	221	274	323
Interest Expended	79	91	83	69	72	65
<b>Net Interest Income</b>	<b>143</b>	<b>146</b>	<b>123</b>	<b>152</b>	<b>202</b>	<b>258</b>
Other Income	-	3	6	3	3	5
Operating expense	44	51	52	54	66	74
- Employee cost	21	24	26	29	32	38
- Depreciation	1	1	1	1	1	1
- Others	22	27	26	24	34	35
<b>Operating Profit</b>	<b>99</b>	<b>98</b>	<b>77</b>	<b>101</b>	<b>140</b>	<b>188</b>
Total provisions	10	18	27	19	27	28
PBT	89	80	50	82	113	161
Tax	25	22	15	21	29	41
<b>PAT</b>	<b>64</b>	<b>58</b>	<b>35</b>	<b>60</b>	<b>84</b>	<b>120</b>

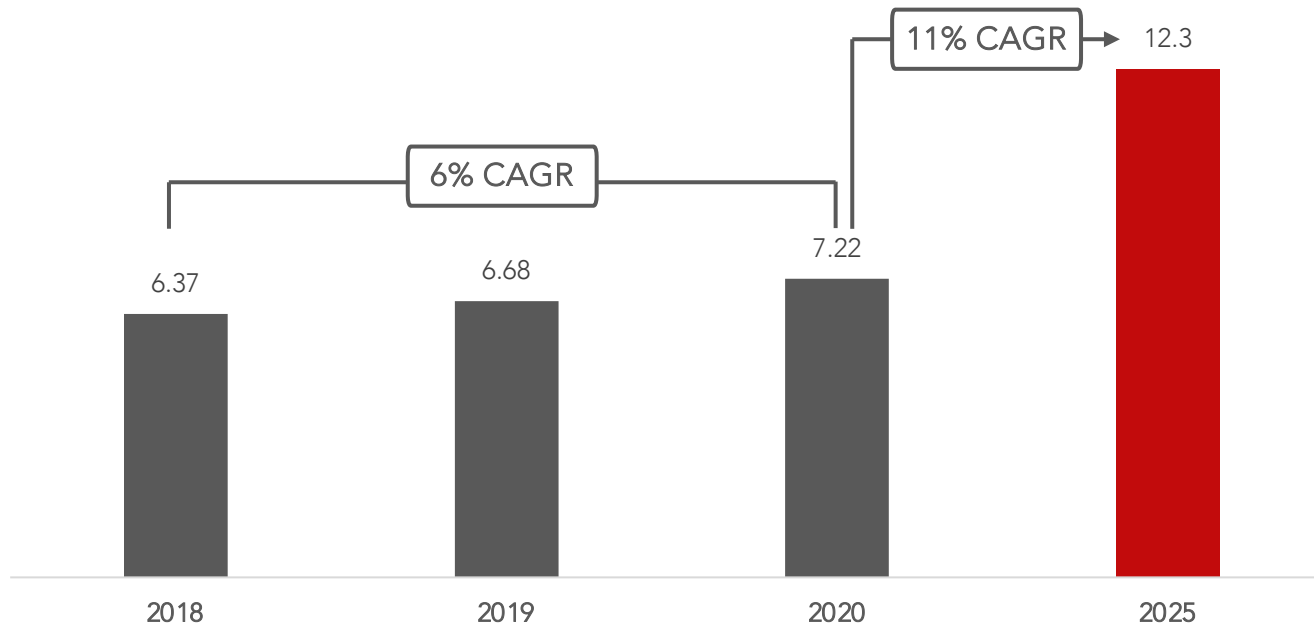
# Profit & Loss (Du-Pont Analysis)

Particulars (DuPont on AUM)	FY20	FY21	FY22	FY23	FY24
NIM + Fees	13.1%	11.0%	13.5%	16.6%	19.3%
Other Income	0.3%	0.5%	0.2%	0.3%	0.3%
<b>NIM + Non-Interest Income</b>	<b>13.4%</b>	<b>11.5%</b>	<b>13.7%</b>	<b>16.8%</b>	<b>19.7%</b>
Cost/Income	34%	40%	35%	32%	28%
OpEx	4.6%	4.7%	4.8%	5.4%	5.6%
<b>Operating Profit</b>	<b>8.8%</b>	<b>6.9%</b>	<b>9.0%</b>	<b>11.4%</b>	<b>14.1%</b>
Credit Cost	1.6%	2.4%	1.7%	2.2%	2.1%
Tax Rate %	28%	30%	26%	26%	26%
<b>RoA</b>	<b>5.2%</b>	<b>3.1%</b>	<b>5.4%</b>	<b>6.9%</b>	<b>9.0%</b>
<b>Leverage</b>	<b>2.8</b>	<b>2.6</b>	<b>2.2</b>	<b>1.8</b>	<b>1.5</b>
<b>RoE</b>	<b>14.8%</b>	<b>8.1%</b>	<b>11.7%</b>	<b>12.3%</b>	<b>13.7%</b>

# Future Driving Forces

## Accelerating 2-Wheeler Demand 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



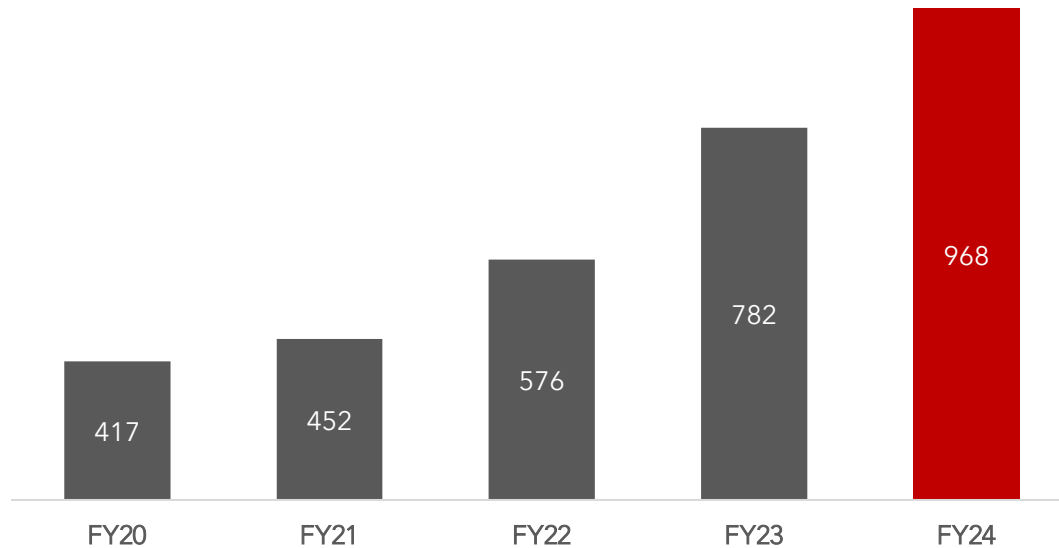
Stable Fuel Prices



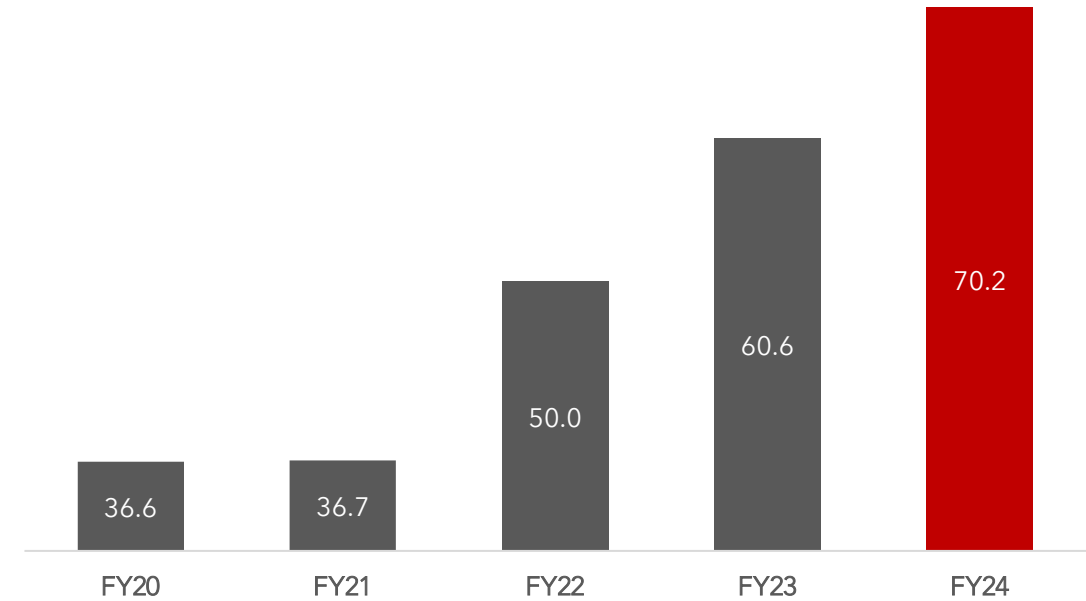
Changing Consumer Preferences

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

Consolidated Network (INR Mn)



Capital Adequacy (%)



Adequate cash position on balance sheet

+

Strong capital adequacy to support future growth

+

Significant Headroom for Incremental Borrowings

=

**3x AUM** in medium term without additional capital infusion

# 01

## AUM

Target to take AUM to **INR 2,750 Mn by FY27** v/s INR 1,379 Mn currently.

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 50 branches ending May 2024.

# 03

## Product Mix

Adding new products like Used Tractor Loan & Salaried Personal Loan.

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

# 04

## Borrowing

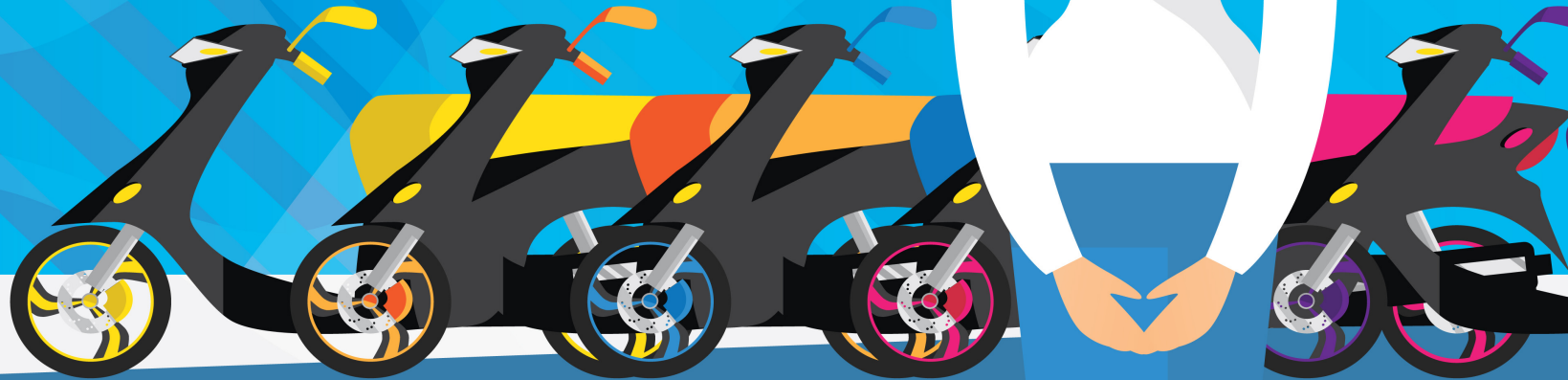
To **lower the cost of funds**; increasing the portion of borrowing from nationalized banks within the overall borrowing portfolio.

# 05

## Geography

Already expanded to Rajasthan; Plans to further expand presence in **Karnataka and Goa.**

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# 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

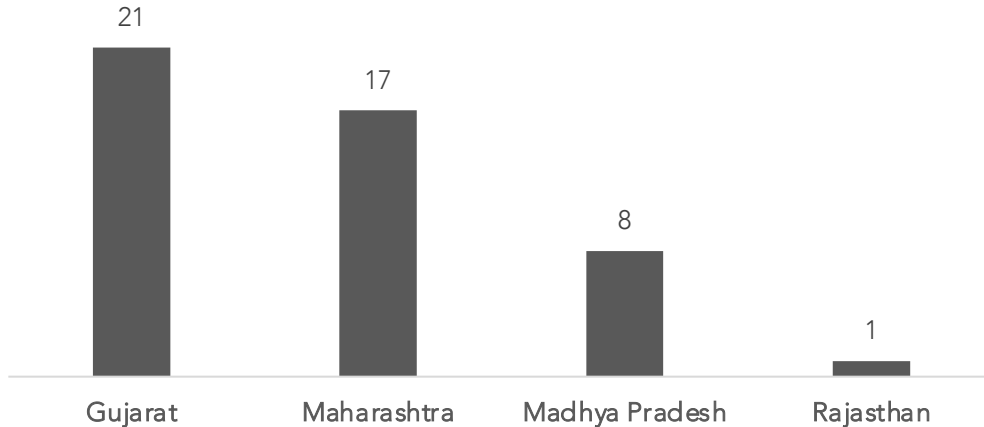
6 to 30 months



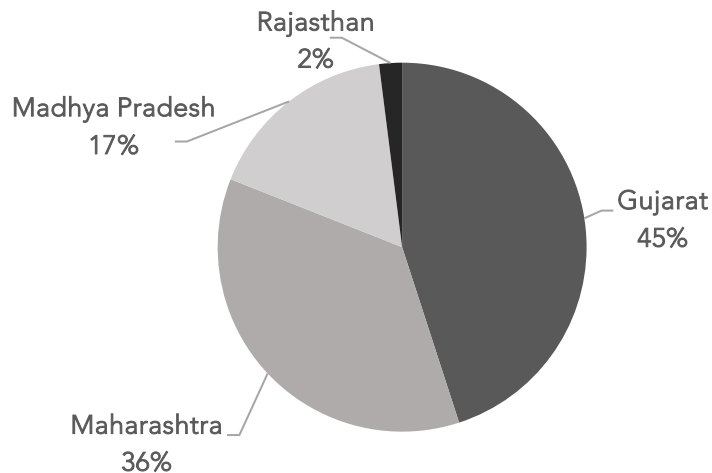
# Strong Distribution Network

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

## Branch Network (in Nos.)



## Branch Mix (in %)



Note : All numbers stated ending FY24

1

With a network of 47 branches, currently the company serves a total of 38 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.

# Rural Resilient Business Model

Transforming Challenges into Competitive Advantages

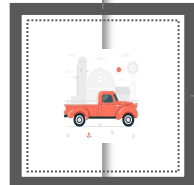
## Seasonal Income-Centric Repayment Structure

- 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.



**COMPETITIVE  
ADVANTAGE**

## 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.



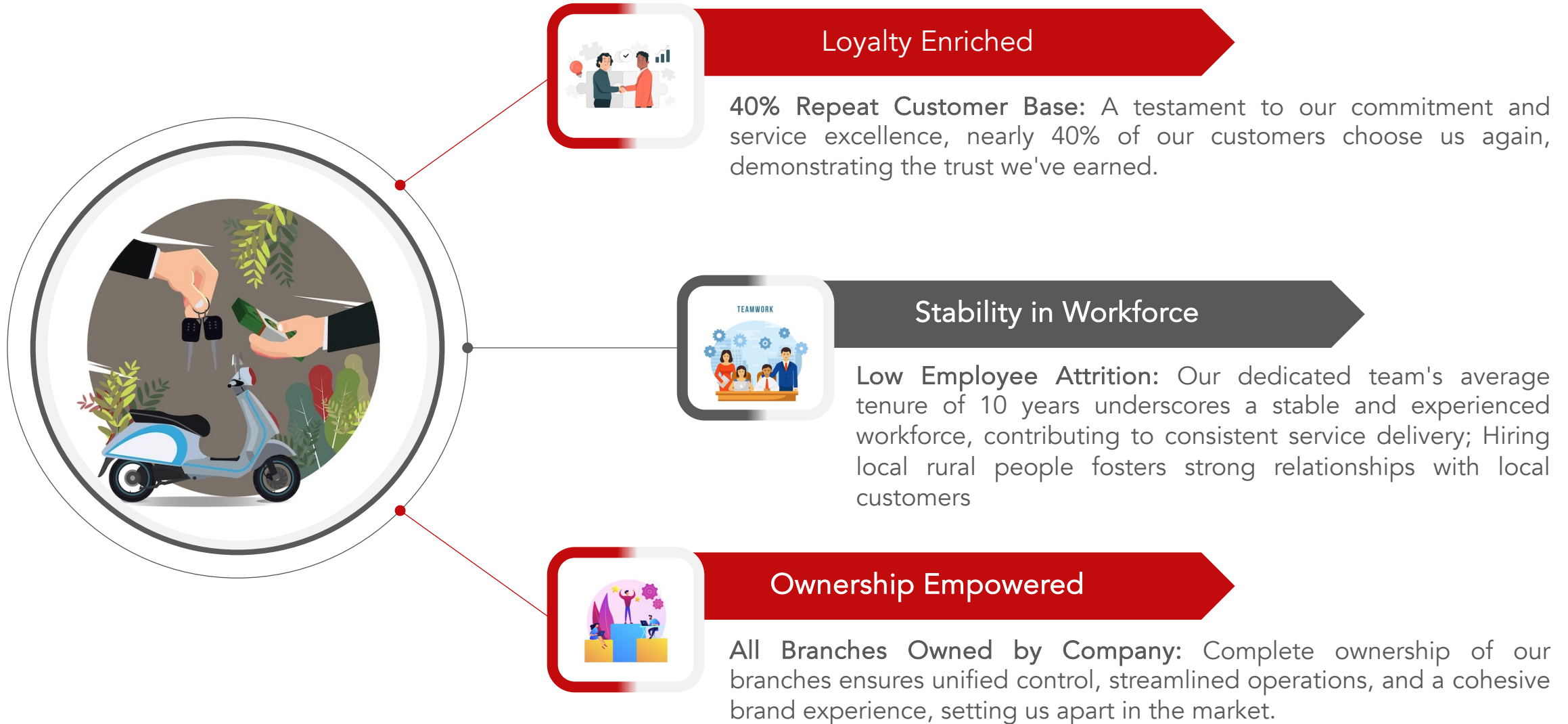
## Robust Network: Proximity Centric Operation

- 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.



# Distinctive Attributes Fuelling Success

Positioning Ourselves as a Distinguished Player in the Industry.



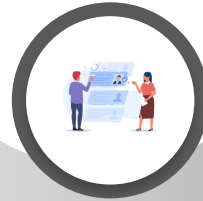
# Seamless Digital Customer Onboarding

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 1.5 ending FY24; leaving ample headroom for growth.
- Well Capitalized with CRAR at 70.2% ending FY24.

#### 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

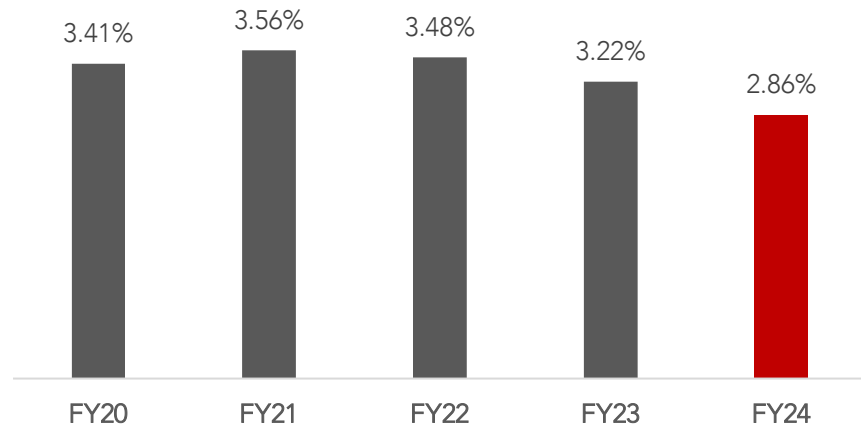
Driving Financial Empowerment: Empowering Journeys, Fueling Futures



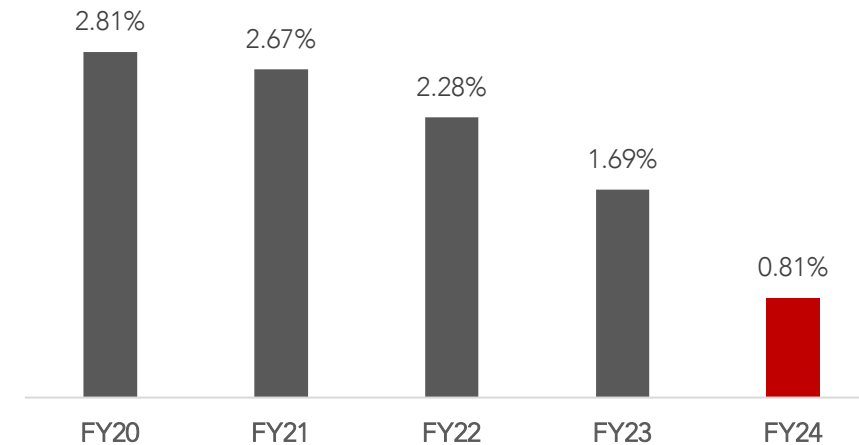
# Proven Model Despite COVID Stress

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*

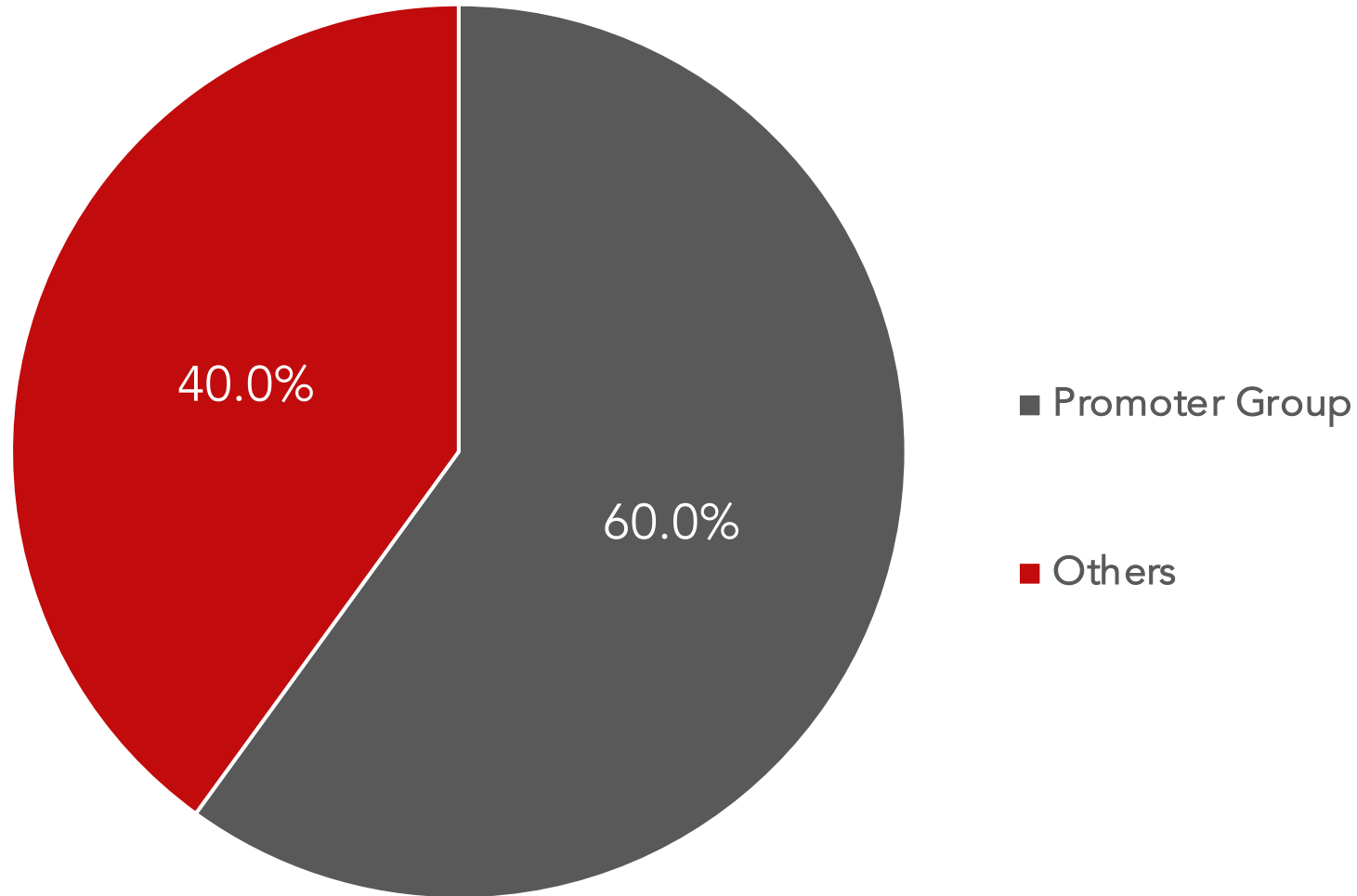
- ❑ Founder and Promoter of the Shalibhadra Finance Limited.
- ❑ More than 3 decades of experience in finance, and socio-economic development.
- ❑ His vast reservoir of experience, coupled with a futuristic vision, has helped the entire company to work with a shared vision and values, resulting in a 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 47 branches ending FY24
- ❑ Chartered Accountant and Chartered Financial Analyst by Education.



Market Capitalization<sup>^</sup>  
Rs 4,320 Mn | US\$ 52.7 Mn

Net worth (FY24)  
Rs 968 Mn

Paid-up Equity (Q4FY24)  
Rs 70 Mn

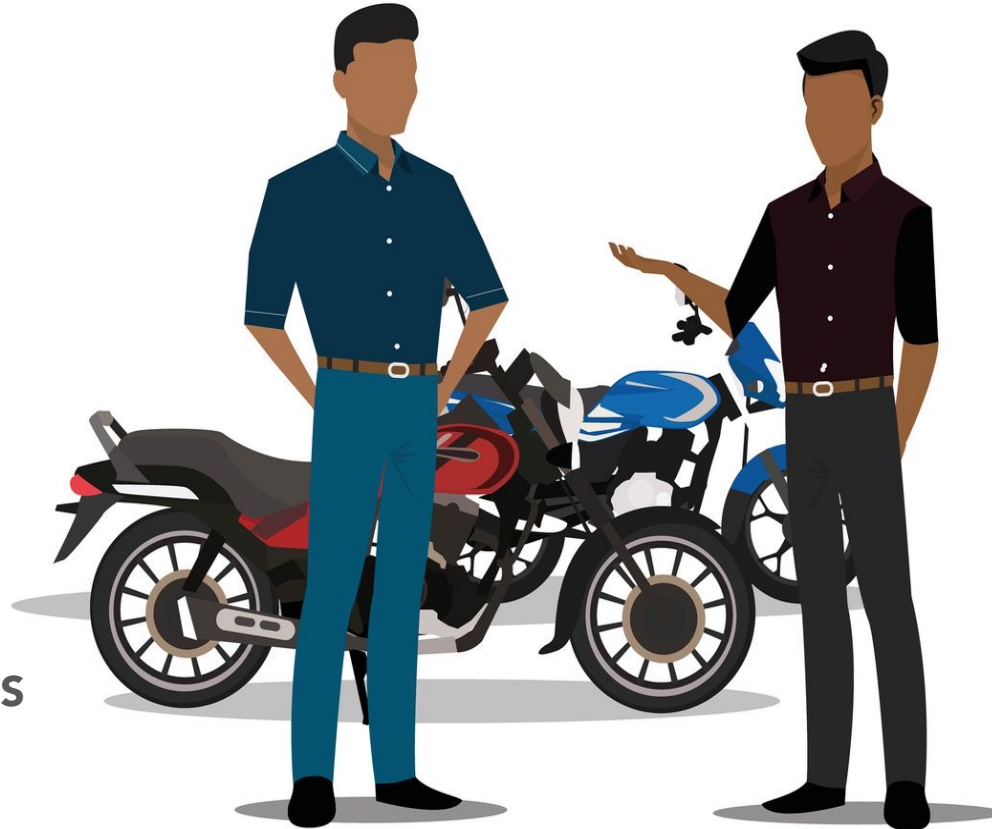
FV  
Rs 10

Dividend Per Share (FY24)  
Rs 1.20

<sup>^</sup>Market capitalization on BSE as of 31<sup>st</sup> May'24  
1 US\$ = ₹ 82

**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