

Shriram Finance

Refer to important disclosures at the end of this report

Diversified retail consumer play at compelling valuations

CMP	Target Price
Rs 1,296 as of (December 23, 2022)	Rs 1,700 (▲) 12 months
Rating	Upside
BUY (■)	31.2 %

- Birth of a diversified retail consumer play:** The lending business of the Shriram Group, re-christened 'Shriram Finance' (**SHFL**), post the merger of Shriram Transport Finance (**SHTF**) and Shriram City Union Finance (**SCUF**), was listed on the exchanges with effect from 20 December, 2022. SHFL is a diversified, retail-financing play, with AUM of ~Rs1.7Tn and presence across the lower-than-prime lending spectrum, spanning across CV/CE and two-wheeler financing, small-business finance, gold loans and the fast-growing affordable-housing business (housed within its HFC subsidiary, Shriram Housing Finance - **SHFC**). We estimate SHFL's AUM to grow at 14-15% over FY22-25E, driven by two factors: 1) Vehicle Finance, which constitutes two-thirds of the portfolio, is expected to benefit from the current CV upcycle; 2) Improved cross-sell opportunities for the erstwhile SCUF products over the much-enlarged SHFL distribution network.
- Aspirations for the business:** Management has, as part of its vision for SHFL, laid out a diverse set of qualitative & quantitative goals. SHFL aspires to become the country's preferred financial-services destination, focusing on new-to-credit customers with a cross-sell based strategy. Management has also indicated its aspirations w.r.t operational metrics, such as: 1) AUM growth of ~15%; 2) NIM of ~8%; 3) GS3 and NS3 of ~6% and ~3%, respectively; and 4) RoA of ~3%, translating into RoE of ~16%. In our assessment (Exhibit 7), SHTF with ~20% market share of the CV/CE business was hitherto constrained to broadly grow at the sector-averages. By merging the SCUF product lines with itself, SHTF has added profitable (with RoA >RoA of SHTF) growth drivers, which can function as additional levers of growth/profitability while navigating through business cycles.
- Utilization of merged distribution network offers growth opportunity:** SHFL holds a consolidated AUM across vehicle loans and small-business loans as well an impressive, fast-growing, affordable-housing portfolio. As of Sep-22 (Exhibit 5), CVs constituted ~56% of the SHFL portfolio, followed by ~17% for passenger vehicles and ~10% for SME loans. Housing loans (originated at SHFC) accounted for ~4% of the overall portfolio. Access to the combined Shriram network of 2,875 branches across the country (Exhibit 11) will help to leverage cross-sell opportunities such as expanding the gold loan, small-business loan and affordable-housing loan offerings to the erstwhile SHTF branches. Coupled with this, the ongoing CV upcycle provides strong tailwinds to the CV financing business. We estimate overall AUM growth of 14-15%, for SHFL, over the forecast period, with earnings growth of ~22%, RoA of ~2.8% and ~RoE of ~15% by FY25E.
- We have a BUY rating on the stock**, with a rolled over Dec-23E TP of Rs1,700 (earlier Rs1,610), arrived at using the sum-of-the-parts methodology, valuing: i) Shriram Finance (standalone) at Rs1,600/share using the excess return on equity (ERE) method, which implies a Dec-24E P/BVPS of 1.24x; ii) Shriram Housing Finance at Rs101/share, assigning a multiple of 2.6x to the Dec-24E BVPS. Key risks to our estimates: challenges in integration of product lines/culture across businesses.

Please see our sector model portfolio (Emkay Alpha Portfolio): [BFSI-NBFCs \(Page 15\)](#)

Change in Estimates

EPS Chg FY23E/FY24E (%)	-/
Target Price change (%)	5.6
Target Period (Months)	12
Previous Reco	Buy

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	147.1	161.3
Consensus	145.6	164.1
Mean Consensus TP (12M)	Rs 1,521	

Stock Details

Bloomberg Code	SHFL IN
Face Value (Rs)	10
Shares outstanding (mn)	374
52 Week H/L	1,509 / 1,002
M Cap (Rs bn/USD bn)	487 / 5.88
Daily Avg Volume (nos.)	9,93,442
Daily Avg Turnover (USD mn)	15.2

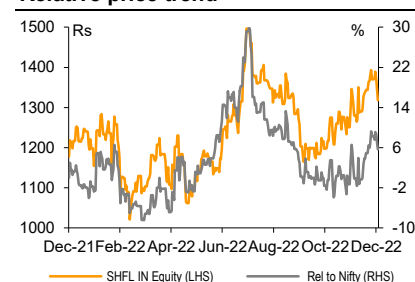
Shareholding Pattern [12/12/2022]

Promoters	25.2 %
FIIIs	42.2 %
DIIIs	12.1 %
Public and Others	20.15 %

Price Performance

(%)	1M	3M	6M	12M
Absolute	(2)	8	9	8
Rel. to Nifty	-	5	(5)	3

Relative price trend



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Net income	119,850	135,378	156,111	178,078	204,102
Net profit	34,982	37,941	52,217	60,156	69,538
EPS (Rs)	114.3	115.6	147.1	161.3	186.5
BV (Rs)	930.4	1,035.3	1,049.0	1,178.0	1,327.2
RoA (%)	2.3	2.2	2.7	2.8	2.8
RoE (%)	12.7	11.7	14.1	14.5	14.9
P/E (x)*	10.5	10.3	8.1	7.4	6.4
P/BV (x)*	1.3	1.2	1.1	1.0	0.9

Source: Company, Emkay Research; Note: * adjusted for price of Shriram Housing Finance

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Compelling valuations bolster case for BUY rating

Exhibit 1: Valuation matrix

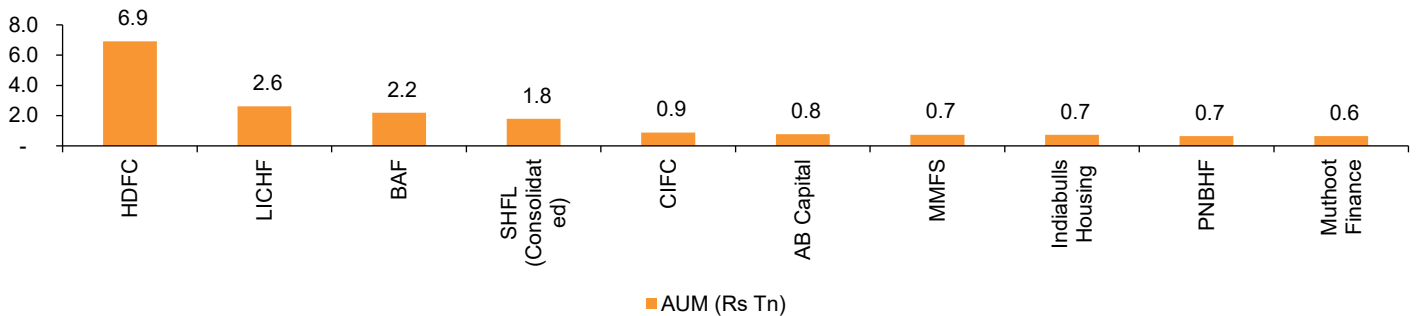
Company	Ratings	CMP	TP	Upside	Mkt. Cap		P/BVx					P/Ex					RoA					RoE				
					INR	USD	FY21	FY22	FY23E	FY24E	FY25E	FY21	FY22	FY23E	FY24E	FY25E	FY21	FY22	FY23E	FY24E	FY25E	FY21	FY22	FY23E	FY24E	FY25E
HDFC*	NR	2,627	NA	NA	4,794	57.9	4.3	4.0	3.7	3.3	3.1	39.1	34.9	30.2	26.3	23.8	2.2%	2.3%	2.3%	2.3%	2.3%	12.3%	12.0%	12.7%	13.4%	13.8%
LICHF	Buy	398	450	13.1%	226	2.7	1.0	0.9	0.8	0.7	0.6	7.3	9.2	7.3	5.8	5.3	1.2%	0.9%	1.1%	1.3%	1.2%	14.1%	10.1%	11.6%	13.1%	13.0%
BAF*	NR	6,370	NA	NA	3,856	46.6	10.4	8.8	7.2	5.8	4.7	87.3	55.0	34.8	28.1	22.7	2.6%	3.7%	4.6%	4.6%	4.6%	12.8%	17.4%	22.6%	22.8%	23.5%
SHFL [^]	Buy	1,296	1,700	31.1%	487	5.9	1.3	1.2	1.1	1.0	0.9	10.5	10.3	8.1	7.4	6.4	2.3%	2.2%	2.7%	2.8%	2.8%	12.7%	11.7%	14.1%	14.5%	14.9%
LTFH	Buy	82	100	21.4%	204	2.5	1.0	1.0	0.9	0.9	0.8	18.4	19.1	10.1	9.3	7.8	0.9%	1.0%	1.9%	1.9%	2.0%	5.8%	5.5%	9.7%	9.7%	10.5%
CIFC	Buy	702	860	22.5%	574	6.9	6.0	4.9	4.2	3.5	2.9	38.0	26.9	24.9	19.5	16.1	2.2%	2.7%	2.5%	2.6%	2.5%	17.1%	20.2%	18.2%	19.5%	19.8%
PIEL	Buy	795	1200	51.0%	190	2.3	0.9	0.9	0.9	0.8		24.9	-37.1	7.3	6.5		3.3%	1.1%	-0.7%	3.2%	3.2%	9.9%	3.7%	-2.4%	12.2%	12.8%
MMFS	Hold	222	220	-0.9%	272	3.3	1.7	1.8	1.6	1.5	1.3	73.4	27.7	16.0	11.7	9.6	0.4%	1.3%	2.0%	2.3%	2.4%	2.6%	6.5%	10.6%	13.3%	14.6%
Poonawalla	Hold	251	270	7.7%	193	2.3	3.1	3.2	2.9	2.7	2.4	-12.2	51.4	29.3	29.2	22.5	-3.9%	2.5%	3.5%	2.6%	2.5%	-22.6%	9.1%	10.4%	9.5%	11.3%

Source: Company, Emkay Research; *Not rated, based on consensus estimates; *Closing price as of 22-Dec-2022

[^]standalone; adjusted P/E; P/BV for price of Shriram Housing Finance

Shriram Finance (SHFL) trades at attractive multiples in comparison with other similar-size listed players. SHFL standalone (adj. for housing subsidiary) trades at 1.1x its FY24E BVPS as against 1.5x/3.6x for vehicle financing peers like Mahindra Finance and Cholamandalam Investment, for forecasted FY25E RoE of ~15%. While SHFL broadly on par with other diversified financials like Piramal Enterprises and L&T Finance (LICHF), SHFL is a purely retail financing business. With the merger of SHTF and SCUF behind us, we believe the valuations of the merged entity-SHFL should re-rate to reflect the true potential of the pan India, retail financing business.

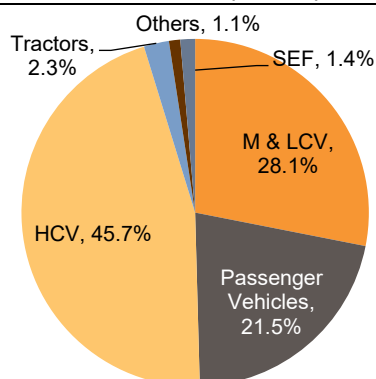
Exhibit 2: Top 10 NBFCs in India as of Sep 2022



Source: Company, RBI, Emkay Research

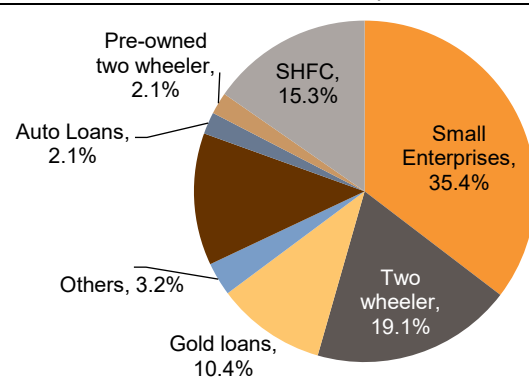
In comparison with NBFC peers (excl. HDFC), SHFL with an overall AUM of ~Rs1.7Tn as of Sep-22, stands third in line, behind LICHF (~Rs2.5Tn) and Bajaj Finance (~Rs2Tn), both of whom have significantly different customer & product profile. SHFL focuses on catering to the below-prime customer segment, as opposed to the affluent segment catered to by Bajaj Finance. SHFL's housing portfolio, being affordable in nature, is of a much lower ticket size of ~Rs1.7mn, as against ~Rs2.7mn for LICHF and ~Rs5.0mn of Bajaj Housing.

Exhibit 3: SHTF – Standalone AUM mix (Q2FY23)



Source: Company, Emkay Research

Exhibit 4: SCUF – Consolidated AUM (Q2FY23: SCUF + SHFC)



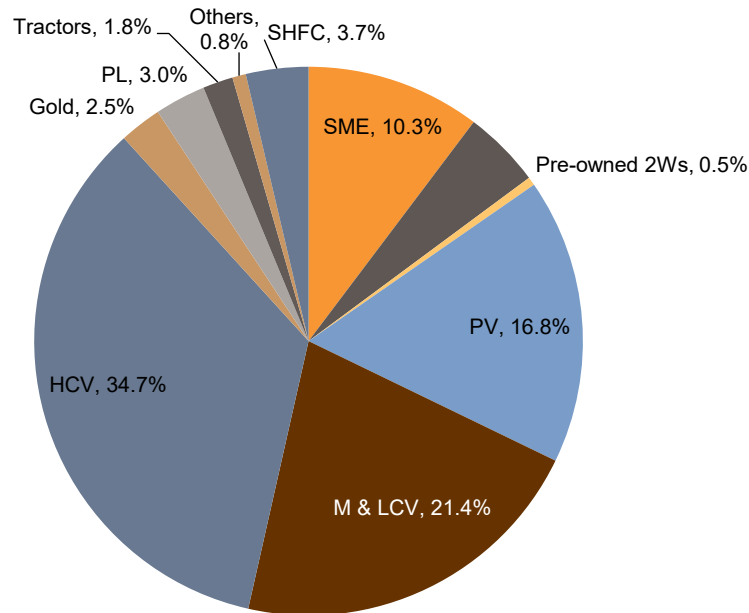
Source: Company, Emkay Research

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Diversified portfolio composition: The consolidated AUM of SHFL, as of Sep-22, primarily comprised of CVs (~56%), PVs (~17%) and SME loans (~10%), Housing loans (originated in SHFC, ~4%) and gold loans (~3%). While the vehicle-finance portfolio inherited from SHTF will continue to grow, buoyed by the current CV upcycle, the focus will also remain on growing the SCUF offerings such as SME and gold loans.

Exhibit 5: Shriram Finance – Consolidated AUM (SHTF + SCUF + SHFC) as of Q2FY23



Source: Company, Emkay Research

Market share trends highlight significant opportunity across gold-loan/affordable-housing segments

Exhibit 6: Shriram Finance has a ~15% market share in vehicle finance loans

Vehicle Loans	AUM (Rs bn)				Market Share			
	2019	2020	2021	2022	2019	2020	2021	2022
Shriram Finance	1,052	1,117	1,210	1,335	15.0%	14.1%	14.4%	14.8%
CIFC	406	442	504	529	5.8%	5.6%	6.0%	5.9%
MMFS	574	640	607	604	8.2%	8.1%	7.2%	6.7%
Sundaram Finance	272	281	280	267	3.9%	3.6%	3.3%	3.0%
Others	2,696	2,619	2,799	2,965	38.4%	33.2%	33.3%	33.0%
Total NBFCS	5,000	5,100	5,400	5,700	71.2%	64.6%	64.2%	63.4%
Banks	2,022	2,799	3,014	3,298	28.8%	35.4%	35.8%	36.6%
Total System	7,022	7,899	8,414	8,998	100.0%	100.0%	100.0%	100.0%

Source: Company, RBI, CRISIL Ratings, Emkay Research

Exhibit 7: Shriram Finance has a ~20% share in the CV & CE financing segment

CV & CE Loans	AUM (Rs bn)				Market Share			
	2019	2020	2021	2022	2019	2020	2021	2022
Shriram Finance	714	764	846	947	16.1%	17.2%	18.3%	19.4%
CIFC	179	195	212	201	4.0%	4.4%	4.6%	4.1%
MMFS	114	129	103	78	2.6%	2.9%	2.2%	1.6%
SUNDARAM FINANCE	111	96	54	77	2.5%	2.2%	1.2%	1.6%
TATA MOTOR FINANCE	262	237	273	290	5.9%	5.3%	5.9%	5.9%
Others	1,320	1,333	1,427	1,485	29.8%	30.0%	30.8%	30.4%
Total NBFCS	2,700	2,754	2,916	3,078	61.0%	62.0%	63.0%	63.0%
Banks	1,726	1,688	1,713	1,808	39.0%	38.0%	37.0%	37.0%
Total System	4,426	4,442	4,629	4,886	100.0%	100.0%	100.0%	100.0%

Source: Company, CRISIL Ratings, Emkay Research

Exhibit 8: Shriram Finance has a ~10% share in the two-wheeler market

2W loans	AUM (Rs bn)				Market Share			
	2019	2020	2021	2022	2019	2020	2021	2022
Shriram Finance	54	61	69	78	9.4%	8.6%	8.8%	10.0%
LTFH	57	66	71	75	10.0%	9.3%	9.1%	9.6%
BAF	63	85	79	66	11.0%	12.1%	10.0%	8.5%
HERO FINCORP	60	80	89	80	10.4%	11.3%	11.3%	10.2%
Others	166	189	202	203	29.0%	26.8%	25.8%	26.1%
Total NBFCS	400	480	510	502	69.8%	68.2%	65.0%	64.4%
Banks	173	224	274	277	30.2%	31.8%	35.0%	35.6%
Total System	573	704	784	779	100.0%	100.0%	100.0%	100.0%

Source: Company, CRISIL Ratings, CRIF Highmark, Emkay Research

Exhibit 9: Shriram Finance has a minor ~0.8% share in the gold loan market

Gold loans	AUM (Rs bn)				Market Share			
	2019	2020	2021	2022	2019	2020	2021	2022
Shriram Finance	27	31	38	41	0.9%	1.0%	0.9%	0.8%
Muthoot Finance	336	408	519	575	11.8%	12.5%	12.0%	10.9%
Manappuram Finance	130	170	191	199	4.6%	5.2%	4.4%	3.8%
IIFL Finance	62	91	131	162	2.2%	2.8%	3.0%	3.1%
Others	145	200	221	323	5.1%	6.1%	5.1%	6.1%
Total NBFCS	700	900	1,100	1,300	24.5%	27.5%	25.4%	24.7%
Banks	2,157	2,372	3,226	3,968	75.5%	72.5%	74.6%	75.3%
Total System	2,857	3,272	4,326	5,268	100.0%	100.0%	100.0%	100.0%

Source: Company, CRISIL Ratings, Tamilnad Mercantile Bank RHP, Emkay Research

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Exhibit 10: SHFC has rapidly established itself in the housing finance industry

	Home loan AUM (Rs bn)					Market Share				
	FY18	FY19	FY20	FY21	FY22	FY18	FY19	FY20	FY21	FY22
SBI	3,131	4,004	4,559	5,038	5,617	20.0%	21.8%	22.2%	22.1%	22.0%
ICICI Bank	1,502	1,782	2,002	2,437	2,931	9.6%	9.7%	9.8%	10.7%	11.5%
Axis Bank	991	1,155	1,344	1,505	1,856	6.3%	6.3%	6.5%	6.6%	7.3%
HDFC Bank	363	363	634	702	831	2.3%	2.0%	3.1%	3.1%	3.2%
Other Banks	2,224	2,681	3,732	4,361	4,803	14.2%	14.6%	18.2%	19.1%	18.8%
Total Banks	8,210	9,985	12,271	14,043	16,037	52.5%	54.3%	59.8%	61.5%	62.7%
HDFC	2,514	2,888	3,259	3,688	4,316	16.1%	15.7%	15.9%	16.2%	16.9%
LICHF	1,594	1,816	1,963	2,160	2,381	10.2%	9.9%	9.6%	9.5%	9.3%
PNBHF	413	558	650	596	554	2.6%	3.0%	3.2%	2.6%	2.2%
BAF	238	291	385	391	480	1.5%	1.6%	1.9%	1.7%	1.9%
IndiaBulls HF	968	760	468	390	338	6.2%	4.1%	2.3%	1.7%	1.3%
CanFin Homes	150	173	196	210	253	1.0%	0.9%	1.0%	0.9%	1.0%
Cholamandalam Fin.	81	135	161	194	224	0.5%	0.7%	0.8%	0.9%	0.9%
Piramal Enterprises	13	51	56	53	147	0.1%	0.3%	0.3%	0.2%	0.6%
DHFL	900	1,037	355	290	0	5.7%	5.6%	1.7%	1.3%	0.0%
Aadhar HF	67	84	98	113	121	0.4%	0.5%	0.5%	0.5%	0.5%
GIC HF	95	113	115	112	100	0.6%	0.6%	0.6%	0.5%	0.4%
Repco HF	99	110	118	121	118	0.6%	0.6%	0.6%	0.5%	0.5%
Aavas Financiers	41	59	78	95	113	0.3%	0.3%	0.4%	0.4%	0.4%
LTFH	89	105	117	107	107	0.6%	0.6%	0.6%	0.5%	0.4%
Sundaram Home Finance	57	63	67	64	65	0.4%	0.3%	0.3%	0.3%	0.3%
Home First Finance	13	22	33	38	49	0.1%	0.1%	0.2%	0.2%	0.2%
Shriram Housing Finance	11	11	14	27	35	0.1%	0.1%	0.1%	0.1%	0.1%
Aptus Housing	8	12	17	21	29	0.0%	0.1%	0.1%	0.1%	0.1%
Motilal Oswal Housing Finance	49	43	34	31	29	0.3%	0.2%	0.2%	0.1%	0.1%
Vastu Home Finance	5	8	11	14	19	0.0%	0.0%	0.1%	0.1%	0.1%
India Shelter Finance	5	7	9	14	19	0.0%	0.0%	0.0%	0.1%	0.1%
Shubham Housing	7	9	12	15	17	0.0%	0.0%	0.1%	0.1%	0.1%
Muthoot Home Finance	14	18	18	15	13	0.1%	0.1%	0.1%	0.1%	0.1%
Svantantra Micro Housing	4	6	7	8	10	0.0%	0.0%	0.0%	0.0%	0.0%
Manappuram Home Finance	3	4	5	5	6	0.0%	0.0%	0.0%	0.0%	0.0%
Srg Housing	1	2	2	2	2	0.0%	0.0%	0.0%	0.0%	0.0%
Total HFC	7,438	8,387	8,246	8,774	9,547	47.5%	45.7%	40.2%	38.5%	37.3%
Total Sector	15,649	18,372	20,516	22,817	25,584	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company, Emkay Research

SHFL remains among the leaders in the CV/CE and two-wheeler financing space. However, considering its sub-scale presence in the gold-loan and affordable-housing finance businesses, the integration of the SHTF and SCUF branches under a single umbrella brings about significant opportunities to build up these two businesses. Regional leadership team structure also augurs well for localized focus on these granular product lines.

Utilization of merged distribution network offers growth potential

Exhibit 11: SHFL has a well-spread, Pan-India distribution network

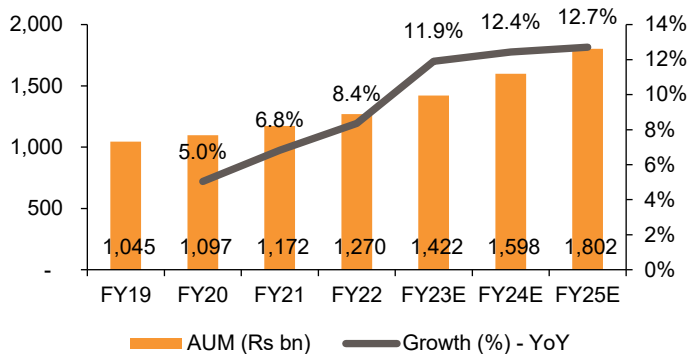
Region (No. of branches)	As of Dec-21 (announcement of merger)				As of Sep-22
	SHTF	SCUF	SHFC	SHFL	SHFL
GU1 TN and Pondicherry	415	258	9	673	691
GU2 TS, AP, OD	222	316	11	538	544
GU3 MH, GA, UP, BR and JH	386	172	15	558	564
GU4 GJ, MP, RJ, DL, PB, HR, HP, J&K	412	122	33	534	565
GU5 KA, KL, CG, WB, North East*	390	103	17	493	511
Total	1,825	971	85	2,796	2,875

Source: Company, Emkay Research

SHFL has a well-spread, pan-India consolidated network of 2,875 branches. As per the new organizational chart, the overall business is divided into five geographical units (GUs), with respective leadership teams in place to drive business growth and profitability. This should aid in greater impetus towards the local business-related products like SMEs, gold loans and housing. By Oct-2022, SHFL had rolled out pilot projects across 1,200 SHTF branches, to cross-sell SME and gold-loan offerings.

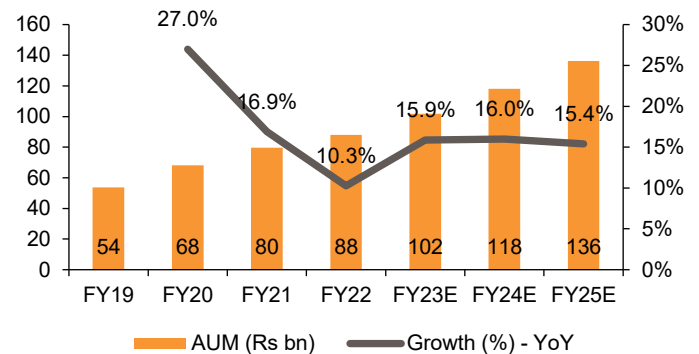
Prior to the merger itself, SHFC was running its cross-selling initiative, namely Griha Poorti. As part of the Griha Poorti initiative, ~178 branches of SCUF in AP/TS and 33 branches of SHTF in Gujarat were already cross-selling SHFC's loan products. Griha Poorti is a cross-sell initiative, whereby the Shriram Group network is leveraged to originate home loans in the catchment area of the branches. Once the model is proven flawless, SHFC plans to expand it to the entire Shriram network over the next 4-5 years. In terms of incremental disbursements, 2-2.5% of Griha Poorti customers are SCUF customers who have a good credit history and CIBIL score.

Exhibit 12: Vehicle-Finance AUM expected to grow at 12% over FY22-25E



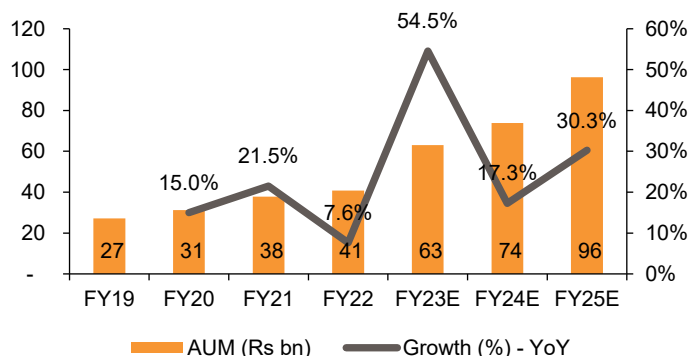
Source: Company, Emkay Research

Exhibit 13: Two-wheeler loans (new + used) expected to grow at 16% over FY22-25E



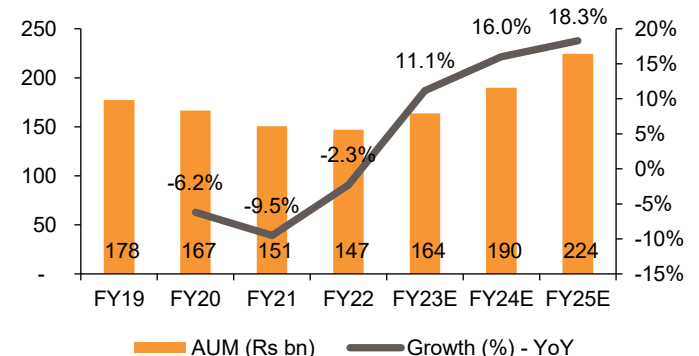
Source: Company, Emkay Research

Exhibit 14: Gold loans expected to grow at 33% over FY22-25E, albeit on a low base

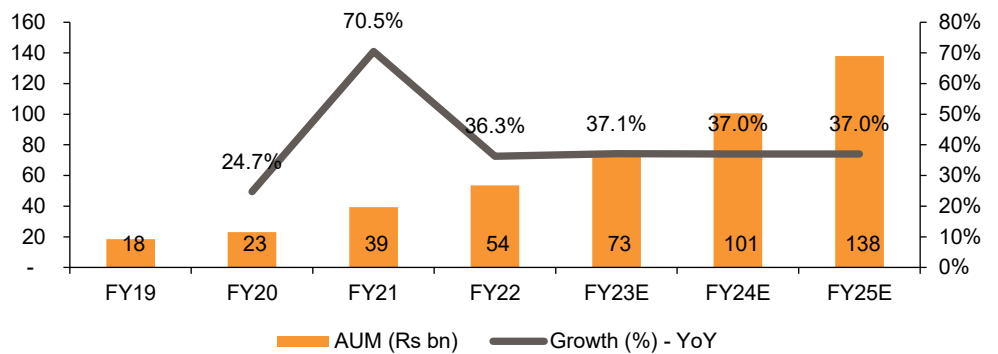


Source: Company, Emkay Research

Exhibit 15: Small enterprise financing expected to clock 15% growth over FY22-25E



Source: Company, Emkay Research

Exhibit 16: Shriram Housing expected to grow its loan book at 37% over FY22-25E

Source: Company, Emkay Research

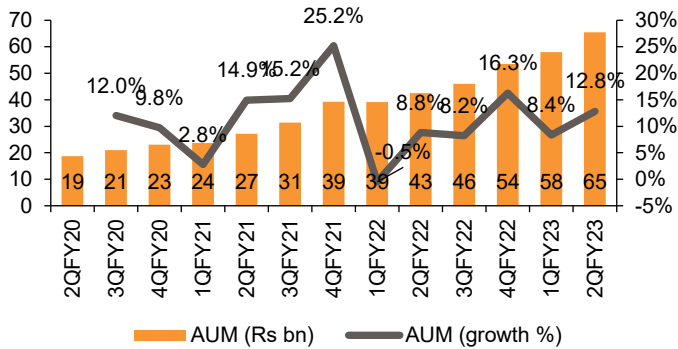
We forecast AUM growth of ~14-15% over FY22-25E for SHFL, driven by disbursement growth of ~17% over the same period. Among the various segments of SHFL, we expect vehicle finance to clock ~12% CAGR over FY22-25E, on the back of the current CV upcycle. Two-wheeler loans are expected to grow at ~16%.

The management has, in the past, stated their desire to grow the SME and gold-loan businesses post the merger, by leveraging the wider Shriram network. Considering this, we expect small enterprise loans and gold loans to grow at ~15% and ~33%, respectively, over FY22-25E. Since the IL&FS episode, Shriram Housing Finance has clocked AUM growth of ~43% over FY19-22. We believe Shriram Housing is well positioned for growth in the rapidly-expanding, affordable-housing finance space, and expect AUM growth of ~37% over FY22-25E.

Shriram Housing Finance – The growth driver

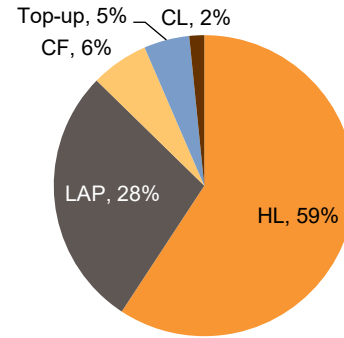
- Shriram Housing Finance (SHFC) is a housing finance company within the Shriram Group, and is one of the fastest-growing, affordable-housing finance companies in the country. Having commenced operations in 2011, it has expanded its footprint to 15 states via 112 branches, 211 Griha Poorti locations and 1,475 employees. The company is primarily focused in South Indian states as well as the states of Maharashtra and Gujarat. The focus is on leveraging the Shriram Finance network of 2,875 branches across the country. Post the merger of erstwhile promoter SCUF with SHTF, the resulting entity, SHFL, is the new promoter for SHFC, with an 85% stake in the company. Valiant Mauritius Partners remains the other shareholder of the company, with 15% stake as of Sep-22.
- Prior to Q4FY19, SHFC was facing severe asset-quality issues over FY17-19, with peak GS3 of ~6.4% during the period. This was also coupled with strategic errors made in the affordable housing-finance business, whereby the company had spread itself too thin geographically. Post the appointment of Ravi Subramanian as the new MD & CEO in Dec-18, the strategy for the firm was reworked. Mr. Subramanian redrew the priorities for the business, by way of workforce rationalization and focus on six key states where the group had strong presence. The renewed strategy now targeted the mid-segment customer and further granulated the book by providing mortgages and LAP.
- As of Sep-22, SHFC had an AUM of ~Rs65bn, primarily split into home loans (59%) and LAP (28%), with the balance comprising of top-up loans, construction finance and corporate loans. The average ticket size of the retail portfolio (excl. Mumbai and Delhi) is ~Rs1.65mn; including Delhi and Mumbai, the size is ~Rs1.8mn. SHFC, characteristic of its affordable-housing nature, caters to self-employed customers. Almost 79% of its book is composed of non-salaried customers, with the average CIBIL score of the overall portfolio at 724.
- SHFC's average ticket-size lies between Can Fin Homes (~Rs2.1mn) and Repco Home Finance (~Rs1.4mn), and is above that of other affordable HFCs like Aavas (~Rs0.9mn), Home First (~Rs1mn) and Aptus (~Rs0.7mn). Its average yield is ~12-13% comparable with that of Home First, Repco and Aavas (~10-13%) and much below that of Aptus (~17%), primarily due to a different asset-mix for Aptus.

Exhibit 17: SHFC's AUM stood at ~Rs65bn as of Sep-22....



Source: Company, Emkay Research

Exhibit 18:composed of ~59% home loans and ~28% LAP



Source: Company, Emkay Research

Exhibit 19: Key assumptions for SHFC

	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Disbursement Growth	-21.5%	0.1%	48.5%	94.8%	24.8%	37.0%	37.0%	37.0%
Loan Growth	0.6%	3.5%	24.7%	70.5%	36.3%	37.1%	37.0%	37.0%
NIM	8.8%	8.4%	5.5%	3.7%	4.0%	5.0%	5.0%	5.0%
Opex-to-AUM	5.4%	6.2%	5.4%	3.5%	3.2%	2.9%	2.8%	2.7%
CIR	57.8%	68.7%	55.2%	51.2%	47.3%	41.6%	40.4%	39.2%
Credit Cost	NA	NA	1.3%	0.7%	0.3%	0.3%	0.3%	0.3%
GS3	5.8%	2.8%	2.4%	1.9%	1.7%	1.6%	1.6%	1.5%
NS3	4.2%	2.1%	1.9%	1.5%	1.3%	1.3%	1.2%	1.2%
PCR (S3)	NA	NA	21.7%	21.9%	23.4%	23.4%	23.4%	23.4%
ECL % of loans	NA	NA	2.6%	1.4%	1.3%	1.2%	1.2%	1.2%
ROA	3.0%	0.8%	2.0%	2.0%	1.8%	2.8%	2.8%	2.9%
ROE	13.5%	3.7%	9.5%	11.5%	9.3%	14.2%	16.8%	19.4%

Source: Company, Emkay Research

Asset quality of SHFL expected to improve further

Exhibit 20: Asset quality has held up well since COVID

	GS3						NS3						Credit costs						ECL as % of AUM					
	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY20	FY21	FY22	FY23E	FY24E	FY25E
SHTF	8.5%	7.1%	7.1%	6.9%	6.7%	6.7%	5.9%	4.4%	3.8%	3.5%	3.5%	3.4%	2.8%	3.0%	3.4%	2.5%	2.3%	2.4%	5.8%	6.8%	7.2%	6.8%	6.4%	6.0%
SCUF	7.9%	6.4%	6.3%	5.8%	5.4%	5.2%	4.4%	3.2%	3.4%	3.1%	2.9%	2.8%	3.0%	2.9%	2.8%	2.5%	2.8%	2.9%	7.1%	6.9%	6.3%	5.9%	5.7%	5.4%
SHFC	2.4%	1.9%	1.7%	1.6%	1.6%	1.5%	1.9%	1.5%	1.3%	1.3%	1.2%	1.2%	1.3%	0.7%	0.3%	0.3%	0.3%	0.3%	1.3%	1.1%	1.1%	1.1%	1.1%	1.0%
SHFL	8.3%	6.9%	6.8%	6.4%	6.2%	6.1%	5.6%	4.2%	3.7%	3.4%	3.3%	3.2%	2.7%	2.8%	3.1%	2.3%	2.3%	2.4%	6.1%	6.8%	7.0%	6.6%	6.2%	5.8%
CIFC	3.8%	4.0%	4.4%	3.8%	3.5%	3.5%	2.3%	2.3%	2.7%	2.3%	2.1%	2.1%	1.6%	2.1%	1.2%	1.4%	1.3%	1.3%	2.7%	3.6%	3.0%	2.7%	2.4%	2.3%
MMFS	8.4%	9.0%	7.7%	6.0%	6.0%	5.9%	6.1%	4.1%	3.5%	3.0%	3.4%	3.7%	3.1%	5.6%	3.7%	2.0%	1.9%	1.9%	4.5%	7.2%	6.9%	5.3%	4.5%	4.1%

Source: Company, Emkay Research

Both, SHTF and SCUF, transitioned to the new RBI IRAC norms in Q3FY22. Both companies were upgrading loan accounts only on repayment of the entire overdue amount. Thus the impact on NPA was restricted to movement to daily stamping of NPAs from the usual monthly process. Considering the provision-cover built into the balance sheet during the COVID period and the improvement in asset quality seen in FY23, we estimate a continued improvement in asset-quality metrics, along with normalized credit costs over the forecast period.

Financials of Shriram Finance

As part of the amalgamation process, we have prepared the standalone financial statements for Shriram Finance by combining the balance sheet and Income statement for Shriram Transport Finance and Shriram City Union Finance as independent businesses. Considering the differing theatres of operation of the CV business from the personal loan/small business loan nature of the SCUF business, we do not build-in any significant operational synergies from the merger. Given that the credit rating of SCUF was one notch below that of SHTF, at AA vs. AA+ for SHTF, the aggregate cost of funds stands to benefit from a potential rating upgrade. Also, in general, rating agencies view diversified NBFCs as superior-risk managers over mono-line businesses. The management has guided for 10% improvement in profitability, as a result of achieving significant scale and growth from its diverse product segments such as CVs, two-wheelers, SMEs, and gold loans.

Merger-related expenses: The management has guided to merger-related expenses of ~Rs4bn over FY23-24E which include: i) stamp duty of ~Rs1.9-2bn; ii) HR integration costs of Rs0.6-0.7bn; and iii) branding & advertising costs of ~Rs0.7bn.

The RoE profiles of SHTF and SCUF have been of similar magnitude. Building-in 14-15% AUM growth over FY22-25E, we estimate PPOP CAGR of ~15% resulting in earnings CAGR of ~22%, with RoA of ~2.8% and ~RoE of ~15% by FY25E.

Exhibit 21: Key assumptions for SHFL

	FY21	FY22	FY23E	FY24E	FY25E
Disbursement Growth	-25.9%	65.2%	18.2%	16.2%	15.4%
Loan Growth	5.7%	9.1%	14.3%	14.0%	14.5%
NIM	8.1%	8.3%	8.6%	8.6%	8.6%
Opex-to-AUM	2.3%	2.5%	2.7%	2.6%	2.5%
CIR	27.9%	27.9%	29.3%	29.1%	27.8%
Credit Cost	2.8%	3.1%	2.3%	2.3%	2.4%
GS3	7.0%	6.9%	6.6%	6.4%	6.3%
NS3	4.2%	3.7%	3.4%	3.3%	3.3%
PCR (S3)	44.1%	49.8%	51.4%	51.4%	51.4%
ECL % of loans	6.8%	7.0%	6.6%	6.2%	5.8%
ROA	2.3%	2.2%	2.7%	2.8%	2.8%
ROE	12.7%	11.7%	14.1%	14.5%	14.9%

Source: Company, Emkay Research

Exhibit 22: Shriram Finance – Financial statements

(Rs mn)	SHTF			SCUF			Shriram Finance (Standalone)			Shriram Housing		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Interest Income	207,179	236,253	263,855	73,686	90,136	108,191	280,865	326,389	372,047	6,580	9,129	12,536
Interest expenses	105,137	123,273	137,375	29,678	37,535	44,999	134,815	160,807	182,374	3,378	4,745	6,617
Net interest income	102,043	112,981	126,480	44,008	52,601	63,192	146,050	165,582	189,672	3,201	4,384	5,919
NIM (%)	7.7%	7.6%	7.6%	11.9%	11.7%	11.8%	8.6%	8.6%	8.6%	6.3%	6.3%	6.2%
Other income	6,615	7,519	8,486	3,446	4,977	5,944	10,061	12,496	14,430	1,207	1,654	2,266
Net Operating income	108,658	120,500	134,966	47,453	57,578	69,136	156,111	178,078	204,102	4,408	6,037	8,185
Operating expenses	25,030	27,492	28,261	20,723	24,328	28,579	45,753	51,820	56,840	1,832	2,441	3,209
PPOP	83,627	93,008	106,705	26,730	33,251	40,557	110,358	126,258	147,262	2,576	3,596	4,976
Provisions	30,768	32,676	37,935	9,312	12,619	15,736	40,080	45,294	53,671	189	298	411
PBT	52,859	60,332	68,770	17,419	20,632	24,821	70,278	80,964	93,591	2,387	3,299	4,566
Taxation	13,585	15,505	17,674	4,477	5,302	6,379	18,061	20,808	24,053	613	848	1,173
PAT	39,274	44,827	51,096	12,942	15,329	18,442	52,217	60,156	69,538	1,774	2,451	3,392
No. of branches	1,854	1,854	1,854	986	986	986	2,840	2,840	2,840	103	103	103
AUM	1,421,671	1,598,432	1,801,556	409,096	487,787	587,458	1,830,767	2,086,220	2,389,014	73,417	100,616	137,868
No. of shares (mn)	270.52	270.52	270.52	66.63	66.63	66.63	372.92	372.92	372.92	325.27	325.27	325.27
BVPS (Rs)	1,084	1,217	1,368	1,502	1,686	1,908	1,049	1,178	1,327	41	49	59
EPS (Rs)	145	166	189	194	230	277	147	161	186	5	8	10

Source: Company, Emkay Research

Exhibit 23: RoE decomposition

RoE decomposition tree	SHTF			SCUF			Shriram Finance (Standalone)			Shriram Housing		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Interest income/Avg assets	13.8%	14.2%	14.2%	16.9%	17.5%	17.8%	14.5%	15.0%	15.1%	10.4%	10.4%	10.6%
Interest expended/Avg assets	7.0%	7.4%	7.4%	6.8%	7.3%	7.4%	7.0%	7.4%	7.4%	5.3%	5.4%	5.6%
Net Interest Income / Avg. Assets	6.8%	6.8%	6.8%	10.1%	10.2%	10.4%	7.5%	7.6%	7.7%	5.1%	5.0%	5.0%
Securitisation income / Avg. Assets	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	1.3%	1.2%	1.3%
Other Income / Avg. Assets	0.3%	0.3%	0.3%	0.8%	1.0%	1.0%	0.4%	0.5%	0.5%	0.7%	0.6%	0.7%
Income Yield / Avg. Assets	7.2%	7.2%	7.3%	10.9%	11.2%	11.3%	8.1%	8.2%	8.3%	7.0%	6.9%	6.9%
Op. Cost (Staff cost) / Avg Assets	0.7%	0.7%	0.7%	2.9%	2.9%	2.9%	1.2%	1.2%	1.3%	1.9%	1.9%	1.9%
Op. Cost (Other costs) / Avg Assets	0.9%	0.9%	0.8%	1.8%	1.8%	1.8%	1.1%	1.1%	1.1%	1.0%	0.9%	0.9%
Operating profit / Avg Assets	5.6%	5.6%	5.7%	6.1%	6.5%	6.7%	5.7%	5.8%	6.0%	4.1%	4.1%	4.2%
Total provisions / Avg. assets	2.1%	2.0%	2.0%	2.1%	2.4%	2.6%	2.1%	2.1%	2.2%	0.3%	0.3%	0.3%
Pre-Tax ROA	3.5%	3.6%	3.7%	4.0%	4.0%	4.1%	3.6%	3.7%	3.8%	3.8%	3.8%	3.9%
Tax Retention Rate	74.3%	74.3%	74.3%	74.3%	74.3%	74.3%	74.3%	74.3%	74.3%	74.3%	74.3%	74.3%
Post Tax ROA	2.6%	2.7%	2.7%	3.0%	3.0%	3.0%	2.7%	2.8%	2.8%	2.8%	2.8%	2.9%
Leverage = Avg. Assets / Avg. Equity (x)	5.4	5.4	5.3	4.6	4.8	5.1	5.2	5.3	5.3	5.1	6.0	6.8
ROE (Leverage * ROA)	14.2%	14.4%	14.6%	13.6%	14.4%	15.4%	14.1%	14.5%	14.9%	14.2%	16.8%	19.4%

Source: Company, Emkay Research

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Valuations

We have a BUY rating on the stock, with a Dec-23E TP of Rs1,700/share, arrived at by using the sum-of-the-parts methodology, valuing: i) Shriram Finance (standalone) at Rs1,600/share using the excess return on equity (ERE) method, which implies a Dec-24E P/BVPS of 1.24x; ii) Shriram Housing Finance at Rs101/share, assigning a multiple of 2.6x to the Dec-24E BVPS. Key risks to our estimates: challenges in integration of product lines/culture across businesses.

Exhibit 24: We arrive at Dec-23E TP of 1,700/share for Shriram Finance (consolidated), using the SOTP methodology

Entity name	Dec-24E BVPS (Rs)	No. of shares (mn)	Target Multiple (x)	Holdco Discount	M-Cap Estimate (Rs mn)	Price per share (Rs)
Shriram Finance (Standalone) A	1,290	374.4	1.24	40%	596,084	1,600
Shriram Housing (Standalone) B	56	325.3	2.6	20%	37,678	101
Shriram Finance Valuation = A+B					636,762	1,700

Source: Company, Emkay Research

Overhang of the stake-sale persists

Exhibit 25: Large shareholders who could sell SHFL post listing

Investors	Month/Year of Investment	Company	Stake (Purchased)	Counterparty	Value of investment (Rs bn)	Investment price per share	Stake % (pre-merger)	Stake % (post-merger)
TPG India Investments II, Inc.	2011	Shriram Capital	9.44%	Shriram Capital			9.44%	2.65%
Dynasty Acquisition (FPI) Ltd	May-15	SCUF	20.37%	TPG	23.66	929	16.73%	4.63%
Piramal Enterprises Ltd.	Jun-14	SCUF	9.99%	SCUF	7.90	1,200	9.84%	8.34%
	Apr-14	Shriram Capital	20.00%	Shriram Capital	20.14		20.00%	

Source: Company, Emkay Research

Post the merger of holding company Shriram Capital (excluding insurance) and of Shriram City Union into Shriram Transport Finance, the shareholding of investors in the unlisted holding company has moved to the re-christened, listed Shriram Finance (SHFL). Prominent among its financial investors are the TPG Group (invested into Shriram Capital in 2011) and Piramal Enterprises (invested into Shriram Capital in 2014, along with ~10% ownership in SCUF). Another noticeable financial investor in the Shriram Group is Apax Partners, which invested into SCUF in 2015 for a 20.4% stake.

One of the market concerns about SHFL pertains to the stock-price overhang from the likely market exits of three players, namely TPG (2.65%), Dynasty (4.63%) and Piramal Enterprises (8.34%). Piramal Enterprises has made its intention clear about monetizing its stake in SHFL to support its own ambitions. TPG has in the past indicated its desire to exit its holdings, whereas Dynasty reduced its stake in SCUF by ~3.4% in August 2022. The combined holdings of these three players have current market value of ~Rs57bn, or ~15.62% of the current market capitalization of the company.

Board Composition

Exhibit 26: Shriram Finance – Board of Directors

Sr. no	Name	Title	Description
1	Jugal Kishore Mohapatra	Chairman and Independent Director	Mr. Mohapatra holds a Master's degree in Economics from Delhi School of Economics, and a Post Graduate degree in Economics from Boston University, USA. He is an IAS, Odisha Cadre, and currently serves as a non-executive Chairman of India International Bullion Exchange (IIBX) and FDRVC and an independent Director of UMTC.
2	Umesh Revankar	Executive Vice Chairman	Mr. Revankar holds a degree in MBA Finance. He joined as an executive trainee in 1987. He has been associated with the Shriram Group for over 35 years and has shouldered various responsibilities as well as worked in several key roles across business operations.
3	YS Chakravarti	Managing Director and CEO	Mr Chakravarti holds a degree in Commerce from Andhra University. He started his career in Shriram Chits Pvt., Andhra Pradesh in June 1991 as an executive trainee, and rose to the position of Chief Executive by 1998. He served as the Managing Director and CEO of Shriram City Union Finance, prior to the merger with Shriram Transport Finance.
4	Parag Sharma	Whole Time Director, Joint Managing Director and CFO	Mr Sharma has been a dynamic, successful, and accomplished Chief Financial Officer of SHTF for the past several years. He holds a degree in BCOM (Honors), and is a fellow member of CWA. He has been associated with the Shriram Group for about three decades. He is an expert in handling matters related to Finance & Accounts, MIS, Resource Mobilization, Treasury Management, Planning and Budgeting, Corporate Strategy, and relationships with Rating agencies, Banks, Investors, Regulators, etc.
5	DV Ravi	Executive Director	Mr Ravi joined the CV Finance business of Shriram Group in 1992 as the Head of Investment Servicing. He co-founded and successfully exited from TAKE Solutions. He started his career in Strategy and Finance in 1987 with Karnataka Oil Seeds Federation, Bangalore. He is a Commerce graduate from the University of Bangalore and holds a PG Diploma in Management from the Institute of Rural Management, Anand (IRMA). He currently serves as the Vice Chairman & Managing Director of Shriram Financial Ventures Pvt.
6	Ignatius Michael Viljoen	Executive Director	Mr Viljoen is the Head of Credit for Sanlam's Pan Africa Portfolio Management and is responsible for a range of credit risk and credit portfolio management aspects across various entities owned by the Sanlam Group, outside of the Republic of South Africa. Associated with the Sanlam Group since 2003, he is a nominee Director of Sanlam.
7	S Sridhar	Independent Director	Mr Sridhar currently serves as an Independent Director on the Boards of various companies and serves as a consultant to various financial services companies. He is Former Chairman & Managing Director of the Central Bank of India, with nearly four decades of experience in commercial and development banking, including 13 years at the CEO/Board level positions.
8	Pradeep Kumar Panja	Independent Director	Mr Panja holds a Master's degree in Science (Statistics) from the University of Madras. He is a Certified Associate of the Indian Institute of Bankers. He has had a long & distinguished career as a Banker, and retired as Managing Director for Corporate Banking from the State Bank of India.
9	Maya Sinha	Independent Director	Ms Sinha holds a B A (Honors) degree in Economics and Mathematics and a Master's Degree from the Delhi School of Economics. She is the Founder Director of Clear Maze Consulting (Pvt) and serves on the board of various companies. She was a Member of The Indian Revenue Service (IRS INCOME TAX).

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Net interest income	1,13,477	1,25,937	1,46,050	1,65,582	1,89,672
Other income	6,373	9,441	10,061	12,496	14,430
Net income	1,19,850	1,35,378	1,56,111	1,78,078	2,04,102
Operating expenses	33,484	37,788	45,753	51,820	56,840
Pre provision profit	86,367	97,590	1,10,358	1,26,258	1,47,262
PPP excl treasury	86,367	97,590	1,10,358	1,26,258	1,47,262
Provisions	39,693	47,485	40,080	45,294	53,671
Profit before tax	46,674	50,105	70,278	80,964	93,591
Tax	11,692	12,164	18,061	20,808	24,053
Tax rate	25%	24%	26%	26%	26%
Profit after tax	34,982	37,941	52,217	60,156	69,538

Balance Sheet

Y/E Year End (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity	3,191	3,372	3,729	3,729	3,729
Reserves	2,93,678	3,45,675	3,87,448	4,35,573	4,91,204
Net worth	2,96,869	3,49,047	3,91,178	4,39,302	4,94,933
Other liabilities and provisions	24,402	21,405	23,744	26,438	29,503
Borrowings	13,17,617	14,51,285	16,34,176	18,46,588	20,97,337
Total liabilities	16,38,888	18,21,737	20,49,097	23,12,328	26,21,773
Cash and bank	2,16,562	2,29,680	2,70,014	2,79,116	2,87,496
Investments	42,152	86,454	50,866	57,593	65,564
Loans	13,57,232	14,76,890	16,94,566	19,39,641	22,30,070
Others	22,943	28,714	33,650	35,978	38,644
Total assets	16,38,888	18,21,737	20,49,097	23,12,328	26,21,773

Key Ratios (%)

Y/E Year End	FY21	FY22	FY23E	FY24E	FY25E
NIM	8.1	8.3	8.6	8.6	8.6
RoA	2.3	2.2	2.7	2.8	2.8
RoAE	12.7	11.7	14.1	14.5	14.9
GNPA (%)	7.0	6.9	6.6	6.4	6.3
NNPA (%)	4.2	3.7	3.4	3.3	3.3

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	114.3	115.6	147.1	161.3	186.5
BVPS	930.4	1,035.3	1,049.0	1,178.0	1,327.2
DPS	21.1	23.4	28.0	32.3	37.3

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	10.5	10.3	8.1	7.4	6.4
P/BV	1.3	1.2	1.1	1.0	0.9
Dividend Yield (%)	1.6	1.7	2.1	2.4	2.8

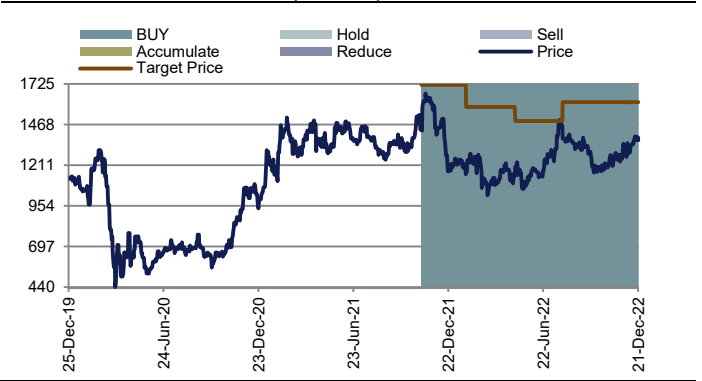
Source: Company, Emkay Research

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
NII	0.2	11.0	16.0	13.4	14.5
PPOP	1.9	13.0	13.1	14.4	16.6
PAT	(0.1)	8.5	37.6	15.2	15.6
Loans	5.3	8.8	14.7	14.5	15.0

RECOMMENDATION HISTORY (Rs/share)

Date	Closing Price	TP	Period	Rating	Analyst
2-Dec-22	1,290	1,610	12m	Buy	Manjith Nair
21-Oct-22	1,198	1,610	12m	Buy	Manjith Nair
29-Jul-22	1,380	1,610	12m	Buy	Manjith Nair
29-Apr-22	1,202	1,490	12m	Buy	Manjith Nair
25-Jan-22	1,167	1,580	12m	Buy	Manjith Nair
14-Dec-21	1,384	1,720	12m	Buy	Manjith Nair
31-Oct-21	1,436	1,720	12m	Buy	Manjith Nair

Source: Company, Emkay Research

RECOMMENDATION HISTORY (Rs/share)

Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – BFSI-NBFCs



Analyst: Manjith Nair

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Sector

Non-bank financial companies (NBFC)

Analyst bio

Manjith R Nair holds a B.E, MBA (ISB). He has total 13 years of research experience covering financials. Prior to that, he was in Europe managing client account relations for an IT major.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
BFSI-NBFCs	6.83	6.83	0%	0	100.00	
Bajaj Finance*	1.61	1.59	-1%	-2	23.34	0
Cholamandalam Investment	0.26	0.26	-1%	0	3.82	0
Edelweiss Financial Services*	0.00	0.00	NA	0	0.00	0
HDFC	4.47	4.44	-1%	-4	64.97	0
L&T Finance Holdings	0.00	0.06	NA	6	0.94	0
LIC Housing Finance	0.12	0.11	-1%	0	1.68	0
Mahindra Finance	0.13	0.00	-100%	-13	0.00	0
Nippon Life India Asset Management*	0.00	0.03	NA	3	0.51	0
Ponawalla Finco*	0.00	0.05	NA	5	0.71	0
Shriram City Union Finance	0.00	0.00	NA	0	0.00	0
Shriram Finance*	0.24	0.28	15%	4	4.04	0
Cash	0.00	0.00	NA	0	0.00	0

Source: Emkay Research

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	23-Dec-21	23-Jun-22	22-Sep-22	22-Nov-22	22-Dec-22
EAP - BFSI-NBFCs	100.0	146.6	125.1	148.1	149.6	149.4
BSE200 Neutral Weighted Portfolio (ETF)	100.0	137.3	117.5	139.3	140.5	140.8

*Performance measurement base date 1st April 2019

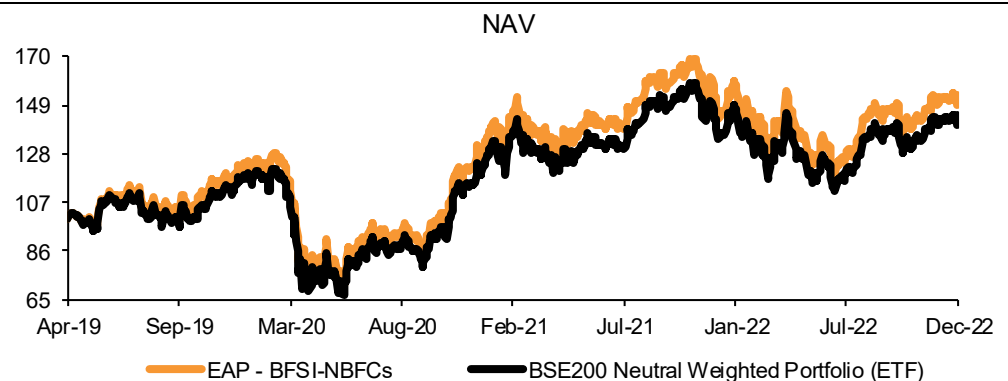
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - BFSI-NBFCs	-0.2%	0.8%	19.4%	1.9%
BSE200 Neutral Weighted Portfolio (ETF)	0.2%	1.0%	19.8%	2.5%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 23 Dec 2022 19:43:48 (SGT)

Dissemination Date: 23 Dec 2022 19:44:48 (SGT)

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