

Shalibhadra Finance — a *small, profitable* two-wheeler NBFC reaching for ₹500 cr.

A 34-year-old Mumbai NBFC quietly compounding through rural & semi-urban two-wheeler loans. PAT up 5.5× in five years. Net cash. 58 branches. The bonus has already happened — the next question is whether the next AUM doubling actually shows up in the share price.

BY AZIZ SAIF · DUBAI · 21 JUNE 2026

₹75.24

LAST CLOSE (BSE)

₹232 cr

MARKET CAP

11.9×

TTM P/E

21.7%

FY26 PAT GROWTH

§ 1 · THE COMPANY

What *Shalibhadra* actually is.

A 1992-founded, Mumbai-listed retail NBFC writing small-ticket loans for two-wheelers, used cars, used three-wheelers, and consumer goods — almost entirely to rural and semi-urban borrowers across Gujarat, Maharashtra, Madhya Pradesh and Rajasthan.

The business in *plain English*.

Shalibhadra hands out very small loans — most cheques are under ₹1 lakh — to buyers of new and used two-wheelers in towns where the big banks won't bother. They take a piece of the dealer relationship, do their own credit underwriting on the doorstep, collect monthly EMIs (collection efficiency stays **above 99%**), and earn a fat spread between what they borrow at and what they lend at.

It's a vintage NBFC model: **low ticket, high frequency, high yield, high touch**. Not glamorous. But the unit economics, when run by a careful family-promoted operator, are excellent.

The CEO is **Vatsal Minesh Doshi**, second-generation promoter. The company has **175 employees** on roll (the AUM-supporting field force is closer to 190 across 58 branches). Promoter holding sits at **57.78%** as of March 2026 — high enough to signal commitment, with retail at 39.99% and FIIs at 2.24%.

TICKER

511754 · SAHLIBHF1

EXCHANGE

BSE only

FOUNDED

16 January 1992

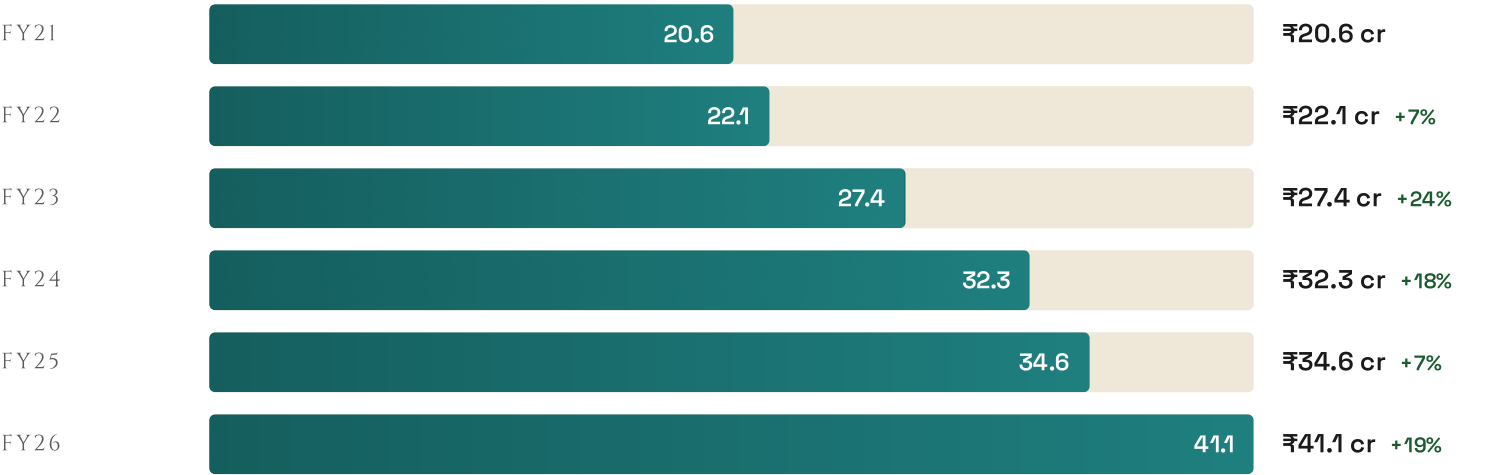
IPO	27 November 2001
SECTOR	NBFC · Credit Services
CEO	Vatsal M. Doshi
HQ	Mumbai, India
EMPLOYEES	175 (≈190 incl. field)
BRANCHES	58 across 4 states
CUSTOMERS	107,875+
PROMOTER HOLDING	57.78%
CREDIT RATING	ICRA BBB- (Stable)

§ 2 · THE NUMBERS

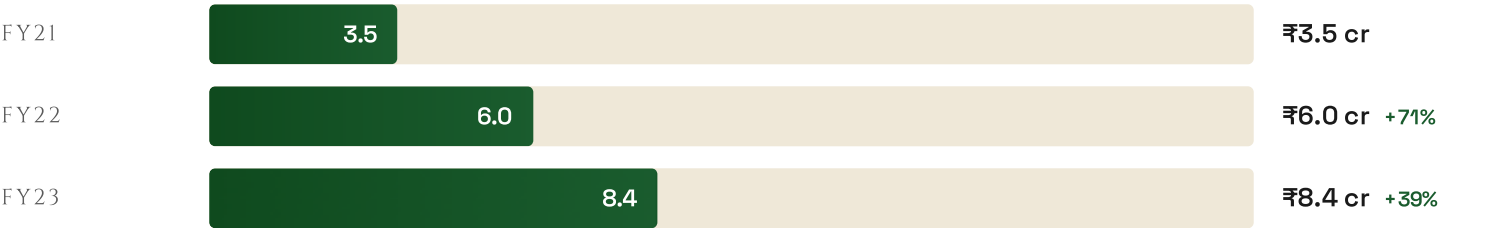
Six years of *quiet compounding*.

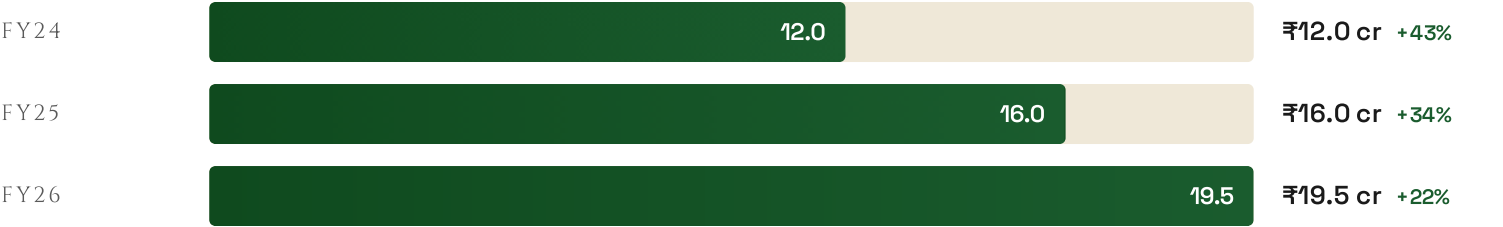
Below is the FY21 → FY26 picture. Revenue has roughly doubled. **Net profit has gone up 5.5×**. EPS has tripled even after the May 2025 **3:1 bonus issue** diluted the share count. This is what a small NBFC executing well looks like — not a moonshot, just a quiet operating staircase.

Revenue (₹ crore)

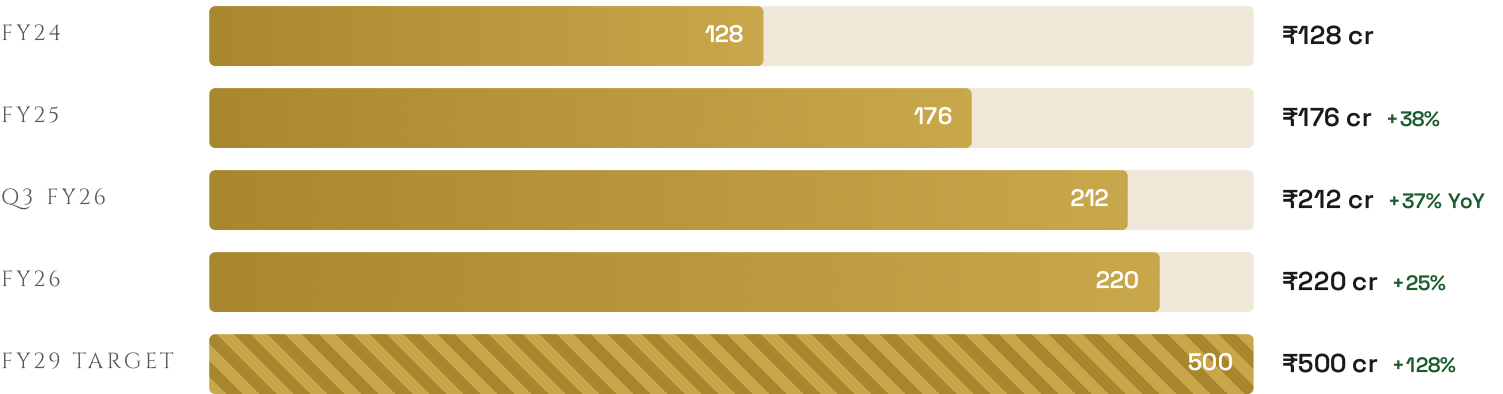


Net Profit / PAT (₹ crore)





Assets Under Management — the engine



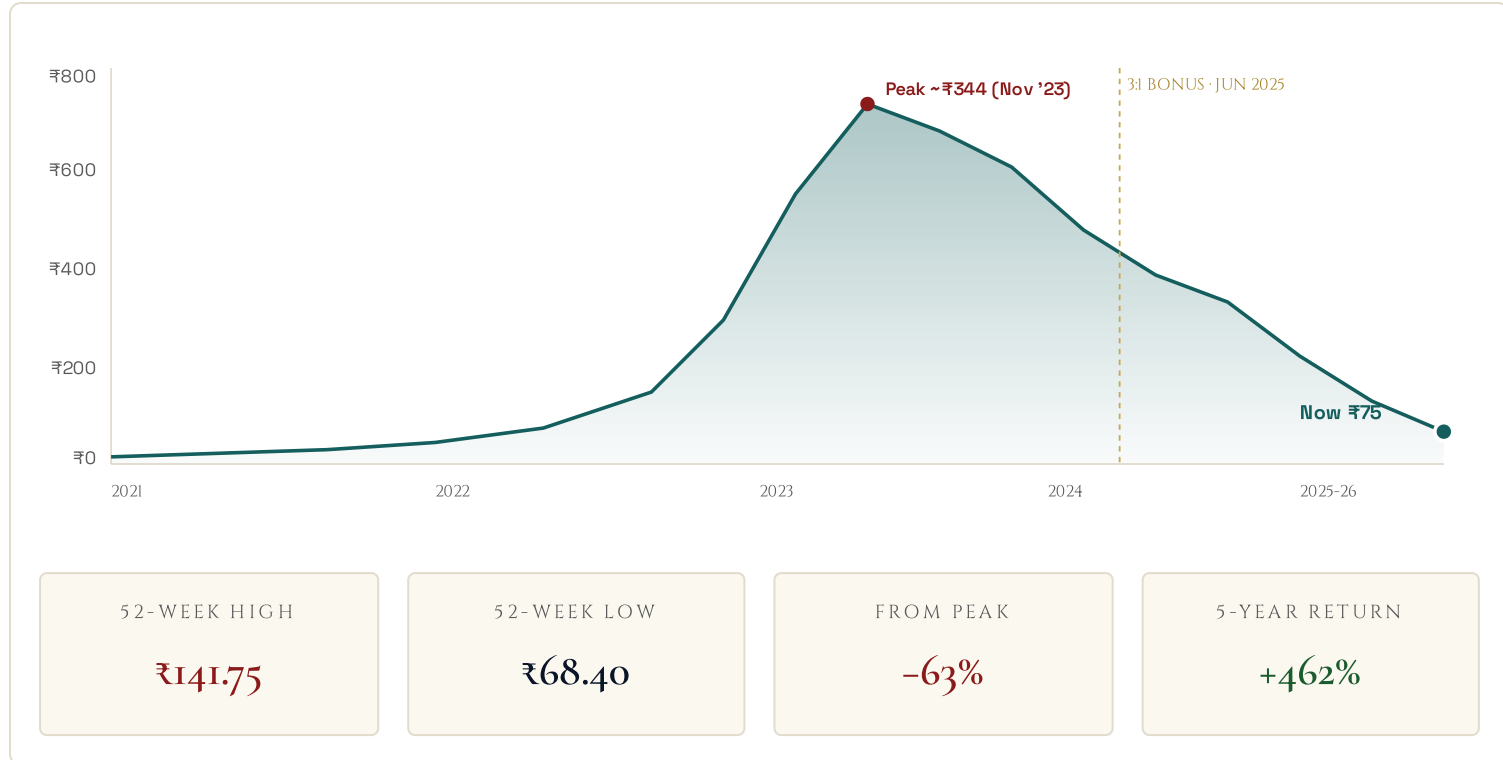
★ THE THESIS IN ONE LINE

Management is publicly committed to **more than doubling AUM from ₹220 cr to ₹500 cr by FY29**. If the spread holds at current levels, PAT could comfortably travel to **₹40–45 cr by FY29**. At today's market cap of ~₹232 cr, that's a forward P/E in the 5–6× range on management's own plan — provided they execute.

§ 3 · PRICE HISTORY

The chart tells a *different* story.

Despite operating excellence, the stock has had a brutal 18 months. The share traded above ₹800 in mid-2024 (pre-bonus, adjusted basis), peaked around ₹211 post-bonus, and now sits at ~₹75. That's a **~65% drawdown from highs** while fundamentals improved. This is the classic small-cap NBFC pattern: **narrative wave up, valuation reset down, fundamentals slowly catching up**.



▲ IMPORTANT CONTEXT — THE BONUS

3:1 bonus, record date 4 June 2025. For every 1 share held, holders received 3 additional shares of ₹10 face value. Any pre-June-2025 chart you see (especially the ₹844 peak some sites still quote) is on a pre-bonus, non-adjusted basis. On a bonus-adjusted basis, the all-time high is closer to ₹211 — and we're now 64% off that.

§ 4 · CAPEX & CAPITAL RETURN

Where the cash *actually* goes.

"The company is net cash over the years — what's the policy to give back to investors? Dividend, buyback, or just reinvest into the loan book?" — that's the question that matters most for any small NBFC at this size.

The honest answer: **Shalibhadra is not a capital-return story today, and probably won't be one until FY29.** Here's why, with the actual numbers.

Capex distribution — six years

Capex at an NBFC is two very different things. (a) **Physical capex** — branches, IT, vehicles, office fit-outs — which for Shalibhadra has been tiny, in the ₹0.1–1.1 cr per year range. (b) **Loan-book deployment** — every new loan written is a use of cash. *That* is the real capex of an NBFC, and it dwarfs everything else.

FY	PHYSICAL CAPEX (₹ CR)	NET LOAN BOOK GROWTH (₹ CR)	OPERATING CASH FLOW (₹ CR)	DIVIDEND PAID (₹ CR)
FY21	0.2	-16.1*	+7.4	0.0
FY22	0.0	+5.2	+1.8	0.25
FY23	0.2	+25.7	-4.6	0.40
FY24	0.1	+39.0	+2.5	0.63
FY25	0.9	+48.0	-27.0	0.84
FY26	1.1	+44.0	-19.7	1.24
6Y Total	2.5	+145.8	-39.6	3.36

*FY21 figure reflects net pandemic-era loan book contraction. Physical capex from cash-flow statement; loan book growth from balance-sheet receivables delta.

₹2.5 cr

Total physical capex, 6 years

Branches, IT, fit-outs — combined over six years. Less than what a single Dubai mall outlet spends on signage. NBFCs of this size are asset-light by design.

₹146 cr

Loan book growth, 6 years

Net receivables grew from ~₹6 cr (FY21) to ~₹152 cr. **This** is where the money goes. Every rupee of retained profit and every new borrowing gets re-deployed into more two-wheeler loans.

₹3.4 cr

Total dividends paid, 6 years

Tiny — about 5–8% of cumulative PAT. Token-level, signalling-only payout. Management's clear preference is to **reinvest the rupee back into the book** at ~16% gross yield.

The capital-return policy, decoded

Reading three years of dividend declarations gives a clear picture:

FY23 · SEP 2023

4% dividend (₹0.40/sh)

First meaningful payout post-pandemic. Reads as a confidence signal, not a return programme.

FY24 · SEP 2024

12% dividend (₹1.20/sh)

Sharp step-up — but still a payout ratio of just ~6%. Same year, the AUM growth flag is being waved.

FY25 · 4 JUNE 2025

3:1 bonus issue — record date

This is the real "shareholder return" event. Bonus shares aren't dividends, but they're how Indian small caps signal confidence + improve trading liquidity. Float more than tripled overnight.

FY26 · SEP 2025

4% dividend (₹0.40/sh, post-bonus)

On the expanded share base. Aggregate cash out the door rose to ₹1.24 cr.

FY26 · 15 APRIL 2026

₹19.5 cr raised via 12% NCDs (24-month)

Plain and clear: they're **borrowing more to lend more**. ICRA BBB- (Stable) rated. This is the opposite of a buyback signal.

★ BOTTOM-LINE ANSWER TO MUSTAFA

There is no buyback policy, no SEBI-filed buyback authorisation, and no public statement of intent. The capital-return policy is effectively:

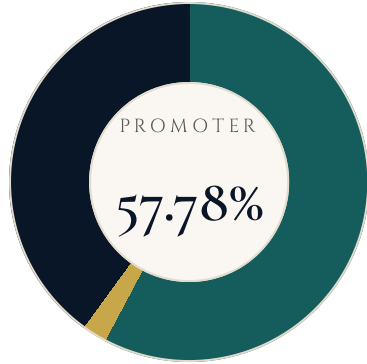
1. Pay a small, token cash dividend (~5–8% payout ratio) to keep retail shareholders signalled. **2.** Use bonus issues every few years to reward holders psychologically and improve float. **3.** Plough every other rupee — plus borrowed money at ~12% — back into the loan book at ~16% gross yield. The spread is the entire game.

A buyback only becomes rational once AUM growth slows below ~15% AND incremental ROE falls below cost of equity. **On management's FY29 plan, that's at least three years away.**

§ 5 · WHO OWNS IT

The *shareholder map*, March 2026.

Small-cap NBFCs live or die on promoter alignment. Here is the picture as of the latest quarterly disclosure:



Promoter group (Doshi family)	57.78%
FII / Foreign Institutional	2.24%
Retail public	39.99%
Mutual Funds / Insurance / DII	0.00%

What this tells us: Zero domestic mutual fund or insurance presence — the stock is too small (₹232 cr) for them to deploy meaningfully. The 2.24% FII slice is interesting — it indicates some niche India small-cap funds have taken positions, but it's not a base of support. Retail at ~40% means the price is set by retail sentiment, which explains the violent drawdowns.

On **27 March 2026**, promoter group member **Ayushi Doshi** acquired 78,500 shares on-market, taking her stake to 7,54,100 shares (2.44%). Promoter buying after a 60%+ drawdown is the single most encouraging signal in the file. They're putting their own cash where the lending book is.

§ 6 · THE THESIS BOX

What could *go right*, what could *break*.

Bull case

- ▲ **AUM doubling in three years** — ₹220 cr → ₹500 cr by FY29 — at current spreads delivers ~₹40–45 cr PAT.
- ▲ **Two-wheeler tailwind** — September 2025 GST cut on two-wheelers boosted dealer demand. Rural credit penetration in India is still <15% of TAM.
- ▲ **Operating leverage** — adding new branches at decreasing marginal cost. 58 → 75+ branches by FY29 doesn't require much fresh head office spend.
- ▲ **Asset quality holding** — GNPA at 3.01%, collection efficiency 99%+. For a sub-prime rural lender, this is excellent.
- ▲ **Promoter alignment** — 57.78% holding with on-market buying after the drawdown. Skin in the game is real.
- ▲ **Valuation reset done** — at 11.9× TTM P/E and ~1.0× post-bonus book value, the speculative premium is gone.

Bear case

- ▼ **Liquidity is awful** — average volume ~38k shares/day. A 5,000-share sell order can move the stock 3-4%. Exit at any size is hard.
- ▼ **Funding cost rising** — fresh NCD raised at 12% coupon. If RBI keeps rates higher for longer, the lending spread compresses.
- ▼ **Geographic concentration** — 4 states. A bad monsoon in Maharashtra/Gujarat hits collections immediately.
- ▼ **Single product risk** — ~85% of book is two-wheeler. An EV transition could disrupt dealer-driven origination flows.
- ▼ **No institutional anchor** — zero DII, 2.24% FII. The stock has no defenders during sell-offs.
- ▼ **Credit cycle exposure** — small-ticket rural NBFCs are first to see stress when rural distress emerges. 2026 monsoon and inflation will matter.
- ▼ **Execution risk on ₹500 cr plan** — doubling AUM means doubling underwriting discipline. Many small NBFCs grow their way into NPA problems.

§ 7 · THE MATH

What the *FY29 print* could look like.

Three scenarios, plain arithmetic. None of these are predictions — they're sensitivity ranges based on what management has publicly committed to and what the unit economics have historically delivered.

SCENARIO	FY29 AUM	FY29 PAT	IMPLIED P/E TODAY	FAIR VALUE @ 12× P/E	UPSIDE / (DOWNSIDE)
Bear — plan misses	₹350 cr	₹28 cr	8.3×	₹109	+45%
Base — plan met	₹500 cr	₹40 cr	5.8×	₹156	+107%
Bull — plan beaten	₹600 cr	₹48 cr	4.8×	₹187	+149%

Calculations assume ~30.9 million bonus-adjusted shares outstanding, net interest margin holding at present levels, opex absorbed by branch leverage, and no equity dilution. **All three scenarios produce a positive expected value at today's ₹75 entry** — but the bear case still requires AUM growth of ~17% CAGR, which is below the company's recent run-rate but well above the broader NBFC industry.

It's roughly where peer small NBFCs (Arman Financial, Spandana, MAS Financial) trade in steady state. Two-wheeler-focused players have historically commanded a small discount to MFI peers because of the unsecured nature of part of the book. 12× is conservative; a "good" small NBFC growing 20% can trade at 15-18× P/E without being expensive.

§ 8 · RISK CHECKLIST

What I'd *watch every quarter*.

GNPA trend

Currently 3.01%. If it crosses 4.0% on a normalized basis, the thesis is broken. Watch the Q1 FY27 result (Aug 2026).

Collection efficiency

99%+ today. A drop below 96% would signal rural distress is biting before the headline GNPA moves.

Cost of borrowing

Latest NCD at 12%. If new borrowings start coming at 13%+, the spread story is in trouble.

Branch productivity

AUM per branch is ~₹3.8 cr today. Track whether new branches added in FY27 reach ₹3 cr+ within 12 months.

Promoter actions

Watch for any pledge of promoter shares, related-party transactions, or insider sales. So far, only buying. A reversal would be a serious red flag.

Equity dilution

The ₹500 cr AUM plan implies needing ~₹100 cr of additional capital over three years. If they fund it with a QIP at below book, existing-holder EPS gets diluted.

§ 9 · THE FIELD-NOTE VERDICT

So — *is it a bet?*

Three statements I'm prepared to defend:

1. The business is genuinely good. PAT compounded ~41% CAGR over five years, GNPA controlled, promoter buying at the lows, public roadmap to double again. This is not a hopium story; it's a small operator quietly executing.

2. The stock has been punished mostly for being illiquid and out-of-fashion, not for missing operationally. A 63% drawdown from peak alongside record profits is a sentiment story, not a business story.

3. The capital-return question (Mustafa's) is the real risk-management question. Until FY29, this is a "compounder where the dividend is replanted in the loan book, not paid out." If you need cash returns from your equity, this is not the cheque to write. If you're holding for a 2–3× re-rating over 3–5 years, the entry around ₹75 looks rational on three different scenario lines.

FIELD-NOTE VERDICT

A *small, patient bet* for the loan book to do the talking.

Worth a 1–2% tracking position for an India small-cap allocation, with the understanding that liquidity will hurt on the way in and on the way out. Add only on weakness below ₹70. The catalyst is the FY27 and FY28 AUM prints, not anything the market does in the next quarter.

NOT INVESTMENT ADVICE · THIS IS A FIELD NOTE, NOT A
BROKERAGE CALL

TAKE IT WITH YOU

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A clean PDF for offline reading, or the self-contained HTML if you want the live charts and links. Both are mirror copies of this page — no analytics, no tracking.

§ 10 · PUBLIC DATA SOURCES

Where these *numbers* came from.

Every figure in this field note is verifiable. Here are the public sources behind each section:

- **Company website & filings:** shalibhadrafinance.com — annual reports, investor presentations, board disclosures.
- **BSE exchange filings:** [BSE 511754 corporate filings](https://www.bseindia.com/corporate/511754) — bonus issue circulars, NCD raises, quarterly results.
- **Q3 FY26 results coverage:** [ScanX — ₹200 cr AUM milestone](https://www.scanx.in/news/shalibhadra-finance-q3-2026).
- **FY29 ₹500 cr roadmap:** [Economic Times — Shalibhadra eyes ₹500 cr AUM](https://economictimes.india.com/news/economy/shalibhadra-eyes-500-cr-aum-fy29-plan/); [Mid-Day — FY29 plan](https://www.mid-day.com/story/shalibhadra-finance-fy29-plan).
- **Shareholding pattern:** [Choice India — shareholding Mar 2026](https://www.choiceindia.com/shareholding/shalibhadra-finance-mar-2026).
- **Bonus history:** [India Infoline — bonus 3:1 record 4 Jun 2025](https://www.indiainfoline.com/news/shalibhadra-finance-bonus-3-1-record-4-jun-2025).

- **NCD raise:** [Whalesbook — ₹19.5 cr NCD raise April 2026.](#)
- **Q4 FY26 analysis:** [MarketsMojo — Q4 FY26 result.](#)
- **Promoter buying:** [StockInsights — Ayushi Doshi acquisition Mar 2026.](#)
- **Historical financials (6Y):** Pulled from Perplexity Finance — income, balance sheet, cash flow tables. [income.csv](#), [balance.csv](#), [prices.csv](#), [quotes.csv](#) in the post folder.
- **Live quote (close 19 Jun 2026):** ₹75.24 INR, BSE — verifiable via NSE/BSE app or Google Finance for SAHLIBHFI.

Aziz Saif · Field Notes

Field notes from a working Gulf operator

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