

# Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

## SBFC (SBFC)

Current Market Price	Fair Value (FV)
Rs. 82	Rs.75

**Date:** 6<sup>th</sup> November 2023

**Previous Rating:** -      **Current Rating:** **REDUCE**      **Event:** **Initiating Coverage**

### Ratings Rationale

- SBFC is well-placed to deliver high (32%) AUM CAGR during FY23-26E in secured business loans to the informal/less-formal segments.
- High loan growth drives a 36% earnings CAGR (FY23-26E).
- Riding the MSME loan wave, with good balance of risk and profitability.
- SBFC is more geographically diversified than peers.
- Valuations are full; initiate with REDUCE and Fair Value of Rs75.

### Valuation

Initiate with REDUCE; Fair Value of Rs75 (2.8X book September 2025E)

**Read Full Report**

**Note:** The performance horizon is 12 months unless specified.

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