Shriram Finance looking to expand gold loan portfolio: Vice-Chairman

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Shriram Finance is aiming to increase its gold loan portfolio and launch gold-specific branches, in a bid to diversify its asset base, Executive Vice-Chairman Umesh Revankar told *businessline*.

"While we are not launching any new products, we will try to increase our reach with existing products. Especially in gold loans, we will increase our activities to expand our gold portfolio. We do have plans to launch gold loan branches," said Revankar. "Gold loan branches are required to be in residential areas, so our effort will be to ensure that existing branches in residential areas can offer gold loans. And maybe we can have a few gold loan-specific incremental branches," he said. The non-banking finance company's (NBFC) overall assets under management (AUM) grew 16 per cent on a year-on-year (y-o-y) basis in Q2, to ₹2.81 lakh crore. Commercial vehicle accounts for 46 per cent of the overall AUM, passenger vehicles constituted 21 per cent, while gold loans formed 2 per cent of the AUM.

Umesh Revankar, Executive Vice-Chairman, Shriram Finance

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"We did see good demand in October. Our H2FY26 loan growth will be better than that of H1. Overall, our loan growth was around 16 per cent in H1, and our guidance is to grow 15 per cent in the current fiscal. It remains the same, but we do expect higher growth, maybe 17-18 per cent," he said.

At the AGM of the company, shareholders approved an enhancement of the borrowing limit, to ₹2.95 lakh crore, and additional limits for securitisation outstanding up to ₹75,000 crore. The NBFC will consider raising funds at an opportune time and feels that bank borrowing would be cheaper in the current scenario, considering the passage of repo rate cuts. The NBFC's total outstanding borrowings, as on September end, is at ₹2.34 lakh crore.

Shriram Finance expects NIM to rise to 8.5 per cent by FY26-end, from 8.19 per cent in Q2, and credit cost to continue being lower than 2 per cent in FY26.