

Shriram Finance to redraw biz plan in FY27, focus on new vehicles

SHINE JACOB

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Shriram Finance Ltd (SFL), one of the largest retail non-banking financial companies (NBFCs) in India, is set to redraw its business plan by coming out with a new strategic outlook in 2026-27 (FY27), along with the completion of a \$4.4 billion investment by Japan's MUFG Bank. According to the road map, the company will focus more on new vehicle financing, a top company official told *Business Standard*.

"As the business comes in during the next financial year, we will have a totally different business plan, which includes getting deeper into transportation financing, including new vehicle financing," said Umesh Revankar, executive vice-chairman, Shriram Finance. This is seen as a strategy to retain existing customers who move out over a period as they grow and require new vehicles or larger-ticket-size loans.

Revankar said through this, the firm's assets under management (AUM) growth, which is around 15 per cent now, will increase to 18 per cent soon. Its total AUM was seen at ₹2.91 trillion in December 2025. According to a report by ICICI Securities, around 80 per cent of the firm's AUM mix comes from the wheels segment, which includes commercial vehicles, passenger vehicles, commercial equipment, farm equipment, and two-wheelers. Out of this wheels business, 97 per cent is coming from used vehicles and new vehicles are only 3 per cent.

"We have been doing mostly used vehicles. We would like to increase new vehicle funding. Our customers have been going to the competition. We would like to address them directly by offering better terms," Revankar said.



Umesh Revankar, executive vice-chairman, Shriram Finance, stated the firm's AUM growth, now at 15 per cent, will soon rise to 18 per cent

The report indicates that the firm's plan is to double its new vehicle portfolio over the next three years, focusing on existing customers. The current share of such customers who move out over a period of time is reportedly 30 per cent. Through the largest foreign direct investment (FDI) in India's financial services sector, MUFG Bank will take around a 20 per cent stake in Shriram Finance, the country's second-largest retail NBFC. The firm is targeting to close the deal by the end of this financial year (FY26).

Taking the Japanese major on board is likely to be beneficial for the Indian firm's future fundraising. "Because they are a bank, and more than a 100-year-old one with international best practices, there will be a lot of value additions on the governance front. On the technology side, they are ahead, being a bank with a presence in other Asian countries like Indonesia, Thailand, Vietnam, and the Philippines. That is going to have some impact on the way we will go ahead with the retail implementation of our digital technology," Revankar added.