

Shriram Fin to double AUM to ₹7 lakh cr with MUFG's capital boost

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Mumbai

Powered by the ₹39,618-crore capital infusion by Japan's MUFG Bank, Shriram Finance Ltd (SFL) expects its assets under management (AUM) to more than double to about ₹7 lakh crore in the next five-six years. Also, with the foreign investor's backing, the NBFC plans to diversify its liabilities.

Earlier this month, Japan's MUFG Bank became a minority public shareholder in SFL with 20 per cent equity stake, following the allotment of about 47.11 crore equity shares of ₹2 face value each at an issue price of ₹840.93 per share on a preferential basis.

Umesh Revankar, Executive Vice Chairman (EVC), emphasised that the capital infusion will support SFL's growth for the next 5-6 years.

The NBFC, whose key lines of business include commercial vehicles (CVs), passenger vehicles, MSME, two-wheelers, construction equipment and personal loans, among others, will expand its new CV financing portfolio, he said in an interaction with *businessline*.

As at March-end 2026, SFL's AUM grew about 15 per cent year-on-year to ₹3.02 lakh crore from ₹2.63 lakh crore as at March-end 2025.

"We are expanding the new vehicle financing portfolio. Earlier, we mainly focused on used vehicle customers and upgraded them later. Now, we are targeting new customers directly, working with OEMs (original equipment manufacturers) and dealers, and offering a full customer journey — from new vehicle purchase to fleet expansion," Revankar said.

So, the proportion of the



Umesh Revankar, Executive Vice-Chairman, Shriram Finance

new vehicle portfolio, which is at about 15 per cent of the overall CV portfolio, is expected to exceed 25 per cent within a year. "We aim to grow in both commercial and passenger vehicle financing. MSME financing is another focus area, though we are cautious. We also see a strong growth potential in gold loans," he said.

ACCESS TO FUNDS

SFL's EVC underscored that with credit rating agencies recently upgrading the company's rating to 'AAA' from 'AA+', it can now access funds from insurance companies, pension funds and provident funds. These funds were previously unavailable due to rating constraints.

So, this rating upgrade allows for diversified and lower-cost funding with longer tenures. On banks' making inroads into SFL's business turf, Revankar said: "Our target customers — aspirational and self-employed individuals — are typically underserved by banks. We also offer faster processing and simpler documentation, which gives us an edge."

On pre-emptive provisioning due to the West Asia war and El Nino phenomenon, he said the company will assess the actual impact after the first quarter before taking any such steps.