

Shriram bullish on CV growth despite recent price hikes

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Mumbai: Price hikes in commercial vehicles are unlikely to dent demand, according to Shriram Finance (SFL), the largest financier of CVs, in the wake of commodity inflation-driven price hikes.

SFL is also seeing a surge in electric vehicle financing with monthly disbursements having risen five-fold to Rs 250 crore this year from Rs 50 crore last year.

The company expects monthly EV disbursements to rise further to Rs 500 crore next year.

Speaking to **TOI**, **Umesh Revankar**, executive vice-chairman, SFL said the demand for CVs depends on economic activity and India has been able to manage both the US tariff and West Asia challenges. He added that firming prices will benefit existing vehicle owners as the value of their vehicles and freight rates rise.



Higher vehicle prices also increase the value financed and support loan book growth. Revankar said the company's branch network should help it gain market share, while commercial vehicle demand showed neither stress nor unusual acceleration.

Japan's MUFG's decision to buy 20% in SFL for nearly Rs 40,000 crore through a preferential issue gives Shriram Finance capital cover until 2030, Revankar said.

The company plans to open about 150 branches and add 2,000-3,000 people this financial year. MUFG will also help connect SFL with Japanese companies seeking financial assistance in India.

SFL expects an 18-20% growth in assets for FY27 and aims to double in five years. Electric vehicle demand has come from two-wheelers, three-wheelers and four-wheelers, while commercial vehicles are also moving steadily towards electrification.