GEPL

SHRIRAM FINANCE LTD.

Buy at CMP: Rs 817.7 | Target: Rs 950 (16%)| SL: Rs 760

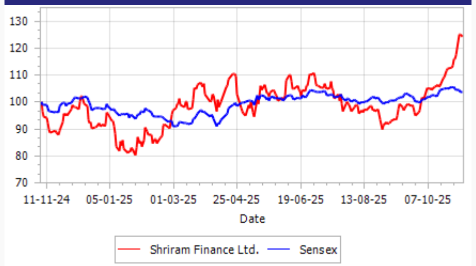
Sector: **Finance**

Nov 10, 2025

Script Details	
BSE Group	A
BSE Code	511218
NSE Code	SHRIRAMFIN
Bloomberg Code	SHFL IN
Market Cap (INR Cr.)	1,49,040
Free Float (%)	74.6%
52wk Low/High	814/494
Beta (1yr Nifty 50)	1.64
Face Value (INR)/ D. Yield (%)	2/1.2
Total paid Up Shares (Mn.)	1881.1

Share Holding Pattern (%)		
Promoters	Public	Others
25.4%	74.6%	-

Share Price Relative Performance



Invest Now

Shriram Finance is primarily engaged in the business of financing and is engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises (MSME), two-wheelers, gold and personal loans.

Investment Rationale

- **Strong Q2 Performance Driven by Robust Growth and Improved Asset Quality:** Shriram Finance Limited delivered a strong performance in the second quarter, showcasing solid growth across key metrics. Disbursements rose 10.2% year-on-year, while AUM expanded 15.7% from Q2 FY'25 and 3.3% sequentially. NII registered an 11.8% year-on-year growth, reflecting steady lending momentum. Operational efficiency improved as the cost-to-income ratio declined to 27.8% from 29.3% in the previous quarter. Asset quality also strengthened, with Gross Stage 3 assets improving to 4.57% from 5.32% last year and Net Stage 3 easing to 2.49% from 2.64% in Q2 FY '25.
- **Broad-Based Disbursement Growth Driven by Strong Credit Demand :** Disbursements in Q2 FY26 climbed 10.2% year-on-year to ₹49,020 crore, compared to ₹39,020 crore in the same quarter last year, and also improved sequentially from ₹41,820 crore in Q1 FY26. The Commercial Vehicle segment led the performance with disbursements of ₹17,330 crore, followed by Passenger Vehicles at ₹8,670 crore. The company highlighted broad-based credit demand across most categories, supported by robust October trends indicating a stronger second half.
- **Growth Outlook and Long-Term Customer Focus:** Management remains optimistic about business momentum, noting strong demand in October and a positive outlook for the third quarter. For the second half of the year, the company expects growth to accelerate, targeting an additional 2% on top of the current 15.7% AUM expansion. NIM is projected to reach an exit run rate of around 8.5% by Q4, averaging between 8.25% and 8.3% for FY26. The company continues to focus on its core strategy of long-term customer retention, building relationships that span 10 to 20 years
- **Valuations:** We model a Revenue/PAT CAGR of 20%/22% and estimate SHRIRAMFIN to clock PAT of Rs 17,399 Cr by FY28E. SHRIRAMFIN is trading at forward P/B(x) of 1.5x and we value at 1.7(x) FY28E and Recommend BUY on SHRIRAMFIN with target Price of Rs. 950 (16.2%).

Year	Revenue	PAT	P/B
FY23	31,346	6,365	3.08
FY24	36,567	7,684	2.71
FY25	43,778	9,690	2.32
FY26E	52,534	12,083	2.01
FY27E	63,041	14,499	1.75
FY28E	75,649	17,399	1.52

Source: Company Data, Ace Equity, GEPL Research

TECHNICAL VIEW

Observation

- SHRIRAMFIN has been exhibiting robust structural developments during the October series, gaining strong momentum and breaking out of a one-year consolidation phase with a notable surge in volume activity above its 20-week average.
- On the daily scale, the stock continues to trend higher, consistently finding support near its 5-DEMA, even amid the current volatile market conditions — reflecting strong relative strength.
- The momentum indicator RSI also points toward sustained bullish momentum, reinforcing the positive trend.
- Given this robust alignment across multiple timeframes, the stock looks poised to advance toward an upside target of 950, while a closing-basis stop loss at 760 is advised to manage risk effectively.

Source: Tradingview.in, GEPL Research

Inference & Expectations

- Considering these factors, it can be inferred that SHRIRAMFIN stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 950 level.
- The stop loss must be at 760 level, strictly on the closing basis.

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