September 3, 2026

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 511218

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051
NSE Symbol: SHRIRAMFIN

Dear Sir/Madam,

Sub.: Intimation under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable SEBI Regulations, if any – Credit Rating by ICRA Limited

This is to inform you that the ICRA Limited ("ICRA Ratings") vide its Rationale dated September 3, 2026 has assigned [ICRA]AAA; Stable rating to Rs.5,000 crores Non-Convertible Debenture Programme and reaffirmed the ratings of the various instruments of the Company as per the following:

Instrument	Rated Amount (Rs. in crores)	Rating	Rating action
Non-Convertible Debenture Programme	5,000.00	[ICRA]AAA; Stable	Assigned
Non-Convertible Debenture Programme	2,975.00	[ICRA]AAA; Stable	Reaffirmed
Fixed Deposit Programme	-	[ICRA]AAA; Stable	Reaffirmed

ICRA's Rating Rationale dated September 3, 2026 is enclosed.

The intimation will be uploaded on the website of the Company (www.shriramfinance.in) as per Regulation 62(1)(i) of the Listing Regulations.

This event/information occurred on September 3, 2026 at 02.30 p.m.

This is in compliance with Regulation 30, Regulation 51(2) and other applicable Regulations of the Listing Regulations, other applicable SEBI Regulations, if any.

We request you to take the same on record.

Thanking you,
Yours faithfully,
For **Shriram Finance Limited**

U Balasundararao
Company Secretary & Chief Compliance Officer
Encl.a/a

September 3, 2026

Shriram Finance Limited: [ICRA]AAA (Stable) assigned to Rs. 5,000-crore NCD programme; rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Fixed deposit programme	-	-	[ICRA]AAA (Stable); reaffirmed	RBI
Non-convertible debenture programme	2,975.0	2,975.0	[ICRA]AAA (Stable); reaffirmed	SEBI
Non-convertible debenture programme	-	5,000.0	[ICRA]AAA (Stable); assigned	SEBI
Total	**2,975.0**	**7,975.0**		

**Instrument details are provided in Annexure I*

 # The Securities and Exchange Board of India's (SEBI) grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators other than SEBI

Rationale

The rating factors in Shriram Finance Limited's (SFL) leadership position in the preowned commercial vehicle (CV) financing segment with an established track record, brand, strong customer reach and granular retail loan book. SFL is India's second largest non-banking financial company (NBFC) by assets under management (AUM) as of June 2026 with 74% of its AUM focussed on vehicle financing. The rating also considers the company's track record of maintaining healthy profitability across cycles.

The rating factors in SFL's strong capitalisation profile with a capital-to-risk weighted assets ratio (CRAR) of 34.2% as on June 30, 2026 (20.4% as on March 31, 2026), supported by healthy internal accretion and the capital infusion of ~Rs. 39,618 crore in April 2026 by MUFG Bank Ltd[1] (MUFG; 20% stake in the company as of June 2026). The capital infusion has significantly bolstered SFL's capitalisation profile, providing sizeable buffer for growth and for managing volatility in its asset quality, given the target asset class/borrower profile. The company's financial flexibility and earnings performance have also improved due to this equity infusion. With the gearing declining on account of the capital raise and the improvement in the cost of incremental borrowings, the net interest margin (NIM) rose further to 8.6%[2] of average managed assets (AMA) in Q1 FY2027 (7.5% in FY2026) at the standalone level while the operating efficiency continues to improve gradually. Driven by higher margins, the company reported a rise in its return on average managed assets (RoMA) to 3.9% in Q1 FY2027 from 3.1% in FY2026 at the standalone level. On a consolidated basis, RoMA was estimated at 3.9% for Q1 FY2027 (3.1% in FY2026).

The rating factors in SFL's moderate asset quality, given the modest borrower profile. The standalone asset quality indicators remained largely stable with gross and net stage 3 assets of 4.6% and 2.3%, respectively, as on June 30, 2026 (4.6% and 2.3%, respectively, as on March 31, 2026). ICRA notes that credit costs remained under control at 1.7% of AMA in Q1 FY2027 (1.4% in FY2026). While ICRA takes comfort from SFL's track record of managing credit costs through business cycles, the asset quality remains monitorable.

The Stable outlook on the rating reflects ICRA's expectation of SFL maintaining strong capitalisation and a healthy earnings profile while continuing to scale up its operations.

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[1] Rated A1/Stable by Moody's Investors Service

[2] 9.04% and 8.38% in Q1 FY2027 and FY2026, respectively, as reported by the company in its quarterly investor presentation

Key rating drivers and their description

Credit strengths

Diversified product offerings with leadership position in preowned vehicle financing segment – SFL is one of the largest retail NBFCs with AUM of about Rs. 3,13,798 crore as on June 30, 2026. It is the largest player in the preowned CV financing segment in the country with a dominant market position. The company's proven track record and well-established franchise (3,755 branches and rural centres as on June 30, 2026) result in strong customer reach and a granular retail loan book. Moreover, SFL's product offering remains diversified; it includes CV financing (47%), passenger vehicle finance (22%), loans to micro, small and medium enterprises (13%), two-wheeler (2W) finance (6%), construction equipment (4%), personal loans (4%), farm equipment (2%) and gold loans on a standalone basis. While the share of other products in the AUM will increase over the medium term, SFL is expected to maintain its competitive position in the CV segment.

Strong capitalisation profile – The equity infusion of Rs. 39,618 crore by MUFG has strengthened SFL's capitalisation profile with sufficient headroom for growth over the medium term while providing a cushion against volatility in the asset quality, given the target asset class/borrower profile. Following the equity raise, the company's managed gearing declined to 2.2 times as of June 2026. It had previously raised capital in FY2022 through the issuance of equity shares via a qualified institutional placement and a preferential issuance of shares to the promoters, aggregating Rs. 2,479 crore (net of issue expenses). Given the expected growth trajectory, the recent equity infusion and healthy internal capital generation, the capitalisation position shall remain strong with a healthy cushion in relation to the underlying risks in the target segments.

Healthy profitability – SFL has reported healthy yields and lending spreads, commensurate with the underlying credit risk of its target borrower segment. With the gearing declining on account of the capital raise and the improvement in the cost of incremental borrowings, NIMs rose further to 8.6%[3] of AMA in Q1 FY2027 (7.5% in FY2026) at the standalone level while the operating efficiency continues to improve gradually. SFL reported credit costs of 1.7% of AMA in Q1 FY2027 on a standalone basis (1.4% in FY2026). With the increase in margins, the company's RoMA improved to 3.9% in Q1 FY2027 from 3.1% in FY2026 at the standalone level. On a consolidated basis, RoMA was estimated at 3.9% for Q1 FY2027 (3.1% in FY2026). ICRA expects the overall earnings profile to be comfortable, supported by healthy margins, though keeping credit costs under control shall remain key.

Diversified funding mix – As on June 30, 2026, SFL's standalone on-balance sheet borrowings exceeded Rs. 2,32,000 crore and were fairly diversified, primarily comprising public deposits (31%), term loans (19%), external commercial borrowings (ECBs; 20%), non-convertible debentures (NCDs; 14%), and securitisation (14%). ICRA takes cognisance of the company's track record of raising retail borrowings, besides tapping funds from a diverse set of investors, which has supported its large-scale operations and borrowing programme. Further, it has limited reliance on short-term sources of funding such as commercial paper, which augurs well from a liquidity perspective. Moreover, the recent investment from MUFG is expected to gradually help improve the company's cost of funding, which has remained higher than peers, while further enhancing its liabilities franchise.

[3] *9.04% and 8.38% in Q1 FY2027 and FY2026, respectively, as reported by the company in its quarterly investor presentation*

Credit challenges

Moderate borrower profile and asset quality – SFL's target borrowers primarily comprise high-yielding segments with modest credit profiles. These borrowers generally have a limited credit history and restricted buffers to absorb income shocks. Hence, the inherent credit risk in the portfolio is high. The same has been reflected in the moderate asset quality over the years. However, the standalone asset quality indicators have improved over time and remained largely stable in the recent past with gross and net stage 3 assets of 4.6% and 2.3%, respectively, as on June 30, 2026 (4.6% and 2.3%, respectively, as on March 31, 2026; 4.6% and 2.6%, respectively, as on March 31, 2025; 5.5% and 2.7%, respectively, as on March 31, 2024). The company has a track record of managing credit costs through business cycles, which provides comfort.

Environmental and social risks

Given the service-oriented business of SFL, its direct exposure to environmental risks as well as those emanating from regulations or policy changes is not material. Nevertheless, the residual value of the security could reduce in case of policy changes, such as incremental rulings on the reduction in the operating life of CVs, thereby impacting the profitability. Further, there is increasing interest from policymakers towards identifying the exposure of financing companies to carbon emissions through their financing activities. However, this process is in an early stage and ICRA expects any adverse implications to manifest only over a longer time horizon, giving financing companies adequate time to adapt and minimise the credit implications.

Exposure to social risks is low for a financial institution like SFL. The company serves the financing needs of a relatively underserved borrower category, which supports social inclusion and economic development. ICRA notes that a large portion of SFL's portfolio qualifies for priority sector lending, which augurs well for its ability to do securitisation transactions. Moreover, the company has demonstrated its ability to tap resources from overseas markets/impact investors through social bond issuances.

Liquidity position: Strong

The company had lien-free on-balance sheet liquidity of Rs. 22,192 crore as on June 30, 2026. Its liquidity profile is further supported by the availability of unutilised funding lines of Rs. 8,200 crore. SFL has consistently maintained a high liquidity coverage ratio (263% for the quarter ended June 30, 2026; 323% for the quarter ended March 31, 2026; 287% for the quarter ended March 31, 2025), well above the regulatory requirement. As on June 30, 2026, its asset-liability maturity (ALM) profile was characterised by positive cumulative mismatches across buckets. The company's diversified funding mix, with an established track record of raising funds from various sources, also supports its liquidity profile.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Pressure on the rating could arise if there is a significant deterioration in the asset quality and profitability (RoMA below 2%) on a sustained basis. Considerable weakening in the capitalisation profile, with the managed gearing remaining above 6 times consistently, could also exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidated

About the company

Shriram Finance Limited [SFL; erstwhile Shriram Transport Finance Company Limited (STFC)], incorporated in 1979, is a part of the Shriram Group of companies and an upper layer non-banking financial company (NBFC). Based on the National Company Law Tribunal (NCLT) order dated November 14, 2022, the operations of Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited were merged with STFC, which was rechristened Shriram Finance Limited on November 30, 2022.

SFL enjoys a leadership position in preowned commercial vehicle finance and has a pan-India presence with more than 3,700 branches and other offices. As on June 30, 2026, SFL had a standalone AUM of Rs. 3.14 lakh crore comprising commercial vehicle finance (47%), passenger vehicle finance (22%), loans to micro, small and medium-sized enterprises (MSMEs; 13%), construction equipment and farm equipment finance (6%), two-wheeler loans (6%), personal loans (4%) and gold loans (2%).

Key financial indicators

Shriram Finance Limited (consolidated)	FY2025	FY2026	Q1 FY2027*
Total income	41,859	48,193	13,419
Profit after tax	9,576	10,024	3,453
Total managed assets	3,10,330	3,41,196	NA
Return on managed assets	3.3%	3.1%	3.9%$
Managed gearing (times)	4.3	3.8	2.2$
Gross stage 3 assets	4.6%	4.6%	4.6%
Capital-to-risk weighted assets ratio#	20.7%	20.4%	34.2%

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Limited review; #Standalone basis; $ Estimated numbers*
Total managed assets = Total assets + Impairment allowance + Direct assignment – Goodwill; Managed gearing includes direct assignment as debt and net worth is adjusted for goodwill

Shriram Finance Limited (standalone)	FY2025	FY2026	Q1 FY2027*
Total income	41,859	48,178	13,412
Profit after tax	9,761	9,998	3,445
Total managed assets	3,10,141	3,40,976	3,67,537
Return on managed assets	3.5%	3.1%	3.9%
Managed gearing (times)	4.3	3.8	2.2
Gross stage 3 assets	4.6%	4.6%	4.6%
Capital-to-risk weighted assets ratio	20.7%	20.4%	34.2%

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Limited review*
Total managed assets = Total assets + Impairment allowance + Direct assignment – Goodwill; Managed gearing includes direct assignment as debt and net worth is adjusted for goodwill

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	FY2027			FY2026		FY2025		FY2024	
			Sep 03, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fixed deposit programme	Long term	-	[ICRA]AAA (Stable)	Apr 09, 2026	[ICRA]AAA (Stable)	Dec 31, 2025	[ICRA]AA+; Rating Watch with Positive Implications	Jan 10, 2025	[ICRA]AA+ (Stable)	Jan 11, 2024	[ICRA]AA+ (Stable)
								Dec 20, 2024	[ICRA]AA+ (Stable)		
								May 22, 2024	[ICRA]AA+ (Stable)		
NCD programme	Long term	975.0	[ICRA]AAA (Stable)	Apr 09, 2026	[ICRA]AAA (Stable)	Dec 31, 2025	[ICRA]AA+; Rating Watch with Positive Implications	Jan 10, 2025	[ICRA]AA+ (Stable)	Jan 11, 2024	[ICRA]AA+ (Stable)
								Dec 20, 2024	[ICRA]AA+ (Stable)		
								May 22, 2024	[ICRA]AA+ (Stable)		
NCD programme	Long term	2,000.0	[ICRA]AAA (Stable)	Apr 09, 2026	[ICRA]AAA (Stable)		-				
NCD programme	Long term	5,000.0	[ICRA]AAA (Stable)								

Source: ICRA Research

Complexity level of the rated instruments

Instrument	Complexity indicator
Fixed deposit programme	Simple
NCD programme	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate/ Yield	Maturity date	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
NA	**Fixed deposit programme**	NA	NA	NA	NA	[ICRA]AAA (Stable)	RBI
INE722A07AX0*	**NCD programme**	Jul 23, 2021	8.75%	Jul 23, 2031	100.0	[ICRA]AAA (Stable)	SEBI
INE722A07AV4*	**NCD programme**	Jun 23, 2021	9.00%	Jun 23, 2031	100.0	[ICRA]AAA (Stable)	SEBI
INE722A07AQ4*	**NCD programme**	Feb 22, 2021	9.50%	Feb 21, 2031	75.0	[ICRA]AAA (Stable)	SEBI
INE722A07AP6*	**NCD programme**	Feb 22, 2021	9.25%	Feb 22, 2030	50.0	[ICRA]AAA (Stable)	SEBI
INE722A07AN1*	**NCD programme**	Feb 08, 2021	9.25%	Feb 08, 2030	10.0	[ICRA]AAA (Stable)	SEBI

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate/ Yield	Maturity date	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
INE722A07AO9*	**NCD programme**	Feb 08, 2021	9.50%	Feb 07, 2031	30.0	[ICRA]AAA (Stable)	SEBI
INE721A07SS4	**NCD programme**	Jul 09, 2026	7.80%	Sep 07, 2029	1,000.0	[ICRA]AAA (Stable)	SEBI
NA	**NCD programme (yet to be placed)**	-	-	-	1,610.0	[ICRA]AAA (Stable)	SEBI
NA	**NCD programme (yet to be placed)**	-	-	-	5,000.0	[ICRA]AAA (Stable)	SEBI

*Source: Company; *ISIN transferred from SCUF; NCD – Non-convertible debentures; NA – Not applicable*

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of FSRs other than SEBI

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership (June 30, 2026)	Consolidation approach
Shriram Finance Limited	100.00% (rated entity)	Full consolidation
Shriram Overseas Investment Limited	100.00%	Full consolidation
Shriram Automall India Limited	44.56%	Equity method
Bharath Investment Pte. Limited	81.63%*	Full consolidation (w.e.f May 09, 2025 to March 11, 2026)
Armour Insurance Services WLL	40.00%**	Equity method (w.e.f May 09, 2025 to March 11, 2026)

** Held by Shriram Overseas Investment Limited; SFL divested its entire stake in the company in Q4 FY2026*

*** Held by Bharath Investment Pte. Limited; SFL divested its entire stake in the company in Q4 FY2026*

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches