

May 09, 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, 5<sup>th</sup> Floor,  
Plot no. C/1, G- Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400 051  
NSE Symbol: SHRIRAMFIN

Dear Sir/Madam,

**Sub.: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') – International Credit Rating by Moody's Investors Service, Singapore**

This is to inform that the Moody's Ratings (Moody's) on May 8, 2026 has upgraded the Company's long-term corporate family rating (CFR) to Baa3 from Ba1 and the outlook has been changed to stable from positive. The press release dated May 8, 2026 issued by Moody's is enclosed.

The above information will also be available on the website of the Company at [www.shriramfinance.in](http://www.shriramfinance.in)

This is in compliance with Regulation 30 of the Listing Regulations and other applicable provisions of Listing 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.

**Shriram Finance Limited**

# MOODY'S RATINGS

## Rating Action: Moody's Ratings upgrades Shriram Finance's rating to Baa3 from Ba1; outlook stable

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08 May 2026

Singapore, May 08, 2026 -- Moody's Ratings (Moody's) has today upgraded Shriram Finance Limited's (SFL) long-term corporate family rating (CFR) to Baa3 from Ba1. The outlook has been changed to stable from positive.

### RATINGS RATIONALE

The rating upgrade to Baa3 reflects the material strengthening of SFL's credit profile following the completion of a strategic equity investment by MUFG Bank, Ltd. (A1/A1 stable, a3), alongside SFL's strong underlying franchise, diversified funding profile and improved financial flexibility.

In April 2026, MUFG Bank acquired a 20% stake in SFL through an equity infusion of INR 396 billion (approximately US\$4.4 billion). The investment has materially strengthened SFL's capital position and enhanced its access to domestic and international capital markets. Over time, the affiliation with MUFG Bank will help improve SFL's funding diversity, risk management and governance. The stable outlook reflects our expectation that SFL will sustain its strengthened financial profile over the next 12–18 months while maintaining prudent growth and conservative balance sheet management.

On a pro forma basis, the capital infusion has strengthened SFL's tangible common equity to tangible managed assets (TCE/TMA) ratio to approximately 29% from around 20% as of March 2026, among the highest levels for non-bank finance companies in India that we rate. We expect the company to maintain a TCE/TMA ratio above 22% over the next 3-4 years after considering expected credit growth.

We expect SFL's profitability to improve, supported by lower funding costs as the company refinances maturing debt at more favorable rates, leveraging its stronger credit profile and MUFG Bank's global funding access. In the near term, the excess liquidity from the capital infusion will also allow SFL to repay a portion of its maturing debt, reducing interest expense. That said, inflationary pressures due to elevated crude oil prices amid the ongoing Middle East conflict could moderate the pace of funding cost reduction.

Like global peers, the company largely relies on wholesale sources for its funding needs, rendering its credit profile susceptible to refinancing risk. SFL has diversified its funding sources by securing bank loans, accessing both domestic and international capital markets, and increased its share of granular retail deposits in its funding mix.

SFL's asset quality has improved, with its problem loan ratio declining to 4.6% as of March 2026, from 6.2% as of March 2023. Despite these strengths, lending to subprime borrowers remains a key vulnerability, and asset risk will continue to be influenced by economic conditions and borrower repayment capacity. We expect asset quality to weaken over the next 12–18 months from cyclically low levels, particularly in the MSME segment affected by supply chain disruptions, and in the commercial vehicle segment if fuel prices increase materially.

This rating action assumes a baseline scenario of a contained impact on energy markets and limited damage to production or infrastructure. Nevertheless, we recognize that SFL's credit profile may be susceptible to a more adverse scenario in the Middle East conflict, reflecting its activity in a sector exposed to the macro financial risks, which could lead to a more consequential impact on creditworthiness.

## FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATING

The ratings could be upgraded if we were to revise our assessment of affiliate support from MUFG Bank to SFL in the event of financial stress to moderate from current low level of support. This could be driven by SFL assuming greater importance within the MUFG Group, including a sustained increase in its contribution to consolidated earnings, more explicit and documented support mechanisms such as committed funding lines or increased operational and brand integration.

Absent a change in our assessment of affiliate support, given that SFL's rating is aligned with India's sovereign rating, it is unlikely that the ratings would be considered for an upgrade.

We could downgrade the rating if its asset quality deteriorates significantly amid a worsening operating environment, resulting in materially lower profitability and capitalization. Specifically, a sustained increase in its net charge-offs to above 2.5% of its average gross loans which hurts its profitability, bringing net income to average managed assets to below 2.5%, could result in a rating downgrade.

Additionally, we could downgrade the rating if the TCE/TMA ratio declines to below 21% without clear visibility on a capital raising plan or if the company's access to funding weakens.

The principal methodology used in this rating was Finance Companies published in July 2024 and available at <https://ratings.moody.com/rmc-documents/425167>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

Shriram Finance's Baa3 rating is two notches above the scorecard-indicated outcome of Ba2. This uplift reflects the company's strong franchise and scale in Indian retail finance, conservative risk management practices, and the material strengthening of its financial flexibility and capitalization following MUFG Bank's strategic investment.

Shriram Finance Limited is headquartered in Mumbai and reported consolidated assets of INR 3.0 trillion (US \$31.7 billion) as of 31 March 2026.

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody.com/rating-definitions>.

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For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

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