SHRIRAM Finance

April 14, 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, Bandra (East),
Mumbai – 400 051.
NSE Symbol: SHRIRAMFIN

Dear Sirs,

Sub.: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') – Upgrade in Credit Rating by Fitch Ratings

This is to inform that Fitch Ratings has upgraded the Company's Long-Term Foreign and Local Currency Issuer Default Ratings ('IDR') to BBB- with Stable outlook and Short-Term IDR to F3 and has removed the ratings from Rating Watch Positive (RWP) vide its publication dated April 14, 2026.

The Fitch Ratings actions are as follows:

Particulars	**Prior Rating**	**Upgraded Rating**
Long-Term Foreign IDR	BB+ Rating Watch Positive	BBB-/Stable
Short-Term IDR	B Rating Watch Positive	F3
Local Currency Long-Term IDR	BB+ Rating Watch Positive	BBB-/Stable
Senior Secured Long-Term	BB+ Rating Watch Positive	BBB-

Published Rating dated April 14, 2026 is enclosed.

The above information will also be available on the website of the Company at 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.

FitchRatings

14 APR 2026

Fitch Upgrades Shriram Finance to 'BBB-'; Off Ratings Watch Positive; Outlook Stable

Fitch Ratings - Singapore/Mumbai - 14 Apr 2026: Fitch Ratings has upgraded India-based Shriram Finance Limited's (SFL) Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) to 'BBB-' from 'BB+'. Fitch has also upgraded the senior secured rating to 'BBB-' from 'BB+' and the Short-Term IDR to 'F3' from 'B'. At the same time, Fitch has removed the ratings from Rating Watch Positive (RWP). The Outlook on the Long-Term IDRs is Stable.

The ratings were placed on RWP in January 2026 following Mitsubishi UFJ Financial Group, Inc.'s (MUFG, A-/Stable) agreement to acquire a 20% stake in SFL through its core bank, MUFG Bank, Ltd. (A/Stable). The resolution of the RWP and the ratings upgrade follow completion of the transaction after receipt of necessary regulatory approvals.

SFL's credit profile benefits from a one-notch uplift from its Standalone Credit Profile (SCP), reflecting the strategic investment from a stronger long-term shareholder, in line with Fitch's Non-Bank Financial Institutions (NBFI) Rating Criteria.

Key Rating Drivers

Notched Up from the SCP: SFL's SCP anchors its Long-Term IDRs, as the finance company retains primary control over its strategy and operations. However, Fitch rates SFL one notch above the SCP to reflect improved prospects of external support from MUFG in times of need.

MUFG's consolidated credit profile is significantly stronger than that of SFL and Fitch believes the Japanese financial group's investment is strategic and long-term. Fitch expects mutually beneficial product development opportunities due to synergies from the partnership, and some governance alignment with MUFG.

Strategic Alignment: MUFG views India as a strategic market, supported by the country's favourable long-term growth outlook. Fitch believes SFL is one of MUFG's key growth vehicles in India, given SFL's established local franchise in the fast-growing SME and retail lending segments. We expect MUFG's strategic coordination with SFL and shareholder oversight to be structured through MUFG's right to nominate two board directors and place six of its employees with SFL.

MUFG has identified several potential benefits from the partnership, including product development opportunities for SFL, by tapping lower-cost funds to finance lower-risk vehicles, and supporting MUFG's customer ecosystem in India. SFL would also benefit from MUFG's inputs in the use of technology in operations and customer engagement. That said, Fitch expects such outcomes to emerge only over time.

Pre-Emptive Shareholder Rights: MUFG's 20.0% stake is just below SFL's promoter's 20.3% shareholding. MUFG has pre-emptive rights to subscribe to any future SFL share issuance on a pro rata basis and is restricted from making any significant investment of 20% or more in other Indian non-bank finance companies with similar business lines. This reinforces SFL's position as MUFG's key investment and strategic partner in its business niche. India's regulations allow foreign shareholders to fully own non-bank financing entities.

SCP Among Industry's Strongest: SFL's SCP is among the strongest of rated Indian non-bank financial institutions, owing to its established franchise in used commercial-vehicle financing, seasoned management, diverse funding profile, improved asset quality performance and consistent profitability.

Increased Equity Base: MUFG's INR396 billion (USD4.4 billion) equity injection has broadened SFL's capital base, with pro forma end-December 2025 debt/tangible equity falling to 2.5x, from 4.2x pre-infusion. This provides headroom for growth and technology investment. SFL anticipates loan growth to pick up from cross-selling new vehicle loans to existing borrowers, but Fitch does not expect large shifts in the loan mix. Fitch projects leverage to gradually rise as the company expands, but to remain commensurate with the current rating.

Enhancement in Funding Access: We expect the strategic tie-up to enhance SFL's capital and funding market access over time, given MUFG's reputation as a supportive long-term shareholder globally. SFL expects its cost of funding to ease, which should allow the company to cross-sell lower-yielding, less-risky new vehicle loans and support its risk-adjusted net interest margin and profitability. We expect MUFG to continue providing debt funding facilities to SFL on commercial terms.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/ Downgrade

SFL's ratings remain linked to its SCP. The ratings could be downgraded if the operating environment weakens materially, asset quality and profitability decline significantly, funding becomes tighter or more concentrated, or liquidity deteriorates. Leverage persistently above 5x or significant risk-taking, such as aggressive expansion in riskier segments relative to peers, may also lead to negative rating action.

Negative rating action on MUFG, denoting a weakening ability to provide support, or signs of a lower propensity from MUFG to support SFL - such as a planned reduction in ownership, or the absence of ordinary capital or liquidity support when required - could cause Fitch to remove the upward notching on SFL's SCP, which could result in an IDR downgrade.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Fitch may raise the SCP upon a significant improvement in the operating environment along with a stronger business and risk profile, such that the impaired loan ratio and credit costs are significantly lower while maintaining adequate profitability, stable capitalisation and a well-balanced funding and liquidity profile.

A significant increase in MUFG's ownership in SFL, especially if combined with a rise in SFL's long-term strategic significance for MUFG and closer integration, could lead to an IDR upgrade via strengthening support assumptions.

DEBT AND OTHER INSTRUMENT RATINGS: KEY RATING DRIVERS

The ratings on SFL's US dollar medium-term note (MTN) programme and foreign-currency senior secured debt are at the same level as its Long-Term Foreign-Currency IDR, in line with Fitch's rating criteria.

Indian NBFI borrowings are typically secured, and Fitch believes that non-payment of their senior secured debt would best reflect an uncured failure of the entity. NBFIs can issue unsecured debt in overseas markets, but such debt is likely to constitute a small portion of their funding and thus cannot be viewed as their primary financial obligation.

DEBT AND OTHER INSTRUMENT RATINGS: RATING SENSITIVITIES

Any change in the Long-Term Foreign-Currency IDR would lead to a corresponding change in the ratings of the MTN programme and foreign-currency senior secured debt.

ADJUSTMENTS

The sector risk operating environment score has been assigned above the implied score for the following adjustment reasons: size and structure of economy (positive) and economic performance (positive).

The asset quality score has been assigned above the implied score for the following adjustment reasons: loan charge-offs, depreciation or impairment policy (positive).

The funding, liquidity and coverage score has been assigned above the implied score for the following adjustment reasons: funding flexibility (positive) and cash flow-generative business model (positive).

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

Public Ratings with Credit Linkage to other ratings

SFL's ratings are linked to MUFG's rating.

ESG Considerations

SFL has an ESG Relevance Score of '3' for Customer Welfare, compared with the standard score of '2' for the finance and leasing sector. This reflects its retail-focused operation, which exposes it to risks around fair-lending, pricing-transparency, repossession, foreclosure and collection practices. Aggressive practices in these areas may subject the company to legal, regulatory and reputational risk that may have a negative effect on its credit profile. The relevance score of '3' for this factor reflects Fitch's view that these risks are adequately managed and have a low impact on SFL's credit profile.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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Rating Actions

ENTITY/DEBT	RATING			RECOVERY	PRIOR
Shriram Finance Limited	LT IDR	BBB-	Upgrade		BB+
	ST IDR	F3	Upgrade		B
	LC LT IDR	BBB-	Upgrade		BB+
• senior secured	LT	BBB-	Upgrade		BB+

RATINGS KEY	OUTLOOK	WATCH
POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

Country-Specific Treatment of Recovery Ratings Criteria (pub.20 Feb 2026)

Financial Institutions Climate Vulnerability Rating Criteria (pub.08 Dec 2025)

Non-Bank Financial Institutions Rating Criteria (pub.31 Jan 2025) (including rating assumption sensitivity)

Additional Disclosures

Solicitation Status

Endorsement Status

Shriram Finance Limited EU Endorsed, UK Endorsed

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