

January 15, 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 Sir/Madam,

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 S&P Global Ratings

This is to inform about upgrade in the Company’s Rating and senior secured debt by S&P Global Ratings to “BBB-/ Stable/A-3” from “BB+/Stable/B” vide its publication dated January 15, 2026.

The S&P Global Ratings actions are as follows:

| Particulars | Prior Rating | Upgraded Rating |
|---------------------------------|--------------|-----------------|
| Long-term Issuer Credit Rating | BB+ / Stable | BBB- / Stable |
| Short-term Issuer Credit Rating | B | A-3 |
| Senior Secured Debt | BB+ | BBB- |

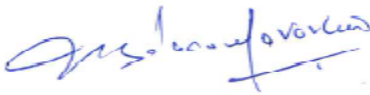
Published Rating dated January 15, 2026 is enclosed.

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

Shriram Finance Limited

Research Update:

Shriram Finance Rating Raised To 'BBB-/A-3' On MUFG Investment; Outlook Stable

January 15, 2026

Overview

- Shriram Finance Ltd.'s credit profile will likely benefit significantly from a US\$4.4 billion (Indian rupee [INR] 396 billion) investment from MUFG Bank Ltd. for a 20% equity stake. The amount provides a substantial growth capital over the next three to four years.
- Shriram Finance's robust capitalization--as a result of the investment--will help mitigate the risks inherent in its business model, which focuses on serving low-income, underbanked customers in semiurban and rural India.
- We raised our long-term issuer credit rating on Shriram Finance to 'BBB-' from 'BB+' and our short-term rating to 'A-3' from 'B'. The outlook on the long-term rating is stable. We also raised our issue rating on the company's senior secured debt to 'BBB-' from 'BB+'.
- The outlook reflects our expectation that the company will benefit from its robust capitalization and strong market position in vehicle financing.

Primary Contact

Shinoy Varghese
Singapore
65-6597-6247
shinoy.varghese1
@spglobal.com

Secondary Contact

Deepali V Seth Chhabria
Mumbai
912261373187
deepali.seth
@spglobal.com

Rating Action

On Jan. 15, 2026, S&P Global Ratings raised its long-term issuer credit rating on Shriram Finance Ltd. to 'BBB-' from 'BB+'. The outlook is stable.

At the same time, we raised our short-term issuer credit rating on the India-based finance company to 'A-3' from 'B'.

We also raised our issue rating on the company's senior secured debt to 'BBB-' from 'BB+'.

Rationale

We upgraded Shriram Finance on the expectation of stronger capitalization. The US\$4.4 billion capital infusion from MUFG Bank (A/Stable/A-1) will primarily drive this strengthening.

MUFG Bank's investment will result in a 20% stake in the Shriram Finance following a preferential issuance of equity shares.

Shriram Finance Rating Raised To 'BBB-/A-3' On MUFG Investment; Outlook Stable

The company's risk-adjusted capital (RAC) ratio will likely exceed 20% over our forecast horizon of fiscal years 2027 and 2028. This compares with our earlier expectation of 13.75%-14.75% for the period. This investment will result in a post-dilution shareholding of about 20.3% for the current promoter, down from 25.4% as of September 2025.

The transaction has been approved by shareholders and is now subject to regulatory clearance, which we expect to be favorable particularly given the positive impact this could have on the financial stability of the overall banking system and MUFG's long presence in India.

In our view, this transaction will provide Shriram Finance substantial growth capital for the next three to four years. We believe the company will have high growth, with our expectation of loan growth remaining unchanged at 18%-20% per year over the next two years. We expect Shriram Finance's Tier-1 capital ratio to be 33%-34% after the transaction, compared with about 19.98% as of end-September 2025.

We anticipate a gradual improvement in Shriram Finance's net interest margins (NIM) and return on assets (ROA) over the next two years. We expect its ROA to rise to about 3.3% from 3.05%, and NIM to improve to 8.5% from 8.3%. These improvements will primarily be driven by cost benefits stemming from access to cheaper borrowings facilitated by the association with MUFG Bank.

However, if Shriram Finance passes some of these benefits to customers to enhance retention, particularly in the new-vehicle segment, it would somewhat offset the improvements. We do not expect any changes to the current dividend policy.

We believe Shriram Finance's business strategy is likely to remain largely unchanged after the onboarding of MUFG Bank. The bank will be classified as a noncontrolling minority stakeholder in Shriram Finance. MUFG will also have the right to appoint two nominee directors on the board of Shriram Finance.

In our view, synergistic benefits from this transaction will mainly be in the form of enhanced capital market access, such as Samurai bonds, cheaper cost liabilities, treasury solutions, compliance and digital initiatives.

We anticipate no material change to Shriram Finance's risk appetite or portfolio mix. The company's loan portfolio will likely remain largely dominated by commercial and passenger vehicle financing over the next two years. The potential reduction in funding costs could, however, enable Shriram Finance to expand its customer base and enhance customer retention through more competitive pricing. Asset quality will likely remain consistent with Shriram Finance's current business model. We forecast credit costs to remain at about 2%, reflecting the business model over the next two years.

Ongoing support from MUFG will likely be mainly in the form of access to cheaper funding rather than direct funding lines. We expect these benefits to only accrue gradually, leveraging the association with MUFG Bank and a stronger balance sheet. We project the cost of borrowing to fall 10-30 basis points over the next two years.

The lack of a stronger parentage has been a limiting factor for Shriram Finance's funding profile. Shriram Finance has been borrowing at a higher cost than its peers such as Bajaj Finance Ltd. and Tata Capital Ltd.

Our ratings on Shriram Finance do not incorporate any potential uplift from extraordinary support from MUFG. This is primarily due to MUFG Bank's noncontrolling minority stake and our expectation of the bank playing a largely passive role in the company's business strategy. Furthermore, we do not anticipate any significant reputational linkages, such as brand sharing.

Shriram Finance Rating Raised To 'BBB-/A-3' On MUFG Investment; Outlook Stable

MUFG will pay US\$200 million to Shriram Ownership Trust as a one-time fee in exchange for noncompete and nonsolicitation obligations by the promoter group.

Outlook

The stable rating outlook reflects our expectation that Shriram Finance will benefit from its robust capitalization and strong market position in vehicle financing. We also anticipate gradual funding benefits from its association with MUFG Bank over the next two years.

Downside scenario

We could lower our ratings on Shriram Finance if its asset quality deteriorates significantly, which could curtail access to funds and strain liquidity.

We could also lower the ratings if Shriram Finance does not receive the planned capital infusion or is unable to maintain its robust capitalization over the next two years.

Upside scenario

We could upgrade Shriram Finance if the company demonstrates a sustained improvement in its funding profile, such as getting preferential access to funds at competitive cost, due to its relationship with MUFG Bank.

An upgrade could also be considered if Shriram Finance's strategic alignment to MUFG strengthens, potentially through controlling stake acquisition or greater management influence.

Rating Component Scores

Rating Component Scores

| | |
|---|----------------------------|
| Issuer Credit Rating | BBB-/Stable/A-3 |
| SACP | bbb- |
| Anchor | bb+ |
| Business position | Strong (1) |
| Capital and earnings | Very Strong (2) |
| Risk position | Moderate (-1) |
| Funding and liquidity | Moderate and Adequate (-1) |
| Comparable ratings analysis | 0 |
| Support | 0 |
| ALAC support | 0 |
| GRE support | 0 |
| Group support | 0 |
| Sovereign support | 0 |
| Additional factors | 0 |
| SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. | |

Related Criteria

Shriram Finance Rating Raised To 'BBB-/A-3' On MUFG Investment; Outlook Stable

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Ratings List

| Ratings List | | |
|---|-----------------|--------------|
| Upgraded | | |
| | To | From |
| Shriram Finance Ltd. | | |
| Issuer Credit Rating | BBB-/Stable/A-3 | BB+/Stable/B |
| Senior Secured | BBB- | BB+ |

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2026 Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.