

January 21, 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 placed the Company's Long-Term Foreign and Local Currency Issuer Default Ratings ('IDR'), Short -Term IDR, medium-term note programme and debt ratings on Rating Watch Positive vide its publication dated January 21, 2026.

The Fitch Ratings actions are as follows:

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

Published Rating dated January 21, 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

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Email: secretarial@shriramfinance.in | Website: www.shriramfinance.in | Corporate Identity Number (CIN) — L65191TN1979PLC007874

RATING ACTION COMMENTARY

Fitch Places Shriram Finance's 'BB+' Ratings on Rating Watch Positive

Wed 21 Jan, 2026 - 5:38 AM ET

Fitch Ratings - Singapore/Mumbai - 21 Jan 2026: Fitch Ratings has placed India-based Shriram Finance Limited's (SFL) Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) of 'BB+' and Short-Term IDR of 'B' on Rating Watch Positive (RWP). The company's medium-term note programme and debt ratings have also been placed on RWP.

The RWP follows an agreement under which MUFG Bank, Ltd. (A/Stable), a subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG, A-/Stable), will acquire a 20% stake in SFL. Fitch believes SFL's rating could benefit from a one-notch uplift to its Standalone Credit Profile (SCP), reflecting the strategic investment from a stronger long-term shareholder, in line with Fitch's criteria.

Fitch expects to resolve the RWP once the transaction is completed, which SFL expects to occur in 2026, subject to regulatory approvals and other closing conditions. The rating could stay at its present level or be upgraded upon the resolution of the RWP.

KEY RATING DRIVERS

Potential Upward Notching from SCP: SFL's SCP will continue to anchor its rating after the transaction completes, as the finance company will retain primary control over its strategy and operation. However, Fitch expects to rate SFL one notch above its 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 SFL to generally align with MUFG's strategic priorities and governance standards and benefit from modest funding support from MUFG.

Strategic Alignment: The transaction will provide MUFG with the right to nominate two board directors and second six employees to SFL, supporting strategic coordination and shareholder oversight. SFL may benefit from MUFG's inputs in improving the use of



technology in operations and customer engagement. However, Fitch expects such outcomes to emerge only over time.

Pre-Emptive Shareholder Rights: MUFG's 20.0% stake will be just below SFL's promoter's 20.3% post-dilution shareholding. MUFG will receive pre-emptive rights to subscribe to any future SFL share issuance on a pro rata basis and will be 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. MUFG can increase its SFL shareholding further if both parties agree, as 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 to Support Business: MUFG's INR396 billion (USD4.4 billion) equity injection will broaden SFL's capital base, with pro-forma debt/tangible equity falling to 2.5x, from 4.0x pre-infusion at end-September 2025. This will provide headroom for growth and technology investment. Management 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.

Funding Access May Improve: MUFG has extended debt funding facilities to SFL and Fitch expects this to continue. The strategic tie-up could also enhance SFL's capital and funding market access over time, given MUFG's reputation as a supportive long-term shareholder globally. Management expects the cost of funding to ease, which should support the net interest margin and allow the company to cross-sell lower-yielding and less-risky new vehicle loans.

RATING SENSITIVITIES

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

The ratings could be downgraded if the operating environment weakens materially, asset quality and profitability significantly decline, 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 weigh on the rating.

The rating would be removed from RWP and placed on Stable Outlook if the transaction is no longer expected to complete.

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

Fitch expects to resolve the RWP and apply a one-notch uplift to SFL's rating from its SCP once the transaction is completed.

Fitch may lift 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.

DEBT AND OTHER INSTRUMENT RATINGS: KEY RATING DRIVERS

The ratings on SFL's US-dollar medium-term note 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 non-bank financial institution borrowings are typically secured and Fitch believes non-payment of senior secured debt best reflects an uncured failure of the entity. These institutions can issue unsecured debt in overseas markets, but such debt is likely to constitute a small portion of total funding and thus cannot be viewed as a 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 medium-term note 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.

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 negatively affect 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

RATING ACTIONS

| ENTITY / DEBT ♦ | RATING ♦ | | PRIOR ♦ |
|-------------------------|-----------|--|---------------------------------|
| Shriram Finance Limited | LT IDR | BB+ Rating Watch Positive Rating Watch On | BB+ Rating Outlook Stable |
| | ST IDR | B Rating Watch Positive Rating Watch On | B |
| | LC LT IDR | BB+ Rating Watch Positive Rating Watch On | BB+ Rating Outlook Stable |

senior secured

LT BB+ Rating Watch Positive

BB+

Rating Watch On

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Country-Specific Treatment of Recovery Ratings Criteria \(pub. 04 Mar 2023\)](#)

[Non-Bank Financial Institutions Rating Criteria \(pub. 01 Feb 2025\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

[Solicitation Status](#)

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ENDORSEMENT STATUS

Shriram Finance Limited

EU Endorsed, UK Endorsed

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