

5 August 2025

<b>THE MANAGER, BSE LIMITED DCS - CRD PHIROZE JEEJEEBHOY TOWERS DALAL STREET, MUMBAI - 400 001</b>	<b>THE MANAGER, LISTING DEPARTMENT NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, C-1. BLOCK G, BANDRA - KURLA COMPLEX, BANDRA (EAST) MUMBAI - 400 051</b>
<b>SCRIP CODE: 500034</b>	<b>SCRIP CODE: BAJFINANCE - EQ</b>

Dear Sir/Madam,

**Sub.: Intimation under Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')**

Pursuant to Regulation 30 read with Para A(3) of Part A of Schedule III of the SEBI Listing Regulations, we wish to inform that Moody's Ratings vide their press release dated 4 August 2025, has assigned the Company a new rating 'Baa3 Corporate family rating (CFR)' with outlook as 'Stable'.

Simultaneously, the Moody's Ratings has withdrawn its existing rating assigned to the Company, i.e., Baa3(Stable outlook)/P-3 long-term and short-term foreign and local currency issuer ratings, for Moody's own business reasons.

The press release issued by Moody's Rating dated 4 August 2025 is enclosed.

Thanking you,  
For **Bajaj Finance Limited**

**R. Vijay**  
**Company Secretary**  
Email ID: [investor.service@bajajfinserv.in](mailto:investor.service@bajajfinserv.in)  
Cc: Catalyst Trustee Ltd. (Debenture Trustee, Pune)  
Encl.: As above

**BAJAJ FINANCE LIMITED**

<https://www.aboutbajajfinserv.com/finance-about-us>

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## **Rating Action: Moody's Ratings assigns Baa3 Corporate Family Rating to Bajaj Finance; Outlook Stable**

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04 Aug 2025

Singapore, August 04, 2025 -- Moody's Ratings (Moody's) has today assigned a Baa3 Corporate Family Rating (CFR) to Bajaj Finance Limited (BFL). The outlook remains stable.

At the same time, we have withdrawn the Baa3/P-3 long-term and short-term foreign and local currency issuer ratings for Moody's own business reasons.

### **RATINGS RATIONALE**

BFL's Baa3 CFR with a stable outlook reflects its strong and entrenched franchise as the largest retail-oriented non-bank finance company (NBFC) in India with a sizable customer base and distribution network; its diversified loan book, which supports its high risk-adjusted profitability, its strong capitalization and competitive funding costs. These strengths are counterbalanced by the company's focus on riskier unsecured consumer and small business loans, which are susceptible to higher credit costs during economic duress, and its reliance on wholesale funding.

We expect BFL to continue gaining market share and further augmenting its already-sizable franchise with consolidated assets under management of INR4.4 trillion (about US\$50 billion) as of June 2025.

BFL's profitability is one of the highest amongst our rated Indians NBFCs because of its presence in high-yielding segments, competitive borrowing costs, and strong economies of scale. We expect BFL's profitability to benefit from a reduction in cost of funding because of policy rate cuts feeding through its borrowing rates. The Reserve Bank of India (RBI) reduced its policy rate by 100 basis points starting from February 2025. However, credit cost should remain elevated. BFL's return on average assets moderated to 4% in fiscal year ended March 2025 from 4.4% last year due to net interest margin and credit cost pressures.

We expect the company to maintain one of the lowest stage 3 loans in the industry, which stood at 1% of total loans as of end June 2025 with overall provision coverage of 165%. BFL is experiencing higher delinquencies in some unsecured lending categories and small business loans mainly driven by the overleveraging of some customers. It is also winding down its 2 & 3-wheeler business and taking charge-offs in this process.

BFL's capitalization is a key credit strength. Its tangible common equity (TCE) to tangible managed assets (TMA) ratio was strong at 20.4% as of March 2025. Its capital will remain broadly stable over the next 12-24 months, underpinned by its healthy internal accrual.

Like its industry peers, BFL relies on wholesale sources for its funding needs to a large extent. The company is one of India's few deposit-taking NBFCs, which offers it added flexibility in its funding options. The company's cost of funds is among the lowest compared with all privately owned Indian NBFCs, with its access to a diversified bank, insurance companies, asset managers and other funding sources.

We have decided to withdraw the rating(s) for our own business reasons. Please refer to Moody's Ratings' Withdrawal of Credit Ratings Policy, available on our website, <https://ratings.moodys.com>, for more information.

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

#### **WHAT COULD MOVE THE RATINGS UP**

An upgrade of BFL's ratings is unlikely because they are already in line with India's Baa3 sovereign rating.

## WHAT COULD MOVE THE RATINGS DOWN

We could downgrade the ratings if the company's asset quality or capitalization deteriorates, such that its TCE/TMA declines below 17% without clear visibility on a capital raising plan, or its access to funding worsens.

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

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

Bajaj Finance Limited is headquartered in Pune and reported consolidated assets of INR4.7 trillion as of March 2025.

## 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.moodys.com/rating-definitions>.

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